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OPEN MEETING COVER SHEET COMMISSIONER MEMORANDUM

MEETING DATE: October 24, 2024

DATE DELIVERED: October 23, 2024

AGENDA ITEM NO.: 19

CAPTION: Docket No. 55361; SOAH Docket No. 473-24-07156 – Application of CenterPoint Energy Houston Electric, LLC to Adjust Its System-Wide Reliability Standards

DESCRIPTION: Chairman Thomas Gleeson Memorandum

Public Utility Commission of Texas

Commissioner Memorandum

TO: Commissioner Lori Cobos
Commissioner Jimmy Glotfelty
Commissioner Kathleen Jackson
Commissioner Courtney K. Hjaltman

FROM: Chairman Thomas J. Gleeson *TJG*

DATE: October 23, 2024

RE: October 24, 2024 Open Meeting – Item No. 19
Docket No. 55361 – *Application of CenterPoint Energy Houston Electric, LLC to Adjust its System-wide Reliability Standards*

Before the Commission is a proposed order recommending approval of an agreement between CenterPoint Energy Houston Electric, LLC, Gulf Coast Coalition of Cities, City of Houston, and Commission Staff. The proposed order would adjust CenterPoint’s system-average interruption duration index (SAIDI) and system-average interruption frequency index (SAIFI) to 140.82000 and 1.24000 respectively, effective January 1, 2024.

The proposed order would also categorize interruptions of five minutes or less as *momentary interruptions*, and interruptions of greater than five minutes as *sustained interruptions* for purposes of recording momentary interruptions and sustained interruptions under 16 Texas Administrative Code (TAC) § 25.52(d) and for reporting its system-wide SAIFI and SAIDI performance under 16 TAC § 25.52(g).

I would reject the agreement.

CenterPoint seeks to change its interpretations of *momentary interruptions* and *sustained interruptions*, as defined terms in 16 TAC § 25.52(c)(5)–(6), for the purposes of *recording* these interruptions pursuant to 16 TAC § 25.52(d). CenterPoint would interpret *momentary interruptions* as interruptions of five minutes or less and *sustained interruptions* as interruptions greater than five minutes for the purposes of recording interruptions and keeping records of interruptions for five years.¹

Furthermore, CenterPoint would still use the one-minute threshold—as currently practiced by CenterPoint—to differentiate between momentary and sustained interruptions for a separate annual report for the next seven years, beginning with the 2024 reporting year. CenterPoint would continue to report its systemwide SAIFI and SAIDI performance with interruptions of one minute or less categorized as *momentary interruptions*, and interruptions greater than one minute as *sustained interruptions* for compliance with 16 TAC § 25.52(g) *reporting* requirements. This separate report is in addition to CenterPoint’s requested changes to its recordkeeping

¹ Agreement at 2 (June 11, 2024).

requirements.² The one-minute threshold would be used for this separate reporting requirement for the next seven years only.³ After seven years, CenterPoint would switch to using the five-minute threshold for compliance with 16 TAC § 25.52(g) for reporting requirements .

However, CenterPoint's new Oracle system is more precise because it supports the rounding of outage durations to the nearest second and improves timestamp accuracy. The improved accuracy allows CenterPoint to be more precise in calculating SAIDI and SAIFI metrics.⁴ CenterPoint's previous mainframe system required outage timestamps to be rounded to the nearest minute when calculating the duration of an event. This led to outages that were under one minute being misclassified as a *sustained interruption*, resulting in inaccurate data and impacted SAIFI calculations.⁵

But the precision of CenterPoint's new Oracle system is at odds with their request to increase the threshold timeframe measurement. The Oracle system's timestamp accuracy alleviates the issue of outages being rounded to the nearest minute being classified as *sustained interruptions*. It is incongruous for CenterPoint to also request to a change from using a one-minute threshold to a five-minute threshold for the purposes of recordkeeping and reporting requirements when the improved technology has already addressed the issue. To the extent the Commission's definitions should be revised, it is appropriate to do so in a rulemaking proceeding.

Therefore, I recommend the agreement between CenterPoint and Commission Staff should be rejected and CenterPoint's application should be denied.

I look forward to discussing this matter with you at the open meeting.

² *Id.*

³ *Id.*

⁴ Direct Testimony of Hong Ablack in Support of the Agreement on behalf of CenterPoint at 3 (June 11, 2024).

⁵ *Id.*