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OPEN MEETING COVER SHEET COMMISSIONER MEMORANDUM

MEETING DATE: October 2, 2025

DATE DELIVERED: October 1, 2025

AGENDA ITEM NO.: 29


CAPTION: Docket No. 58028; SOAH Docket No. 473-25-18704 – Application of CenterPoint Energy Houston Electric LLC for Determination of System Restoration Costs

DESCRIPTION: Chairman Thomas Gleeson

Public Utility Commission of Texas

Commissioner Memorandum

TO: Commissioner Kathleen Jackson
Commissioner Courtney K. Hjaltman

FROM: Chairman Thomas J. Gleeson 

DATE: October 1, 2025

RE: October 2, 2025 Open Meeting – Item No. 29
Docket No. 58028; SOAH Docket No. 473-25-18704 – *Application of CenterPoint Energy Houston Electric LLC for Determination of System Restoration Costs*

Before the Commission is a proposed order based on an unopposed agreement relating to CenterPoint Energy Houston's request for a determination of the system restoration costs that are eligible for recovery and securitization for Hurricane Beryl, Hurricane Francine, and Winter Storm Enzo. I am generally supportive of the agreement and appreciate the effort the parties put into resolving many issues. I do have two concerns, however.

First, I have concerns with authorizing utilities to include legal expenses and consulting fees in system recovery costs. In this proceeding, CenterPoint requested to securitize \$500,000 in municipal legal expenses and \$1.7 million in consulting and non-consulting fees. As these expenses are not system restoration costs, I would prefer that they be deferred until CenterPoint's next ratemaking proceeding.

Second, I have concerns with the expenses related to Hurricane Francine. CenterPoint initially requested \$23.49 million in costs related to Francine, a category 2 storm that struck Louisiana. Because Hurricane Francine changed course away from Texas, the record indicates that the hurricane did not directly cause any outages on CenterPoint's transmission or distribution system in Texas. This seems to be a problem because under PURA, system restoration costs are defined as costs incurred by a utility due to any activity conducted by or on its behalf in connection with the restoration of service and infrastructure associated with *electric power outages* affecting customers as a result of weather-related events or natural disasters.¹ Many of the Hurricane Francine costs appear to be mobilization and staging costs, but they also include almost \$5 million in vegetation management costs.

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

¹ PURA § 36.402(a).