



## **Filing Receipt**

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**Item Number - 203**

**SOAH DOCKET NO. 473-25-11558  
PUC DOCKET NO. 57579**

<b>APPLICATION OF CENTERPOINT</b>	<b>§</b>	<b>BEFORE THE STATE OFFICE</b>
<b>ENERGY HOUSTON ELECTRIC, LLC</b>	<b>§</b>	
<b>FOR APPROVAL OF ITS 2026-2028</b>	<b>§</b>	<b>OF</b>
<b>TRANSMISSION AND DISTRIBUTION</b>	<b>§</b>	
<b>SYSTEM RESILIENCY PLAN</b>	<b>§</b>	<b>ADMINISTRATIVE HEARINGS</b>

**OFFICE OF PUBLIC UTILITY COUNSEL’S  
RESPONSE TO CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC’S  
SECOND REQUEST FOR INFORMATION**

The Office of Public Utility Counsel (“OPUC”) submits this response to CenterPoint Energy Houston, LLC’s (“CEHE”) Second Request for Information that was received on April 15, 2025. Pursuant to State Office of Administrative Hearings Order No. 2, OPUC’s response is timely filed within eight working days of receipt of CEHE’s discovery request. OPUC stipulates that all parties may treat this response as if it were filed under oath.

Date: April 25, 2025

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**OPUC's Response to CenterPoint Energy Houston Electric, LLC's**  
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**CEHE OPUC 2-1.** Refer to the direct testimony of Ronald Keen at page 24, lines 1-4. Mr. Keen testifies that “there is a need for those who contribute to the decision to know the facts behind those decisions . . . .” Please state whether it is Mr. Keen’s position that he, as an outside consultant to the Office of Public Utility Counsel, must be among those entitled to know such facts before the Company’s application can meet the level of transparency required for the Public Utility Commission of Texas to properly approve the Company’s system resiliency plan.

**RESPONSE:** No, that is not his position.

Prepared by: Ronald L. Keen

Sponsored by: Counsel

**CEHE OPUC 2-2.** Refer to the direct testimony of Ronald Keen at page 22, lines 13-17. Is it Mr. Keen’s expert opinion that the Public Utility Commission of Texas, if provided with details of the Company’s cybersecurity resiliency measures, lacks the resources and expertise “to determine if the SRP is foundationally solid with a comprehensive baseline of all known threats, vulnerabilities, deficiencies, and measures which are sufficient to correct them?”

**RESPONSE:** Mr. Keen has not implied or inferred any opinion regarding the PUC in his direct testimony on page 22, lines 13-17. Only the PUC can ascertain if it possesses the resources and expertise to establish whether the SRP is, based on the testimony offered by all parties, foundationally solid with a comprehensive baseline of all known threats, vulnerabilities, deficiencies, and measures which are sufficient to correct them.

Prepared by: Ronald L. Keen

Sponsored by: Counsel

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**CEHE OPUC 2-3.** In connection with preparing, and prior to filing, his direct testimony, did Mr. Keen review Public Utility Regulatory Act § 39.1516 (Cybersecurity Monitor)?

**RESPONSE:** Yes.

Prepared by: Ronald L. Keen

Sponsored by: Counsel

**CEHE OPUC 2-4.** In connection with preparing, and prior to filing, his direct testimony, did Mr. Keen review P.U.C. Subst. R. § 25.367 (Cybersecurity Monitor)?

**RESPONSE:** Yes.

Prepared by: Ronald L. Keen

Sponsored by: Counsel

**CEHE OPUC 2-5.** Did Mr. Keen and/or PMG Consulting apply for selection by the Public Utility Commission to act as the Commission's cybersecurity monitor?

**RESPONSE:** No.

Prepared by: Ronald L. Keen

Sponsored by: Counsel

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**CEHE OPUC 2-6.** Refer to the direct testimony of John Haselden at page 6, line 14, at which Mr. Haselden testifies, "A robust BCA is necessary to ensure expenditures will provide net benefits to customers." Please provide a copy of the benefit/cost analysis (BCA) prepared by Mr. Haselden for each resiliency measure in the Company's system resiliency plan for which Mr. Haselden prepared a BCA.

**RESPONSE:** Mr. Haselden did not prepare a BCA for the resiliency measures in the Company's SRP.

Prepared by: John E. Haselden

Sponsored by: Counsel

**CEHE OPUC 2-7.** Refer to the direct testimony of John Haselden at page 6, line 14, at which Mr. Haselden testifies, "A robust BCA is necessary to ensure expenditures will provide net benefits to customers." Please identify each proceeding listed in Attachment B to Mr. Haselden's direct testimony in which Mr. Haselden prepared a BCA.

**RESPONSE:** Mr. Haselden either prepared or reviewed BCAs in Indiana Cause Nos. 46069, 46090, 45919, 45576, 45803, 45387, 45370, 45285, 45245, 45086 and 43960. See answer to CEHE-OPUC 2-8.

Prepared by: John E. Haselden

Sponsored by: Counsel

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**CEHE OPUC 2-8.** Refer to the direct testimony of John Haselden at page 6, line 14, at which Mr. Haselden testifies, “A robust BCA is necessary to ensure expenditures will provide net benefits to customers.” For each proceeding identified in response to CEHE OPUC-2-7, provide either a copy of the BCA or a description of the BCA that describes the methodology used by Mr. Haselden to prepare the BCA.

**RESPONSE:** In reference to Indiana Cause Nos. 46069, 46090, 45919, and 45576, Mr. Haselden reviewed and made adjustments to spreadsheet models used by applicant utilities to justify load building programs. This work was performed by Mr. Haselden when he was employed by the Indiana Office of the Utility Consumer Counselor and contained confidential utility information. Mr. Haselden no longer has access to the models.

In reference to Indiana Cause Nos. 45803, 45387, 45370, 45285 and 43960, Mr. Haselden reviewed inputs and made adjustments to benefit–cost analyses generated by DSMore (a proprietary demand-side management (“DSM”) evaluation model) for demand-side management programs sponsored by various utilities. The inputs included confidential avoided cost inputs and DSM measure performance variables. This work was performed by Mr. Haselden when he was employed by the Indiana Office of the Utility Consumer Counselor or Indianapolis Power & Light Company and contained confidential utility information. Mr. Haselden no longer has access to the models.

In reference to Indiana Cause Nos. 45245 and 45086, Mr. Haselden performed benefit–cost analyses (“BCAs”) and determined levelized costs for solar photovoltaic projects proposed by utilities. This work was performed by Mr. Haselden when he was employed by the Indiana Office of the Utility Consumer Counselor and contained confidential vendor and utility information. Mr. Haselden no longer has access to the models.

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Sponsored by: Counsel

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**CEHE OPUC 2-9.** Refer to the direct testimony of John Haselden at page 7, lines 1-3, at which Mr. Haselden testifies that “the BCR for any given measure should be significantly above 1.0 to assure value to customers.”

- (a) What BCA value does Mr. Haselden consider to be “significantly above 1.0?”
- (b) Please provide the analytical or other basis and supporting documentation for Mr. Haselden’s answer to subpart (a).

**RESPONSE:**

- (a) There is not a specific BCR margin above 1.0 that is appropriate for all measures. The acceptable value is subject to the uncertainty and variability of inputs discussed in (b) below.
- (b) The BCA is sensitive to many input variables that are subject to uncertainties and variances over the life of the measure or evaluation period. Many of these inputs are based on assumptions and may include, but are not limited to:
  - a. Discount rates;
  - b. Initial cost of the measure;
  - c. Material cost fluctuations;
  - d. Operations & Maintenance initial costs;
  - e. Escalation rates;
  - f. Probability of resiliency events;
  - g. Failure rates;
  - h. Value of Loss of Load (“VOLL”);
  - i. Estimations of Customer Minutes Interrupted (“CMI”); and
  - j. Affected load.

The variability of several inputs such as VOLL, CMI, failure rates and probability of events are significant drivers in the BCA. The sensitivity of reasonable variances in the inputs and assumptions, including combinations, on the impact to the BCA should be checked to test the robustness of the BCA.

In the Preliminary Order filed on January 31, 2025, the Commission identified issues that must be addressed. Relative to this topic, Issue 13(a) is relevant.

Prepared by: John E. Haselden

Sponsored by: Counsel

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**CEHE OPUC 2-10.** Refer to the direct testimony of John Haselden at page 11, lines 9-11, at which Mr. Haselden describes the coastal upgrades resiliency measure (RM-9) as having a “weak correlation to resiliency.”

- (a) Please provide the basis and supporting documentation for Mr. Haselden's assertion that the proposed coastal upgrades have a weak correlation to resiliency.
- (b) Provide any examples known to Mr. Haselden of coastal resiliency measures implemented by a utility that he would describe as having a “strong correlation to resiliency.”

**RESPONSE:** Mr. Haselden assumes CEHE is referring to page 13 of his testimony.

- (a) The measure consists of transmission projects to provide not just redundancy but relief of thermal and voltage issues. See CEHE response to TIEC RFI 1-13. While redundancy may help resiliency, the primary focus of this measure is to improve existing reliability and power quality issues.
- (b) Mr. Haselden is not aware of any “coastal resiliency measures” implemented by any other utility.

Prepared by: John E. Haselden

Sponsored by: Counsel

**CEHE OPUC 2-11.** Refer to the direct testimony of John Haselden at page 14, lines 5-7, at which Mr. Haselden asserts that “the likelihood of flooding is very low.” How many 500-year floods does Mr. Haselden believe have occurred in the Company's service area since January 1, 2015?

**RESPONSE:** Please refer to OPUC's answer to CEHE-OPUC 1-6.

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Sponsored by: Counsel

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**CEHE OPUC 2-12.** Refer to the direct testimony of John Haselden at page 15, lines 15-16, at which Mr. Haselden asserts that the major underground communications monitoring system (MUCAMS) measure (RM-12) “has a weak relation to the resiliency of CEHE’s system . . . .” Please provide the basis and supporting documentation for Mr. Haselden’s assertion that the proposed MUCAMS measure has a weak relation to the resiliency of CEHE’s system.

**RESPONSE:** The measure consists of an improved way of monitoring the underground system but does not harden the system against resiliency events. There would need to be a simultaneous failure of the monitoring system and the underground distribution system to result in a problem that MUCAMS might help in restoring power more quickly. CEHE did not apply these probabilities together. Mr. Haselden referenced the response to TCUC RFI 1-1 Attachment 1. There is no other documentation referenced by Mr. Haselden because no other documentation was provided by CEHE to prove the case.

Prepared by: John E. Haselden

Sponsored by: Counsel

**CEHE OPUC 2-13.** Refer to the direct testimony of John Haselden at page 15, lines 15-16, at which Mr. Haselden asserts that the major underground communications monitoring system (MUCAMS) measure (RM-12) “has a weak relation to the resiliency of CEHE’s system . . . .” Please list the methods that Mr. Haselden believes a utility’s resiliency measures may properly utilize consistent with P.U.C. Subst. R. 25.62 (Transmission and Distribution System Resiliency Plans).

**RESPONSE:** P.U.C. Subst. R. 25.62 states each measure must utilize one or more of the following methods:

- (A) hardening electric transmission and distribution facilities;
- (B) modernizing electric transmission and distribution facilities;
- (C) undergrounding certain electric distribution lines;
- (D) lightning mitigation measures;
- (E) flood mitigation measures;
- (F) information technology;

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- (G) cybersecurity measures;
- (H) physical security measures;
- (I) vegetation management; or
- (J) wildfire mitigation and response.

In addition, 25.62(c)(2)(B)(iv) states:

A resiliency plan must provide sufficient evidence to support the presence of and risk posed by each identified resiliency event. The resiliency plan must provide historical evidence of the electric utility's experience with, if applicable, and forecasted risk of the identified event type, including whether the forecasted risk is specific to a particular system or geographic area. In assessing the presence and risk posed by each resiliency event, the Commission will give great weight to any studies conducted by an independent system operator or independent entity with relevant expertise.

CEHE did not provide any historical evidence or forecasted risk of simultaneous instances of communications failures and underground distribution system failures caused by resiliency events.

Prepared by: John E. Haselden

Sponsored by: Counsel

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**CEHE OPUC 2-14.** Refer to the direct testimony of John Haselden at page 19, lines 13-15, at which Mr. Haselden asserts that the Company's contamination mitigation measure (RM-19) "addresses reliability and has no relationship to resiliency."

- (a) Is it Mr. Haselden's position that reliability has no relationship to resiliency?
- (b) Please state, to the extent Mr. Haselden knows it, the title of Subchapter C of Chapter 25 of the Commission's substantive rules in which the Commission's resiliency rule appears.
- (c) Is it Mr. Haselden's position that resiliency measures that have both reliability benefits and resiliency benefits may not be included in a utility's resiliency plan?

**RESPONSE:**

- (a) No.
- (b) INFRASTRUCTURE AND RELIABILITY
- (c) No.

Prepared by: John E. Haselden

Sponsored by: Counsel

**CEHE OPUC 2-15.** Refer to the direct testimony of John Haselden at page 20, lines 6-8, at which Mr. Haselden asserts, with regard to the substation transformer fire protection barriers measure (RM-20), that "the Company has already been funding it, presumably through base rates." Please provide the basis and supporting documentation for Mr. Haselden's assertion that the Company's current base rates include recovery of future capital investments in substation transformer fire protection barriers?

**RESPONSE:** Mr. Haselden stated in his testimony he made a *presumption* that funding for this measure is being made through base rates in view of the fact this measure has been installed at 145 locations with 9 more in progress. Mr. Haselden has no information concerning the number of existing or planned fire barriers that have been authorized and included in base rates.

Prepared by: John E. Haselden

Sponsored by: Counsel

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**CEHE OPUC 2-16.** Refer to the direct testimony of John Haselden at page 20, lines 13-14, at which Mr. Haselden asserts, with regard to the digital substation measure (RM-21), that it “has few system resiliency benefits.” Please provide the basis and supporting documentation for Mr. Haselden’s assertion that the digital substation measure has few resiliency benefits.

**RESPONSE:** As stated in ELS-2, pages 148 – 150, the measure is in the early stages of development. Also, CEHE has not collected or estimated benefits related to installing substation components. The benefits quantified by Guidehouse are the additional time for technicians to drive to substations to obtain event data following faults, reduced outage restoration time resulting from fault locating features of new relays, and reduced relay failures. These benefits are related to reliability and not specific to resiliency events.

In addition, the BCA for this measure (Response to TCUC RFI-1-1, Attachment 1) shows a high terminal value as a benefit. The present value (“PV”) of benefits over the 10-year period is less than the PV of costs for the same period. This means the measure will not be cost effective for more than ten years, assuming all other estimates of CMI and costs are unchanged.

Prepared by: John E. Haselden

Sponsored by: Counsel

Date: April 25, 2025

Respectfully submitted,

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Chief Executive and Public Counsel  
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**ATTORNEYS FOR THE  
OFFICE OF PUBLIC UTILITY COUNSEL**

**CERTIFICATE OF SERVICE**

SOAH DOCKET NO. 473-25-11558  
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I hereby certify that a copy of the foregoing document was served on all parties of record in this proceeding on this 25th day of April 2025 by facsimile, electronic mail, and/or first class, U.S. Mail.



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Connor Drysdale