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**SOAH DOCKET NO. 473-25-18574
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APPLICATION OF CENTERPOINT	§	BEFORE THE STATE OFFICE
ENERGY HOUSTON ELECTRIC, LLC	§	
TO AMEND ITS CERTIFICATE OF	§	OF
CONVENIENCE AND NECESSITY TO	§	
REBUILD A 138-KV TRANSMISSION	§	ADMINISTRATIVE HEARINGS
LINE IN GAVESTON COUNTY	§	

**CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC’S RESPONSE TO
HIJO DE PLAYA, LLC’S STATEMENT OF POSITION AND
REQUEST FOR ROUTE ADEQUACY HEARING**

CenterPoint Energy Houston Electric, LLC (“CenterPoint Houston”) respectfully files this response to the request for a route adequacy hearing filed by Hijo de Playa, LLC (“Hijo de Playa”) on May 27, 2025¹ and position statement filed on June 10, 2025.² While Hijo de Playa’s statement of position requests a route adequacy hearing, it does not challenge the adequacy or number of routes that CenterPoint Houston has proposed. Instead, it states Hijo de Playa’s position on the proposed transmission line generally on issues reserved for a hearing on the merits. Hijo de Playa did not propose any alternative routes and did not demonstrate that CenterPoint Houston failed to present an adequate number of alternative routes to permit the Commission to make a reasoned decision.

As the State Office of Administrative Hearings (“SOAH”) Administrative Law Judge (“ALJ”) stated in SOAH Order No. 5, CenterPoint Houston’s application establishes a prima facie case for route adequacy, shifting the burden to Hijo de Playa. Having only filed a statement of position, Hijo de Playa has introduced no evidence that CenterPoint Houston’s single proposed route lacks a reasoned justification or that one or more alternative routes should be considered. Because Hijo de Playa has failed to raise a valid route adequacy challenge, CenterPoint Houston respectfully requests that the SOAH ALJ deny Hijo de Playa’s route adequacy challenge and cancel the route adequacy hearing scheduled for June 16, 2025; or in the alternative enter an order

¹ Hijo de Playa, LLC’s Objections to Certain Deadlines and Request for Route Adequacy Hearing (May 27, 2025).

² Position Statement of Hijo de Playa, LLC Opposition to CenterPoint Energy Utility Line Rebuild Project and Request for Route Adequacy Hearing (Jun. 10, 2025) (“Position Statement”).

finding that CenterPoint Houston's application has proposed an adequate number of routes for the Commission's review.

I. BACKGROUND

CenterPoint Houston proposes to rebuild an existing 138-kV double-circuit transmission line extending from its Stewart substation, on existing circuits 48 and 59, to its West Bay substation located in Galveston County (the "Project"). The Project was identified by CenterPoint Houston to improve resiliency. CenterPoint Houston plans to replace the existing transmission infrastructure, including wooden poles, with engineered materials. The existing wooden transmission poles are either structurally deficient or do not meet the updated NESC wind requirements. This transmission line is the single feed into the West Bay substation, and the wooden poles present an outage concern for those customers served by the West Bay substation.

The majority of the rebuild will be concrete and or steel monopole tangent structures. CenterPoint Houston will use existing right-of-way but will need to obtain up to 25-ft in additional aerial easements adjacent to the road right-of-way, which CenterPoint Houston is seeking in this proceeding. Because of CenterPoint Houston's limited request, constraints, and reliability concerns related to the Project, CenterPoint Houston proposed a single route for the proposed transmission line at a length of approximately 10.78 miles.

II. SCOPE OF ROUTE ADEQUACY INQUIRY AND BURDEN

The ALJ described the legal framework for a route adequacy inquiry in SOAH Order No. 5. The issue here is not the adequacy of the *route* proposed in the application, but whether CenterPoint Houston's *application* is adequate in the sense of proposing a sufficient number of alternative routes to permit the Commission to make a reasoned decision on the merits.³

The scope of the route adequacy issue in this proceeding is set out in Issue No. 1 of the issues to be addressed in the Preliminary Order:

Is the applicant's application to amend its CCN adequate? Does the application contain an adequate number of reasonably differentiated alternative routes to conduct a proper evaluation? In answering this question, consideration must be given to the number of proposed alternatives, the locations of the proposed transmission line, and any associated proposed transmission facilities that influence the location of the line. Consideration may also be given to the facts and circumstances specific to the geographic area under consideration and to any

³ SOAH Order No. 5 at 4-5 (Jun. 6, 2025).

analysis and reasoned justification presented for a limited number of alternative routes. A limited number of alternative routes is not in itself a sufficient basis for finding an application inadequate when the facts and circumstances or a reasoned justification demonstrates a reasonable basis for presenting a limited number of alternatives. If an adequate number of routes is not presented in the application, the ALJ must allow the applicant to amend the application and to provide proper notice to affected landowners; however, if the applicant chooses not to amend the application, then the ALJ may dismiss the case without prejudice.⁴

A preliminary review of route adequacy “is to determine whether the application contains an adequate justification for the routes selected and whether additional routes should be added to the application at an early stage in the contested case process.”⁵ In a route adequacy challenge, the applicant bears the burden of proof to establish that the application is adequate.⁶ The applicant must make a prima facie showing of route adequacy through the application and the proposed alternative routes included in the application.⁷ Then, the parties challenging route adequacy must present evidence showing that the applicant lacked a reasoned justification for proposing its routes or that one or more additional identifiable routes would appear likely to present a superior option under the Commission’s routing criteria.⁸ The applicant can rebut this evidence by offering a reasoned justification as to why the additional routes should not be included.⁹ As stated by the ALJ, “the demonstrated existence of one or more readily identifiable and likely superior options to CenterPoint Houston’s proposed route could persuade the ALJ to require inclusion of any such option, at least unless CenterPoint Houston demonstrated that the option had been assessed and rejected for appropriate reasons. Proposed alternatives that have drawbacks or unanswered

⁴ Order of Referral and Preliminary Order at 5 (May 5, 2025).

⁵ See *Application of Brazos Electric Power Cooperative Inc., to Amend its Certificate of Convenience and Necessity (CCN) for a Proposed 138-kV Double-Circuit Transmission Line and Substation in Collin County, Texas*, Docket No. 34276, Order No. 22 at 9 (Feb. 15, 2008).

⁶ *Application of Wood County Electric Cooperative, Inc. for a Certificate of Convenience and Necessity for a Proposed Transmission Line in Wood County*, Docket No. 32070, Order on Appeal of Order No. 8 at 6 (Oct. 31, 2006).

⁷ *Application of CenterPoint Energy Houston Electric, LLC, to Amend a Certificate of Convenience and Necessity for a Proposed 345-kV Transmission Line Within Grimes, Harris, and Waller Counties*, Docket No. 44547, SOAH Order No. 5 Canceling Route Adequacy Hearing at 3 (June 18, 2015).

⁸ SOAH Order No. 5 at 6; see also, Docket No. 44547, SOAH Order No. 5 Canceling Route Adequacy Hearing at 4-5.

⁹ *Id.* at 5; see also, *Application of CenterPoint Energy Houston Electric, LLC to Amend its Certificate of Convenience and Necessity for a Proposed 138-kV Transmission Line in Harris and Montgomery Counties*, Docket No. 55768, SOAH Order No. 7 at 10 (Feb. 8, 2024).

questions associated with them would be rejected and not included in CenterPoint Houston's application for further consideration.”¹⁰

Additionally, as stated in the Preliminary Order, consideration may also be given to the facts and circumstances specific to the geographic area under consideration and to any analysis and reasoned justification presented for a limited number of alternative routes. A limited number of alternative routes is not in itself a sufficient basis for finding an application inadequate when the facts and circumstances or a reasoned justification demonstrates a reasonable basis for presenting a limited number of alternatives. As such, proposing a single route in an application is not grounds to find that an applicant failed to present an adequate number of routes for consideration by the Commission.¹¹

III. CENTERPOINT HOUSTON PROVIDED A REASONED JUSTIFICATION FOR ITS PROPOSED ROUTE

CenterPoint Houston proposed an adequate number of routes for this project. CenterPoint Houston proposed the Project to improve the resiliency of CenterPoint Houston's system as the existing line presents an outage concern for customers served by the West Bay substation.¹² It chose to rebuild an existing line to minimize the impact to the community.¹³ The rebuild would result in a similar impact on the roadway and affected landowners,¹⁴ minimize impact to the environment,¹⁵ and use existing right-of-way, as CenterPoint Houston already has the rights to the required ground right-of-way to construct the Project.¹⁶ As the ALJ noted in SOAH Order No. 5,

¹⁰ SOAH Order No. 5 at 7.

¹¹ See e.g., *Application of AEP Texas Inc. to Amend its Certificate of Convenience and Necessity for the Joslin-to-Carbridge 138-kV Cut-In to Cangrejo Substation Double-Circuit Transmission Line in Calhoun County*, Docket 56414, Order at 6 (Aug. 15, 2024); *Application of Oncor Electric Delivery Company LLC to Amend its Certificate of Convenience and Necessity for the Exchange-Roanoke 138/345-kV Transmission Line Rebuild in Tarrant and Denton Counties*, Docket No. 55575, Order at 7 (May 2, 2024); *Application of South Texas Electric Cooperative, Inc. to Amend its Certificate of Convenience and Necessity for the Hondo Creek-to-Pearson 69-kV Transmission Line Rebuild and Upgrade in Medina County*, Docket No. 55563, Order at 6 (Apr. 11, 2024).

¹² *Application of CenterPoint Energy Houston Electric, LLC to Amend its Certificate of Convenience and Necessity to Rebuild a 128-kV Transmission Line in Galveston County* at 14 (Apr. 30, 2025) (“Application”); Direct Testimony of Bradley J. Dichl at 6:11-16 (Apr. 30, 2025) (“Dichl Direct”).

¹³ Application at 15.

¹⁴ Application at 8.

¹⁵ Dichl Direct at 10:3-5.

¹⁶ Application at 9.

these facts provide a reasoned justification for CenterPoint Houston's proposal of a single route and make a prima facie showing of route adequacy.¹⁷

IV. HIJO DE PLAYA'S ROUTE ADEQUACY CHALLENGE

The burden is thus on Hijo de Playa to present evidence showing that CenterPoint Houston lacked a reasoned justification for proposing a single route or that one or more additional identifiable routes would appear likely to present a superior option under the Commission's routing criteria. Neither Hijo de Playa's initial request for a route adequacy hearing nor its position statement challenge the adequacy of the route that CenterPoint Houston has proposed. Indeed, Hijo de Playa did not present any evidence rebutting CenterPoint Houston's reasoned justification for its route proposal. Nor did Hijo de Playa propose any alternative routes. Hijo de Playa merely requested a hearing without any substantive justification.¹⁸

Instead, Hijo de Playa raised issues that implicate the merits of this proceeding but that cannot form the basis of a route adequacy challenge. Indeed, no party, including Hijo de Playa, raised a valid challenge to route adequacy. SOAH ALJs regularly decline to hold a route adequacy hearing and deny route adequacy challenges where intervenors requested a hearing but failed to raise a valid challenge or only argued the merits of the case.¹⁹ Here as there, no route adequacy hearing is needed and Hijo de Playa's challenge to route adequacy should be denied.

¹⁷ SOAH Order No. 5 at 7 ("Having reviewed CenterPoint Houston's application, the ALJ has determined and advises the parties that if CenterPoint Houston's application filings were offered and admitted into evidence at the route-adequacy hearing, CenterPoint Houston would meet its burden of presenting a prima facie showing of route adequacy - using the preexisting route, right-of-way, easements, etc., in its rebuilding of the existing transmission line would suffice as a reasoned justification for its proposal to use that same route again, as opposed to coming up with some new route or routes, all other things being equal.").

¹⁸ Position Statement at 4 ("Hijo de Playa, LLC also requests a route adequacy hearing.").

¹⁹ See, e.g., *Application of Oncor Electric Delivery Company LLC to Amend its Certificate of Convenience and Necessity for the Rahmhorn Hill to Dunham 345 kV Transmission Line in Denton and Wise Counties*, Docket No. 55067, SOAH Order No. 7 Denying Request for Route Adequacy Hearing (August 8, 2023); *Application of AEP Texas Central to Amend a Certificate of Convenience and Necessity for a Proposed 138-kV Transmission Line in Bee County and Goliad County, Texas*, Docket No. 44837, SOAH Order No. 4 Addressing Route Adequacy Challenge (Sept. 30, 2015); *Application of Texas-New Mexico Power Company to Amend its Certificate of Convenience and Necessity for the 138-kV Transmission Line Project in Reeves County*, Docket No. 57434, SOAH Order No. 5 Denying Motion to Strike Certain Alternative Rights and Route Adequacy Hearing Request (Feb. 19, 2025).

V. RESPONSE TO MERITS ARGUMENTS BY HIJO DE PLAYA

Although these issues relate to the merits of the application and are therefore not ripe for consideration, out of an abundance of caution and so as not to waive its right to respond, CenterPoint Houston addresses each of Hijo de Playa's arguments related to the Project. These responses are preliminary in nature and CenterPoint Houston does not hereby waive its right to file rebuttal testimony concerning any and all intervenor testimony filed for the hearing on the merits.

A. Necessity and Adequacy of Existing Service

CenterPoint Houston determined that the transmission line between Stewart and West Bay substations needed to be replaced because the wooden transmission poles were either structurally deficient or did not meet the updated NESC wind requirements.²⁰ Thus, CenterPoint Houston disputes Hijo de Playa's assertion that the rebuild is driven by corporate preference rather than operational necessity.²¹ Hijo de Playa has not provided any evidence to support that the rebuild is unnecessary. CenterPoint Houston sufficiently demonstrated a need for the Project, which is to provide reliable service to its customers.

B. Impact on Utilities and Customers

CenterPoint Houston routed the Project to moderate the impact on the affected community and landowners. Hijo de Playa contends that CenterPoint Houston provided no demonstrable improvement to service or cost reduction for area customers with the Project.²² As described in the prefiled direct testimony of Mr. Bradley Diehl, this Project will improve service by mitigating the impact of extreme wind events, wildfires, extreme temperature events, and icing on conductors.²³ CenterPoint Houston anticipates that the Project will result in improved structural integrity, higher wind loading capabilities, reduced frequency and number of customers impacted by outages, reduced total outage times, and reduced system restoration costs, all improving customer service.²⁴ Further, CenterPoint Houston will minimize the impact to landowners by

²⁰ Application at 14.

²¹ Position Statement at 2.

²² *Id.*

²³ Diehl Direct at 8:20-22.

²⁴ *Id.* at 8:22-9:2.

rebuilding a transmission line that already exists, using the same road right-of-way. Lastly, diminished property value is not a factor in the Commission's evaluation of whether a project should be approved.²⁵ Thus, contrary to Hijo de Playa's assertions, CenterPoint Houston has routed the Project to moderate the impact to the community and demonstrated that the Project will improve service reliability.

C. Failure to Utilize Existing Rights-of-Way Efficiently; Paralleling Features and Route Selection; Prudent Avoidance Policy; Community Values and Environmental Integrity; Impact on Landowners; Landowner Input and Participation

In its other arguments, Hijo de Playa expresses concern that the Project will diminish the aesthetic value of its property and the local community, affecting the economy and local tourism. However, in approving an application, the Commission must weigh all the statutory factors,²⁶ including engineering constraints and cost.²⁷ As demonstrated in its Environmental Assessment, CenterPoint Houston weighed all the relevant factors in choosing the route that best adhered to the requirements of PURA.²⁸ Aesthetic value is only one factor in the overall consideration of the Project, and CenterPoint Houston mitigated the Project's impact on visual aesthetics by using the existing road right-of-way and replacing poles that already stand. CenterPoint Houston respects the aesthetic and economic values of the community, so instead of proposing a route with potentially more visual interference, it chose to rebuild an existing line to moderate the impact on the community.

Additionally, cost of construction is an important factor when considering the options for a project. Hijo de Playa asserts that CenterPoint Houston could have rebuilt the Project underground but provides no cost estimates, engineering, or useful data to support that assertion. Undergrounding a transmission line would be much more costly for customers than the proposed Project.²⁹ Further, it is not CenterPoint Houston's practice to underground transmission

²⁵ Tex. Util. Code Ann. § 37.056(c); 16 Tex. Admin. Code § 25.101.

²⁶ Tex. Util. Code Ann. § 37.056(c).

²⁷ 16 Tex. Admin. Code § 25.101(b)(3)(B).

²⁸ Application, Attachment 1: Environmental Assessment and Route Analysis for the 138kV Stewart-West Bay Project in Galveston County, Texas ("EA").

²⁹ See, e.g., *Application of Brazos Electric Power Cooperative, Inc. to Amend a Certificate of Convenience and Necessity for a 138-kV Transmission Line in Denton County*, Docket No. 44060, Order (June 13, 2016) at Finding of Fact 43A ("While the intervenors assert that transmission line construction underground instead of overhead is more consistent with community values—the use, enjoyment, and intrinsic value attached to the community of west

infrastructure absent exceptional circumstances. Undergrounding is more common for distribution infrastructure for congested areas or freeway crossings. Because CenterPoint Houston must make prudent investment decisions when improving service to customers, CenterPoint Houston weighed all factors relevant to the Project, including aesthetics, and chose the route that best met the requirements of PURA.

D. The Coastal Spine Project

In its Environmental Assessment, CenterPoint Houston considered the impact of the Project on environmental integrity, including water resources and wetlands.³⁰ After this review, CenterPoint Houston does not anticipate any significant adverse effects on the physiographic or geologic features of the area.³¹

VI. CONCLUSION

Given the circumstances of the Project, CenterPoint Houston has proposed a sufficient number of alternative routes to permit the Commission to make a reasoned decision on the merits. Hijo de Playa has not met its burden to demonstrate otherwise. The record in this proceeding already contains enough information for consideration of the route proposed by CenterPoint Houston. As such, no hearing on route adequacy is required. CenterPoint Houston respectfully requests that Hijo de Playa's route adequacy challenge be denied and the route adequacy hearing be canceled, or in the alternative that the SOAH ALJ issue an order finding that CenterPoint Houston's proposed route is sufficient for Commission review.

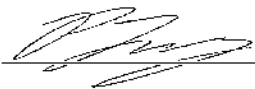
Frisco—it is contrary to Commission policy to approve undergrounding of high-voltage transmission on the basis of community values alone because this factor is outweighed by the cost burden on all ratepayers.”)

³⁰ EA at Section 2.6 Natural Resources / Environmental Integrity.

³¹ Direct Testimony of Denise M. Williams at 12:21-23 (Apr. 30, 2025).

Respectfully submitted,

BAKER BOTTS, LLP

By: _____

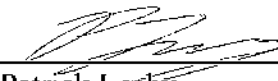
Patrick Leahy
State Bar No. 24092674
Baker Botts, LLP
401 S 1st Street, Suite 1300
Austin, Texas 78704
Telephone: 512.322.2660
Facsimile: 512.322.3660
Email: patrick.leahy@bakerbotts.com

Louise Stephens
State Bar No. 24137213
Baker Botts, LLP
910 Louisiana Street
Houston, Texas 77002
Telephone: 713.229.1639
Facsimile: 713.229.7939
Email: louise.stephens@bakerbotts.com

**COUNSEL FOR CENTERPOINT ENERGY
HOUSTON ELECTRIC, LLC**

CERTIFICATE OF SERVICE

I certify that on June 12, 2025, a true and correct copy of this document was served via electronic mail on all parties of record in this proceeding, in accordance with the *Second Order Suspending Rules* issued in Project No. 50664.

_____
Patrick Leahy