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

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| APPLICATION OF CENTERPOINT | § | PUBLIC UTILITY COMMISSION |
| ENERGY HOUSTON ELECTRIC, LLC | § | |
| FOR APPROVAL OF ITS 2026-2028 | § | OF TEXAS |
| TRANSMISSION AND DISTRIBUTION | § | |
| SYSTEM RESILIENCY PLAN | § | |

**ORDER OF REFERRAL
AND PRELIMINARY ORDER**

On January 31, 2025, CenterPoint Energy Houston Electric, LLC filed an application for approval of its 2026 through 2028 transmission and distribution system resiliency plan to enhance the resiliency of its transmission and distribution system under PURA¹ § 38.078(e) and 16 Texas Administrative Code (TAC) § 25.62.

The Commission refers this docket to the State Office of Administrative Hearings (SOAH) and requests the assignment of an administrative law judge (ALJ) to conduct a hearing and issue a proposal for decision if the parties contest one or more issues. The Commission has delegated authority to the Office of Policy and Docket Management to issue this preliminary order, which is required under Texas Government Code § 2003.049(e).² This preliminary order identifies the issues that must be addressed.

All subsequent pleadings in this docket must contain both the SOAH and Commission docket numbers to allow for efficient processing. Filing of pleadings is governed by 16 TAC § 22.71, and service is governed by 16 TAC § 22.74. However, under the Commission's Second Order Suspending Rules entered in Docket No. 50664,³ all parties must file any pleading or document with the Commission solely through the Interchange on the Commission's website (<https://interchange.puc.texas.gov/filer>) and provide notice, by e-mail, to all other parties that the pleading or document has been filed with the Commission, unless otherwise ordered. It will be incumbent on all other parties to obtain a copy of the pleading or document by accessing the

¹ Public Utility Regulatory Act, Tex. Util. Code §§ 11.001–66.016 (PURA).

² *Delegation of Authority to Commission Advising*, Project No. 43519, Delegation Order (May 23, 2024).

³ *Issues Related to the State of Disaster for the Coronavirus Disease 2019*, Project No. 50664, Second Order Suspending Rules (July 16, 2020).

Interchange. When a party files a document with the Commission, that party is also required to serve (i.e., provide a copy of that document to) every other party. At this time, service must be accomplished by e-mail.

Parties must make filings in accordance with 16 TAC § 22.71(d)(1)(C) regarding the number of confidential items to be provided. In addition, if any party has filed confidential material before referral of this matter to SOAH, that party must provide a copy of each such confidential filing to the SOAH ALJ assigned to this matter, if ordered.

I. Notice

CenterPoint Houston must provide notice of its filed resiliency plan, including the docket number assigned to the resiliency plan and the deadline for intervention, as required by 16 TAC § 25.62(d)(1).

CenterPoint Houston must provide notice of its filed resiliency plan to all municipalities in its service area that have retained original jurisdiction.

CenterPoint Houston must provide notice of its filed resiliency plan to all parties in its most recent base-rate proceeding.

CenterPoint Houston must provide notice of its filed resiliency plan to the Office of Public Utility Counsel, including a copy of the resiliency plan, excluding critical energy infrastructure information.

CenterPoint Houston must provide notice of its filed resiliency plan to the independent system operator, including a copy of the resiliency plan, excluding critical energy infrastructure information.

CenterPoint Houston must file an affidavit attesting to the provision of notice.

II. Recommendation on Application Sufficiency

Under 16 TAC § 25.62(d)(2), an application is sufficient if it includes the information required by 16 TAC § 25.62(c) and the electric utility has filed proof that notice has been provided in accordance with 16 TAC § 25.62(d)(1).

Commission Staff must review the resiliency plan for sufficiency and file a recommendation on sufficiency within 28 calendar days after the resiliency plan is filed. If Commission Staff recommends the resiliency plan be found deficient, Commission Staff must identify the deficiencies in its recommendation. The electric utility will have seven calendar days to file a response.

If the presiding officer concludes the resiliency plan is deficient, the presiding officer will file a notice of deficiency and cite the particular requirements with which the resiliency plan does not comply. The presiding officer must provide the electric utility an opportunity to amend its resiliency plan. Commission Staff must file a recommendation on sufficiency within 10 calendar days after the filing of an amended resiliency plan, when the amendment is filed in response to an order concluding that material deficiencies exist in the resiliency plan.

If the presiding officer has not filed a written order concluding that material deficiencies exist in the resiliency plan within 14 working days after a deadline for a recommendation on sufficiency, the resiliency plan is deemed sufficient.

III. Deadline for Decision

Under PURA § 38.078(e) and 16 TAC § 25.62(d)(3), the Commission must approve, modify, or deny a resiliency plan not later than 180 days after a complete resiliency plan is filed. A resiliency plan is complete once it is deemed sufficient in accordance with 16 TAC § 25.62(d). If the resiliency plan is determined to be materially deficient, the presiding officer must toll the 180-day deadline until a complete application is filed.

To give the Commission sufficient time to consider a proposal for decision under 16 TAC § 22.207, the Commission requires a period of 35 days before the expiration of the 180-day jurisdictional deadline by which the ALJ must issue a proposal for decision.

IV. Issues to be Addressed

The Commission must provide to the ALJ a list of issues or areas to be addressed in any proceeding referred to SOAH.⁴ The Commission identifies the following issues that must be addressed in this docket:

Notice

1. Did the electric utility provide notice of its filed resiliency plan?⁵

Application

2. Is the application sufficient?⁶
3. Does the application include all required information?⁷
4. Did the electric utility file proof that notice has been provided?⁸
5. If the resiliency plan is sufficient, when was the resiliency plan deemed sufficient, and what is the deadline for the Commission to issue an order approving, modifying, or denying the resiliency plan?⁹
6. Does the resiliency plan include an executive summary or comprehensive chart that explains the plan objectives, the resiliency events or related risks the plan is designed to address, the plan's proposed resiliency measures, the proposed metrics or criteria for evaluating the plan's effectiveness, the plan's cost and benefits, and how the overall plan is in the public interest?¹⁰

Contents of the Resiliency Plan

7. What measures comprise the electric utility's resiliency plan to prevent, withstand, mitigate, or promptly recover from the risks posed by resiliency events to its transmission and distribution systems? In evaluating the measures, please address the following:

⁴ Tex. Gov't Code § 2003.049(c).

⁵ 16 TAC § 25.62(d)(1).

⁶ 16 TAC § 25.62(d)(2).

⁷ 16 TAC § 25.62(c).

⁸ 16 TAC § 25.62(d).

⁹ 16 TAC § 25.62(d)(3).

¹⁰ 16 TAC § 25.62(c)(2)(G).

- a. Does each measure use one or more of the methods listed in PURA and the Commission rule?¹¹
- b. What risk or risks posed by resiliency events is each measure intended to prevent, withstand, mitigate, or more promptly recover from?¹²
- c. How did the electric utility prioritize the identified resiliency event and, if applicable, the particular geographic area, system, or facilities where each measure will be implemented?¹³
- d. How effective is each measure in preventing, withstanding, mitigating, or promptly recovering from the risks posed by the identified resiliency event?¹⁴ In addressing this question, identify any evidence that is quantitative, performance-based, or provided by an independent entity with relevant expertise which supports the effectiveness of each measure.
- e. What are the expected benefits of each resiliency measure, including, as applicable, reduced system restoration costs, reduction in the frequency or duration of outages for customers, and any improvement in the overall service reliability for customers, including the classes of customers served and any critical load designations?¹⁵
- f. Is any measure a coordinated effort with federal, state, or local government programs, or would the measure benefit from any federal, state, or local funding opportunities?¹⁶
- g. How does each measure compare, such as by cost or performance, to reasonable and readily identifiable alternatives?¹⁷

¹¹ PURA § 38.078(b) and 16 TAC § 25.62(c)(1).

¹² 16 TAC § 25.62(c)(2)(A).

¹³ 16 TAC § 25.62(c)(2)(A)(i).

¹⁴ 16 TAC § 25.62(c)(2)(A)(ii).

¹⁵ 16 TAC § 25.62(c)(2)(A)(iii).

¹⁶ 16 TAC § 25.62(c)(2)(A)(iv).

¹⁷ 16 TAC § 25.62(c)(2)(A)(v).

- h. Does any measure require a transmission system outage to implement?¹⁸
 - i. Does any measure entail revising the functionality of AMS smart meters? If so, has any required deployment plan filing or notice been accomplished?¹⁹
8. What types of resiliency events and associated resiliency-related risks is the resiliency plan designed to prevent, withstand, mitigate, or promptly recover from?²⁰ For each resiliency event identified and described by the resiliency plan, please address the following:
- a. Is the type of resiliency event defined with sufficient detail to allow the electric utility or Commission to determine whether an actual set of circumstances qualifies as a resiliency event of that type?²¹
 - b. Does the resiliency event type include one or more magnitude thresholds, if appropriate, based on the risks posed to the electric utility's systems by that type of event?²²
 - c. What are the system characteristics that make the electric utility's transmission and distribution systems susceptible to the identified resiliency event type?²³
 - d. What is 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?²⁴
 - e. Do any studies conducted by the independent system operator or an independent entity with relevant expertise support the forecasted risk of the identified event type?²⁵

¹⁸ 16 TAC § 25.62(c)(2)(A)(vi).

¹⁹ PURA § 39.107 and 16 TAC § 25.103.

²⁰ 16 TAC § 25.62(c)(2)(B)(i).

²¹ 16 TAC § 25.62(c)(2)(B)(i).

²² 16 TAC § 25.62(c)(2)(B)(ii).

²³ 16 TAC § 25.62(c)(2)(B)(iii).

²⁴ 16 TAC § 25.62(c)(2)(B)(iv).

²⁵ 16 TAC § 25.62(c)(2)(B)(iv).

9. For each measure in the resiliency plan, what is the appropriate metric or criteria for evaluating the effectiveness of that measure in preventing, withstanding, mitigating, or promptly recovering from the risks associated with the resiliency event it is designed to address?²⁶
10. Does the resiliency plan include measures that are similar to other existing programs or measures, such as a storm hardening plan under 16 TAC § 25.95 or a vegetation management plan under 16 TAC § 25.96, or programs or measures otherwise required by law? If so, how are the measures in the resiliency plan distinct from these programs and measures and, if appropriate, how do the related items work in conjunction with one another?²⁷
11. How does the metric or criteria for evaluating the effectiveness of each measure in the resiliency plan differentiate between system improvement due to the measure in the resiliency plan and system improvement due to other existing programs or measures?
12. What systematic approach will be used to implement the resiliency plan during at least a three-year period?²⁸ In addressing this question, please address details of the implementation, including estimated capital costs, estimated operations and maintenance expenses, an estimated timeline for completion, and, when practicable and appropriate, estimated net salvage value (value of the retired asset less depreciation and cost of removal) and remaining service lives of any assets expected to be retired or replaced by resiliency-related investments. Please also address relevant cost drivers (e.g., line miles, frequency of inspections, frequency of trim cycles, etc.) that would affect the estimates.
13. What assumptions does the electric utility's resiliency plan make, including assumptions underlying evidence of the risks posed by the resiliency events, evidence of the effectiveness and expected benefits of each resiliency measure, and comparisons with the cost or performance of readily identifiable alternatives? Are those assumptions reasonable? In answering this question, please address the following.
 - a. What is the extent to which different reasonable assumptions would affect evidence of the risks posed by the resiliency events, evidence of the effectiveness and expected benefits of

²⁶ 16 TAC § 25.62(c)(2)(C).

²⁷ 16 TAC § 25.62(c)(2)(D).

²⁸ PURA § 38.078(c) and 16 TAC § 25.62(c)(2)(E).

each resiliency measure, or comparisons of the cost or performance of a resiliency measure to that of readily identifiable alternatives?

Hurricane Mitigation

14. What specific measures are included in the electric utility's resiliency plan that address lessons learned from recent hurricanes? Please address whether these specific measures include more resilient distribution lines and poles, increased vegetation management, and hardening of transmission lines and facilities to help mitigate hurricane impacts.
15. Does the electric utility's resiliency plan include specific measures to increase the wind rating of distribution lines and poles?
16. Does the electric utility's resiliency plan include specific measures for vegetation management that will help mitigate hurricane impacts?
17. Does the electric utility's resiliency plan include specific measures to increase the wind rating of transmission lines and facilities?

Wildfire Mitigation

18. What are the resiliency measures related to wildfire mitigation in the electric utility's resiliency plan?
19. Do the electric utility's proposed system hardening resiliency measures mitigate wildfire risk?
20. Has the electric utility included in its resiliency plan an asset inspection resiliency measure related to wildfire mitigation?
21. Has the electric utility included in its resiliency plan a vegetation management resiliency measure related to wildfire mitigation?
22. Has the electric utility included in its resiliency plan an undergrounding resiliency measure related to wildfire mitigation?
23. Has the electric utility included in its resiliency plan wildfire monitoring and advanced analytics resiliency measures related to wildfire mitigation?

Commission Review of the Resiliency Plan

24. Should the Commission approve, deny, or modify the resiliency plan? In answering this question, address whether approving the plan is in the public interest by considering the following factors:²⁹

- a. the extent to which the plan is expected to enhance system resiliency, including:
 - i. the verifiability and severity of the resiliency risks posed by the resiliency events the resiliency plan is designed to address;
 - ii. the extent to which the plan will enhance resiliency of the electric utility's system, mitigate system restoration costs, reduce the frequency or duration of outages, or improve overall service reliability for customers during and following a resiliency event;
 - iii. the extent to which the resiliency plan prioritizes areas of lower performance; and
 - iv. the extent to which the resiliency plan prioritizes critical load as defined in 16 TAC § 25.52.
- b. the estimated time and costs of implementing the measures proposed in the resiliency plan;
- c. whether there are more efficient, cost-effective, or otherwise superior means of preventing, withstanding, mitigating, or more promptly recovering from the risks posed by the resiliency events addressed by the resiliency plan; or
- d. other relevant factors.

25. Does Commission Staff request that the electric utility provide any additional information and updates on the status of the resiliency plan submitted?³⁰

Cost Recovery

26. Does the utility request approval of a resiliency cost recovery rider? If so, does the utility's proposed cost recovery comply with Commission rule?³¹

²⁹ PURA § 38.078(d) and (e) and 16 TAC § 25.62(d)(4).

³⁰ 16 TAC § 25.62(g)(4).

³¹ 16 TAC § 25.62(f).

This list of issues is not intended to be exhaustive. The parties and the ALJ are free to raise and address any issues relevant in this docket that they deem necessary, subject to any limitations imposed by the ALJ or by the Commission in future orders issued in this docket. The Commission may identify and provide to the ALJ in the future any additional issues or areas that must be addressed, as permitted under Texas Government Code § 2003.049(e).

V. Effect of Preliminary Order

This Order is preliminary in nature and is entered without prejudice to any party expressing views contrary to this order before the SOAH ALJ at hearing. The SOAH ALJ, upon his or her own motion or upon the motion of any party, may deviate from this Order when circumstances dictate that it is reasonable to do so. Any ruling by the SOAH ALJ that deviates from this Order may be appealed to the Commission. The Commission will not address whether this Order should be modified except upon its own motion or the appeal of a SOAH ALJ's order. Furthermore, this Order is not subject to motions for rehearing or reconsideration.

Signed at Austin, Texas the 3rd day of February 2025.

PUBLIC UTILITY COMMISSION OF TEXAS

Electronically signed by Shelah Cisneros
SHELAH CISNEROS
COMMISSION COUNSEL