



## **Filing Receipt**

**Filing Date - 2025-05-02 03:56:47 PM**

**Control Number - 58028**

**Item Number - 2**

**DOCKET NO. 58028**

<b>APPLICATION OF CENTERPOINT</b>	<b>§</b>	
<b>ENERGY HOUSTON ELECTRIC, LLC</b>	<b>§</b>	<b>PUBLIC UTILITY COMMISSION</b>
<b>FOR DETERMINATION OF SYSTEM</b>	<b>§</b>	<b>OF TEXAS</b>
<b>RESTORATION COSTS</b>	<b>§</b>	

**May 2, 2025**

**Contact: KATHY LLOYD**  
**Director Regulatory Portfolio Management**  
**CenterPoint Energy**  
**1111 Louisiana Street, 19<sup>th</sup> Floor**  
**Houston, TX 77002**  
**Tel. No. (713) 207-6002**  
**Fax: (713) 207-9819**  
**KATHY.LLOYD@CENTERPOINTENERGY.COM**

**TABLE OF CONTENTS**

<b><u>Description</u></b>	<b><u>Page(s)</u></b>
Application	3-18
Exhibit A – Proposed Notice	19-20
Exhibit B – Proposed Protective Order	21-40
Testimony	
Darin Carroll	41-88
Exhibit DC-1	89-94
Exhibit DC-2	95-136
Exhibit DC-3	137-221
Exhibit DC-4	222-311
Exhibit DC-5	312-493
Randal M. Pryor	494-556
Exhibit RMP-1	557
Exhibit RMP-2	558-560
Exhibit RMP-3	561
Exhibit RMP-4	562-604
Workpapers	605-609
David Mercado	610-645

Carla Kneipp	646-761
Exhibit CAK-1	762-763
Exhibit CAK-2	764-765
Exhibit CAK-3	766-775
Workpapers	776-784
 Russell Wright	 785-820
Exhibit RW-1	821
Exhibit RW-2	822-826
Exhibit RW-3	827
Exhibit RW-4	828
Exhibit RW-5	829
Exhibit RW-6	830-831
Exhibit RW-7	832-844
Workpapers	845-847
 John Durland	 848-856
Exhibit JRD-1	857-858
Exhibit JRD-2	859
Workpapers	860-955
 Derek HasBrouck	 956-1055
Exhibit DH-1	1056-1062
Exhibit DH-2	1063-1064
Exhibit DH-3	1065
Exhibit DH-4	1066-1067
Exhibit DH-5	1068-1071
Exhibit DH-6	1072-1090
Workpapers	1091-1092
 Thomas L. Keefe	 1093-1110
Exhibit TLK-1	1111-1115

Electronic Files:

58028 CEHE System Restoration Application.pdf  
 Exhibit RW-1 System Restoration Costs.xlsx  
 Exhibit RW-2 WACC and Carrying Costs.xlsx  
 Exhibit RW-3 Estimate of Other SRCs.xls  
 Exhibit RW-4 Transactional Index.xlsx  
 Exhibit RW-5 Direct and Affiliate Cost by Category.xlsx  
 HasBrouck Testimony Workpapers.pdf  
 WP JRD Allocation Determination.xlsx  
 WP RP-1.xlsx  
 WP RP-2.xlsx  
 WP RW-1 Substation Functionalization.xlsx

**DOCKET NO. 58028**

<b>APPLICATION OF CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC FOR DETERMINATION OF SYSTEM RESTORATION COSTS</b>	<b>§ § § §</b>	<b>PUBLIC UTILITY COMMISSION OF TEXAS</b>
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**APPLICATION OF CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC FOR  
DETERMINATION OF SYSTEM RESTORATION COSTS**

CenterPoint Energy Houston Electric, LLC (“CenterPoint Houston” or the “Company”) files this Application for a determination by the Public Utility Commission of Texas (“Commission”) that its Hurricane Beryl, Hurricane Francine, and Winter Storm Enzo system restoration costs (“SRCs”) were reasonable and necessary to allow CenterPoint Houston to restore electric service to its customers.

**I. HURRICANE BERYL, HURRICANE FRANCINE, AND WINTER STORM ENZO**

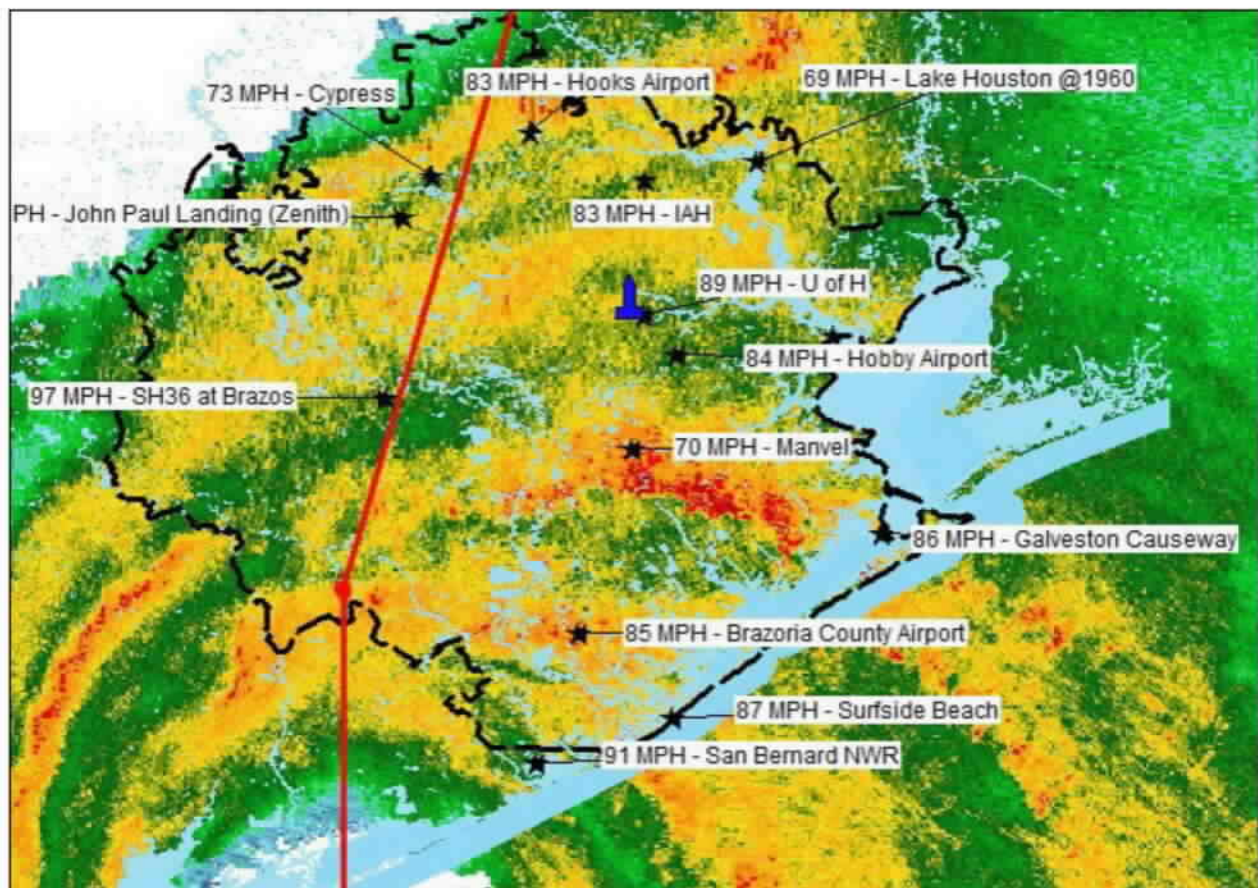
**A. Hurricane Beryl**

Hurricane Beryl initially formed as a tropical depression in the Atlantic Ocean on June 28, 2024. Within the first twenty-four to forty-eight hours of formation, the storm intensified into a Category 4 hurricane and entered the Caribbean Sea. The storm initially passed south of Jamaica and the Cayman Islands before making landfall near Tulum, Mexico. After weakening into a tropical storm, the system reentered the Gulf of America where it gradually reorganized into a Category 1 hurricane. Initially forecast to make a Texas landfall in South Texas, several hundred miles from CenterPoint Houston’s service area, Hurricane Beryl’s track moved eastward, and by July 7, 2024, the storm’s path had changed significantly, directly targeting the Greater Houston area.

As Hurricane Beryl approached, CenterPoint Houston took proactive measures to prepare for its impact. In the days leading up to the storm’s landfall in Texas, the Company notified staging site managers and turnkey providers as well as line skills and vegetation management crews their

services might be required. Two days before landfall, CenterPoint Houston activated thousands of internal crew resources and confirmed locations of staging sites. The day before landfall, the Company contacted the Southeastern Electric Exchange and the Texas Mutual Assistance Group to secure additional resources and requested mutual assistance for line work, vegetation management, and damage assessment. Plans were set for the initial four staging sites to be mobilized on July 8, and 4,468 crew resources were activated in anticipation of the storm.

Hurricane Beryl made landfall near Matagorda, Texas early on July 8, 2024, as a *strengthening* Category 1 storm with 90 mile per hour (mph) maximum sustained winds and 97 mph peak winds. Hurricane Beryl's strengthening continued a few hours after landfall and only began to weaken once the eyewall was fully inland. The picture below reflects the storm and its various windspeeds as it came ashore into the Company's service territory.





The intensity of the storm and the sustained 90 mph winds caused significant damage to vegetation, trees, fences, and power lines in the Company's service territory. The storm also caused widespread damage to CenterPoint Houston's transmission and distribution system, including significant damage to transmission poles, downing and breaking of distribution poles, and damaged equipment, largely due to damage caused from fallen trees and other vegetation and debris coming into contact with the Company's facilities. Entire trees fell due to weakened root systems, soil moisture and related vegetation conditions. This damage resulted in prolonged outages for customers in certain portions of the Company's service territory. In and around the immediate aftermath of the storm, 2.26 million customers within CenterPoint Houston's service territory were without power. The picture below exemplifies the type of widespread damage observed by CenterPoint Houston following the storm.



CenterPoint Houston worked to quickly restore and replace damaged infrastructure to be able to provide power to its residential customers who provide the workforce necessary for post-storm recovery. When Hurricane Beryl made landfall at 4:00 AM, Emergency Level 1 Activation was initiated, daily leadership briefings began regarding restoration, and additional vegetation management support was requested. Damage assessments were immediately underway, all four

initial staging sites were ready for check-in and dispatch, and the deployment of temporary emergency electric energy facilities (“TEEEF”) locations was evaluated.

On July 9, the first full day of restoration, crews worked tirelessly to assess damage, clear debris, and restore power as efforts gained momentum. Fourteen additional staging sites were established, increasing the total to 18, while the deployment of TEEEF locations continued to be evaluated. Out of the 13,991 activated crew members, 10,589 were on-site, making significant progress—such that within just 36 hours of the storm leaving the area, 74% of circuit lockouts had been cleared, and power was restored to almost half or 1.1 million customers who experienced outages. Restoration efforts accelerated in the following days, with more than 1.3 million customers having power restored by the evening of July 11. Crews, now bolstered by over 15,000 total resources, continued working across 21 operational staging sites. To support critical infrastructure, 31 TEEEF units were deployed at 28 key locations, including community cooling centers and hospitals. By July 14, power had been restored to 80% of affected customers, marking a major milestone in the recovery process.

CenterPoint Houston’s customer restoration curve is shown below.



By July 17<sup>th</sup>, CenterPoint Houston had restored power to 98% of all customers who were able to receive service. Customers who remained without power due to Hurricane Beryl needed to fix,

repair, or replace damaged weather heads or customer-owned equipment, which was approximately 55,000 customers.

## **B. Hurricane Francine**

On August 26, 2024, the National Weather Service reported a storm system moving through the Gulf of America that was strengthening and had a significant chance of developing into a tropical storm. The tropical storm ultimately became Hurricane Francine, which eventually caused significant flooding in Louisiana when it struck that state on September 11, 2024, as a Category 2 storm. In the wake of Hurricane Beryl and the uncertainty around the projected path of Hurricane Francine, CenterPoint Houston activated its Emergency Operations Center (“EOC”) at Emergency level 2 for its Texas and Louisiana service territories on September 8, 2024, to proactively prepare for response efforts. A picture of the storm just prior to landfall is below:



Hurricane Francine did not directly cause any system outages on the Company’s transmission or distribution systems. Its potential to impact the Company’s service territory and general unpredictability, coupled with the Texas Governor’s July 16, 2024, directive to the



Company to ensure it “has a sufficient number of pre-staged workers to be able to immediately respond to any power outages that may occur for any tropical storm or hurricane that hits [its] service area,”<sup>1</sup> required CenterPoint Houston to prepare for potential restoration efforts. CenterPoint Houston deactivated its EOC for Hurricane Francine on September 11, 2024.

### **C. Winter Storm Enzo**

Winter Storm Enzo was an unusually strong winter weather event impacting the Gulf Coast in late January 2025. The system brought cold temperatures and icy conditions. Advance weather models also showed a strong chance of an impact to the Greater Houston area. On January 17, 2025, the National Weather Service issued a Winter Storm Watch for the region and the Electric Reliability Council of Texas (“ERCOT”) issued a Weather Watch for January 20 through 23, 2025. By January 20, 2025, the National Weather Service upgraded the advisory to a Winter Storm Warning for the region. To proactively prepare for any response and customer restoration efforts, on January 20, 2025, CenterPoint Houston activated its EOC at Emergency level 2 based on the latest forecast of winter weather impacting the CenterPoint Houston service territory and the potential for ice accumulation on power lines. Ultimately, up to 4.2 inches of snow fell in some parts of the Greater Houston area while some roads became impassable because of freezing rain and sleet. Additionally, Houston area schools and its two major airports were closed. Fortunately, the anticipated freezing rain did not occur, which greatly reduced the potential for outages, and as a result, by January 21, 2025, 99.9% of its Greater Houston area customers who could receive service were receiving normal electric service. A picture showing the snow accumulation in Houston as a result of Winter Storm Enzo is below.

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<sup>1</sup> Letter from Greg Abbott, Governor of Tex., to Jason P. Wells, President & CEO, CenterPoint Energy, Inc. at 1 (July 16, 2024) (available at [https://gov.texas.gov/uploads/files/press/CenterPoint\\_CEO\\_Jason\\_Wells\\_Letter.pdf](https://gov.texas.gov/uploads/files/press/CenterPoint_CEO_Jason_Wells_Letter.pdf)).



Winter Storm Enzo primarily impacted six of the Company's transmission lines. The cause for the impacts on five of those lines was attributed to galloping conductors. The sixth transmission line sustained damage from wind and ice (specifically, a damaged bond wire). Winter Storm Enzo had a minor impact to the distribution grid. More than 99.5% of CenterPoint Houston's customers maintained normal electric service throughout the event, with crews promptly addressing scattered outages. CenterPoint Houston deactivated its EOC on January 22, 2025.

In sum, Hurricane Beryl, Hurricane Francine, and Winter Storm Enzo presented challenges never experienced by the Company. Hurricane Beryl resulted in over 2 million customer outages, and SRCs were incurred in order to quickly and safely restore service over an 11-day period. Weather conditions anticipated to impact the Company's service area related to Hurricane Francine and Winter Storm Enzo also resulted in mobilization, staging, and (for Winter Storm

Enzo) restoration efforts by the Company. CenterPoint Houston moved quickly, intentionally, and meticulously to restore service to customers as quickly and safely as possible or to maintain normal customer service before, during, and after the events. This application requests a prudence determination on the Company's efforts and approval to recover those reasonable and necessary costs in a manner that is consistent with the applicable statutory framework.

## **II. AUTHORIZED REPRESENTATIVES**

The telephone number and address of CenterPoint Houston's authorized business representative is:

Kathy Lloyd  
Director Regulatory Portfolio Management  
CenterPoint Energy  
1111 Louisiana Street, 19<sup>th</sup> Floor  
Houston, TX 77002  
713.207.6002  
713.207.9819 (fax)  
kathy.lloyd@centerpointenergy.com

The telephone numbers and addresses of CenterPoint Houston's authorized legal representatives are:

Patrick H. Peters III  
State Bar No. 24046622  
Vice President, Associate General Counsel  
CenterPoint Energy, Inc.  
1005 Congress Avenue, Suite 650  
Austin, Texas 78701  
512.397.3032  
512.397.3050 (fax)  
patrick.peters@centerpointenergy.com

Mickey Moon  
State Bar No. 00791291  
CenterPoint Energy Service Company, LLC  
1111 Louisiana Street  
Houston, Texas 77002  
713.207.7231  
713.454.7197 (e-fax)  
mickey.moon@centerpointenergy.com

Mark Santos  
Kate Norman  
Shelley Morgan  
Norman Santos P.C.  
3721 Executive Center Drive, Suite 200  
Austin, Texas 78731  
(512) 985-9399  
(512) 410-4668 (fax)  
kate.norman@normansantos.com  
mark.santos@normansantos.com  
shelley.morgan@normansantos.com

CenterPoint Houston requests that all information and documents in this filing be served on each of the persons above at their respective addresses, email addresses or fax numbers.

### **III. JURISDICTION**

The Commission has jurisdiction over the Application pursuant to the Public Utility Regulatory Act (“PURA”)<sup>2</sup> §§14.001, 32.001 and Chapter 36, Subchapter I of PURA. The relief granted in this proceeding will affect all of the Company’s customers.

### **IV. STATUTORY BASIS FOR PROCEEDING**

CenterPoint Houston files this Application pursuant to PURA §§ 36.401-36.406. The enactment of these provisions was intended to “enable an electric utility to obtain timely recovery of system restoration costs and to use securitization financing to recover [those] costs.”<sup>3</sup> Pursuant to PURA § 36.402, the SRCs CenterPoint Houston is entitled to recover are the reasonable and necessary costs, including costs expensed, charged to self-insurance reserves, deferred, capitalized, or otherwise financed, that were incurred by the Company due to its own activities or activities conducted on its behalf by others in connection with the restoration of service and infrastructure associated with electric power outages affecting CenterPoint Houston’s customers as a result of

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<sup>2</sup> Public Utility Regulatory Act, Tex. Util. Code Ann. §§ 11.001-66.016.

<sup>3</sup> PURA § 36.401(a).



weather-related events and natural disasters.<sup>4</sup> SRCs include “mobilization, staging, and construction, reconstruction, replacement, or repair of electric generation, transmission, distribution, or general plant facilities.”<sup>5</sup> PURA also authorizes recovery of “reasonable estimates of the costs of an activity or activities conducted or expected to be conducted by or on behalf of the electric utility [CenterPoint Houston] in connection with the restoration of service or infrastructure associated with electric power outages . . . .”<sup>6</sup> Such estimates are subject to true-up and reconciliation after the actual costs are known.<sup>7</sup>

SRCs also include reasonable and necessary weatherization and storm-hardening costs incurred, as well as reasonable estimates of costs to be incurred, by CenterPoint Houston.<sup>8</sup> Such estimates are also subject to true-up and reconciliation after the actual costs are known.<sup>9</sup> Additionally, the securitization provisions of PURA provide that SRCs include carrying costs at CenterPoint Houston’s weighted average cost of capital as last approved by the Commission in a general rate proceeding from the date on which the SRCs were incurred until the date that transition bonds are issued or until SRCs are otherwise recovered pursuant to the provisions of this subchapter.<sup>10</sup> These provisions also require that SRCs be functionalized and allocated to customers in the same manner as the corresponding facilities and related expenses are functionalized and allocated in CenterPoint Houston’s current base rates.<sup>11</sup> Consistent with that functionalization, the Company will request recovery of its transmission SRCs through its

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<sup>4</sup> PURA § 36.402(a).

<sup>5</sup> *Id.*

<sup>6</sup> *Id.*

<sup>7</sup> *Id.*

<sup>8</sup> *Id.*

<sup>9</sup> *Id.*

<sup>10</sup> PURA § 36.402(b).

<sup>11</sup> PURA § 36.403(g).

Transmission Cost of Service (“TCOS”) rates, and CenterPoint Houston expects to submit a request to the Commission for a securitization financing order to recover its distribution SRCs, plus carrying costs, in a future proceeding.

## **V. REQUESTED RELIEF**

CenterPoint Houston requests entry of a Commission order: (1) designating the amount of its reasonable and necessary Hurricane Beryl, Hurricane Francine, and Winter Storm Enzo-related SRCs and distribution-related costs deferred from Docket No. 57271<sup>12</sup> as eligible for recovery, including designation of the portion of such costs to be recovered via securitization and the portion to be recovered via the ERCOT-wide TCOS rates pursuant to 16 Texas Administrative Code (“TAC”) § 25.193; (2) authorizing the Company to include carrying charges on the costs of system restoration from the date costs were incurred and the costs of this proceeding in the amounts to be recovered; and (3) approving the manner in which SRCs recovered will be functionalized and allocated.

## **VI. SUMMARY OF COSTS**

The Company’s total request for SRCs is approximately \$1.3 billion, inclusive of a carrying cost amount that assumes a December 1, 2025, date for securitization. The Company intends to defer any trailing SRCs received after March 31, 2025, related to Hurricane Beryl, Hurricane Francine, and Winter Storm Enzo to a future proceeding. The costs are presented below. Exclusive of the credits proposed in the Accumulated Deferred Federal Income Tax (“ADFIT”) Credit Rider, CenterPoint Houston’s request would result in an estimated monthly bill impact of

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<sup>12</sup> In *Application of CenterPoint Energy Houston Electric, LLC for Determination of System Restoration Costs*, Docket No. 57271, the Company requested recovery of SRCs for two extreme weather events in May 2024. The Commission approved the settlement agreement in that case in which the parties agreed to defer consideration of \$17.5 million in distribution-related SRCs to this proceeding. Docket No. 57271, Final Order at Finding of Fact No. 40 and 44 (Apr. 24, 2025).

\$2.13 for a typical residential customer, based on 1,000 kWh of monthly usage, using the Company's proposed allocation factors, and with bonds that are annualized over a 14-year period.

**Summary of Total Incurred and Estimated System Restoration Costs (\$-millions)**

Incurred SRCs <sup>13</sup>	\$ 1,184.7
Estimated Additional Other Expenses	\$ 2.9
Estimated Carrying Costs	\$ 107.4
<b>Total System Restoration Costs</b>	<b>\$ 1,295.0</b>

**VII. APPLICATION FILING PACKAGE**

In support of its filing, CenterPoint Houston submits testimony and supporting exhibits from eight witnesses.

- Darrin Carroll, Senior Vice President, Electric Business for CenterPoint Houston, provides an introduction of Company witnesses supporting the Company's request; describes the impacts of the three independent weather events on the Company's service territory and transmission and distribution systems; provides a summary of CenterPoint Houston's preparedness and restoration efforts; explains how the Company's Emergency Operations Plan guides CenterPoint Houston's restoration efforts; describes certain safety, customer service, and communication efforts associated with the storms; and summarizes the total SRCs requested by the Company.
- Randal Pryor, Vice President, Distribution Operations & Service Delivery for CenterPoint Houston, describes the Distribution Operations and Service Delivery Division; provides an overview of the Company's distribution system; explains the established programs Distribution Operations relies on annually to maintain the system; addresses Company practices for restoration of service after a severe weather event; discusses the impacts to the Company's system due to Hurricane Beryl, Hurricane Francine and Winter Storm Enzo; discusses the distribution-related deferred SRCs from Docket No. 57271, consistent with the parties' settlement agreement in that case; and supports the reasonableness and necessity of Distribution Operations costs incurred for the preparation and restoration efforts related to Hurricane Beryl, Hurricane Francine and Winter Storm Enzo.
- David Mercado, Vice President of High Voltage and System Operations for CenterPoint Houston, provides an overview of the Company's transmission and substation facilities; describes the Transmission Operations, Substation Operations, and Real Time Operations groups; discusses the preparation measures prior to Hurricane Beryl landfall; discusses the damage caused by Hurricane Beryl and Winter Storm Enzo to the Company's transmission and substation facilities; and supports the

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<sup>13</sup> SRCs incurred through March 31, 2025, for Hurricane Beryl, Hurricane Francine, Winter Storm Enzo, and distribution-related costs deferred from Docket No. 57271.

reasonableness and necessity of transmission and substation costs incurred in support of the restoration effort associated with Hurricane Beryl and Winter Storm Enzo.

- Carla Kneipp, Senior Vice President, Supply Chain and Workplace Services for CenterPoint Energy Service Company, LLC (“Service Company”), provides an overview of the Logistics Section within the Incident Command System structure; describes the preparation activities that the Logistics Section performs immediately in advance of all extreme weather events; provides a summary of the Logistics Section’s and each Logistic Section Unit’s activities in response to Hurricane Beryl from preparation through restoration and demobilization; and provides a summary of the Logistic Section’s and each Logistics Section Unit’s activities in response to Hurricane Francine and Winter Strom Enzo from preparation through restoration and demobilization.
- Russell Wright, Vice President of Financial Planning and Analysis for Service Company and CenterPoint Houston, describes how the SRCs were compiled, reviewed, approved and recorded on the Company’s books; discusses the functionalization of the SRCs between Transmission and Distribution functions; discusses affiliate costs included in the SRCs; describes the proposed cost recovery and accounting treatment of the SRCs; describes the appropriate carrying cost rate to apply prior to recovery of the SRCs from customers; discusses ADFIT issues related to the SRCs; and discusses distribution-related deferred SRCs from Docket No. 57271, consistent with the parties’ settlement agreement in that case.
- John Durland, Director, Regulatory and Rates for Service Company, supports recovery of restoration costs attributable to Hurricane Beryl, Hurricane Francine, and Winter Storm Enzo related to the transmission function to be recovered through the ERCOT-wide TCOS mechanism, and the recovery of restoration costs related to the distribution function to be recovered from Retail Electric Providers (“REPs”) through a new storm rider in the Company’s Tariff for Retail Delivery Service. Mr. Durland also proposes an allocation methodology for retail rates using the allocation factors approved in Docket No. 57271.
- Derek HasBrouck, a Partner in the Energy and Utilities Practice at PA Consulting Group, Inc., provides an independent assessment of the Company’s restoration efforts and opinion on the reasonableness of certain SRCs.
- Tom Keefe, a Partner with Deloitte and Touche LLP, provides an explanation of an examination engagement; describes the Professional Standards that govern CPAs in the performance of Attestation-Based Examinations; provides a general description of the scope of the procedures performed to support Deloitte and Touche LLP’s CenterPoint Energy Houston Electric, LLC Summary of Storm Costs Report; and provides a general summary of the results of Deloitte and Touche LLP’s procedures.



These witnesses collectively recount the extensive preparation and restoration efforts by CenterPoint Houston due to Hurricane Beryl, Hurricane Francine, and Winter Storm Enzo and demonstrate the costs requested are reasonable, necessary, and should be approved for recovery.

### **VIII. NOTICE**

In accordance with 16 TAC § 22.55, which provides that the Presiding Officer may require a party to provide reasonable notice to affected persons, the Company proposes to provide notice in the following manner: (1) publication of notice of this Application by one-time publication in the *Houston Chronicle*, a newspaper having general circulation in each county of the Company's service area beginning as soon as practicable after filing this Application; (2) service of an electronic copy of this filing on all parties who intervened in the Company's last filed general base rate filing before the Commission in Docket No. 56211; (3) service of a physical or electronic copy of the notice to all municipalities within the Company's service area, to distribution service providers listed on the Commission's transmission charge matrix, and to all REPs that are authorized to provide service in CenterPoint Houston's service territory at the time this Application is filed.

The proposed form of notice to be provided is included as Exhibit A to this Application. The Company requests that the Commission find that the Company's proposed notice is sufficient.

### **IX. REQUEST FOR PROTECTIVE ORDER**

During this proceeding, CenterPoint Houston may be required to provide information that is considered confidential or highly sensitive in response to requests for information under the Commission's rules, PURA § 32.101 or the Texas Public Information Act.<sup>14</sup> Therefore, CenterPoint Houston requests that the Commission adopt the protective order included as

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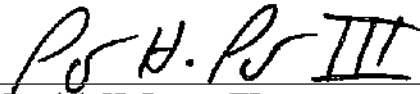
<sup>14</sup> Tex. Gov't Code Ann. §§ 552.001-552.353.

Exhibit B, which is the same protective order approved in the Company's most recently filed base rate proceeding, Docket No. 56211.

#### **X. PRAYER**

CenterPoint Houston requests the Commission (1) determine that its Hurricane Beryl, Hurricane Francine, and Winter Storm Enzo SRCs of \$1.3 billion (with an estimated monthly bill impact of \$2.13 for a typical residential customer), inclusive of estimated case processing expenses and carrying costs through the date upon which SRCs are securitized, together with deferred costs from Docket No. 57271, were reasonable and necessary to allow it to restore electric service to its customers; (2) approve authorization for the Company to recover carrying charges on the cost of system restoration; (3) approve the manner in which SRCs will be functionalized and allocated; and (4) for any other and further relief to which CenterPoint Houston is entitled.

Respectfully submitted,

By: 

Patrick H. Peters III  
State Bar No. 24046622  
Vice President, Associate General Counsel  
CenterPoint Energy, Inc.  
1005 Congress Avenue, Suite 650  
Austin, Texas 78701  
512.397.3032  
512.397.3050 (fax)  
patrick.peters@centerpointenergy.com

Mickey Moon  
State Bar No. 00791291  
CenterPoint Energy  
1111 Louisiana, 19th Floor  
Houston, Texas 77002  
713-207-7231  
713-454-7197 (fax)  
mickey.moon@centerpointenergy.com

Mark Santos  
State Bar No. 24037433  
Kate Norman  
State Bar No. 24051121  
Norman Santos P.C.  
3721 Executive Center Drive, Suite 200  
Austin, Texas 78731  
(512) 985-9399  
(512) 410-4668 (fax)  
kate.norman@normansantos.com  
mark.santos@normansantos.com

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

## **NOTICE OF APPLICATION OF CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC FOR DETERMINATION OF SYSTEM RESTORATION COSTS**

On May 2, 2025, CenterPoint Energy Houston Electric, LLC (“CenterPoint Houston” or the “Company”) filed with the Public Utility Commission of Texas (“Commission”) an Application for Determination of System Restoration Costs (the “Application”). The Application was filed pursuant to Sections 36.401 through 36.406 of the Public Utility Regulatory Act (“PURA”). These provisions of PURA are intended to enable an electric utility to obtain timely recovery of its reasonable and necessary system restoration costs and to use securitization financing to recover those costs.

CenterPoint Houston’s Application seeks a determination as to the reasonableness and necessity of the Company’s storm restoration costs, including deferred costs from Docket No. 57271, as well as estimated case processing expenses and carrying costs incurred in connection with the restoration of electric service following three storm events that took place in July of 2024, September of 2024, and January of 2025, comprised of Hurricane Beryl, Hurricane Francine, and Winter Storm Enzo. Prior to authorizing the Company to recover these costs, the Commission must first determine the amount of CenterPoint Houston’s reasonable and necessary system restoration costs. PURA also provides that the system restoration costs may include reasonable estimates of system restoration costs and shall include carrying costs.

CenterPoint Houston’s Application requests the Commission issue an order (1) designating the amount of the Company’s Hurricane Beryl, Hurricane Francine, and Winter Storm Enzo-related system restoration costs, incurred through March 31, 2025 plus certain estimates, together with deferred costs from Docket No. 57271, in the amount of approximately \$1.3 billion are reasonable and necessary and are eligible for recovery; (2) authorizing the Company to include estimated case processing expenses, and carrying charges on the cost of the system restoration from the date costs were incurred until the date costs are recovered through a rate recovery mechanism at the Company’s pre-tax weighted average cost of capital; and (3) approving the manner in which the system restoration costs will be functionalized and allocated among CenterPoint Houston’s rate classes and schedules.

CenterPoint Houston’s Application, if approved, will ultimately affect all of the Company’s customers; however, the Company is not requesting recovery of its system restoration costs in this proceeding. CenterPoint Houston expects to submit a request to the Commission for a securitization financing order to recover distribution-related system restoration costs, including carrying costs, in a future proceeding that will also include specific rates and tariffs to recover such costs. The Company will seek the recovery of transmission-related system restoration costs in future transmission cost of service rate proceedings.

Persons with questions or who want more information about the Application may contact CenterPoint Houston at Attn: Alice Hart, 1111 Louisiana, Houston, Texas 77002, or call 713-207-5322 during normal business hours. A complete copy of the Application is available for inspection at the address listed above upon request. In addition, questions may be sent to [financingorder@centerpointenergy.com](mailto:financingorder@centerpointenergy.com)



Tex. Util. Code § 36.405(c) requires the Commission issue an order no later than 150 days after the Application was filed. The Commission has assigned Docket No. 58028 to this proceeding and an intervention deadline will be established by the Commission. Persons who wish to formally intervene in or comment upon these proceedings should notify the Public Utility Commission of Texas as soon as possible, as an intervention deadline will be imposed. A request to intervene or for further information should be mailed to the Public Utility Commission of Texas, P.O. Box 13326, Austin, Texas 78711-3326. Further information may also be obtained by calling the Public Utility Commission of Texas at (512) 936-7120 or (888) 782-8477. Hearing- and speech-impaired individuals with text telephones (TTY) may contact the Commission at (512) 936-7136. All communications should refer to Docket No. 58028.

**DOCKET NO. 58028**

<b>APPLICATION OF CENTERPOINT</b>	<b>§</b>	
<b>ENERGY HOUSTON ELECTRIC, LLC</b>	<b>§</b>	<b>PUBLIC UTILITY COMMISSION</b>
<b>FOR DETERMINATION OF SYSTEM</b>	<b>§</b>	<b>OF TEXAS</b>
<b>RESTORATION COSTS</b>	<b>§</b>	

**PROTECTIVE ORDER**

This Protective Order governs the use of all information deemed confidential (Protected Materials) or highly confidential (Highly Sensitive Protected Materials) filed or produced in discovery by a party in this proceeding, including information whose confidentiality is currently under dispute.

It is ORDERED that:

1. **Designation of Protected Materials.** Upon producing or filing a document, including, but not limited to, records on a computer disk or other similar electronic storage medium in this proceeding, the producing party may designate that document, or any portion of it, as confidential pursuant to this Protective Order by typing or stamping on its face “PROTECTED PURSUANT TO PROTECTIVE ORDER ISSUED IN DOCKET NO. 58028” (or words to this effect) and consecutively Bates Stamping each page. Protected Materials and Highly Sensitive Protected Materials include the documents so designated, as well as the substance of the information contained in the documents and any description, report, summary, or statement about the substance of the information contained in the documents.
2. **Materials Excluded from Protected Materials Designation.** Protected Materials must not include any information or document contained in the public files of the Commission or any other federal or state agency, court, or local governmental authority subject to the Public Information Act.<sup>1</sup> Protected Materials also must not include documents or information which at the time of, or prior to disclosure in, a proceeding is or was public

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<sup>1</sup> Tex. Gov't Code § 552.001-.353.

knowledge, or which becomes public knowledge other than through disclosure in violation of this Protective Order.

3. **Reviewing Party**. For the purposes of this Protective Order, a “Reviewing Party” is any party to this docket.
4. **Procedures for Designation of Protected Materials**. On or before the date the Protected Materials or Highly Sensitive Protected Materials are provided to the Commission, the producing party is required to file with the Commission and deliver to each party to the proceeding a written statement, which may be in the form of an objection, indicating:  
(a) any exemptions to the Public Information Act claimed to apply to the alleged Protected Materials; (b) the reasons supporting the producing party’s claim that the responsive information is exempt from public disclosure under the Public Information Act and subject to treatment as protected materials; and (c) that counsel for the producing party has reviewed the information sufficiently to state in good faith that the information is exempt from public disclosure under the Public Information Act and merits the Protected Materials designation.
5. **Persons Permitted Access to Protected Materials**. Except as otherwise provided in this Protective Order, a Reviewing Party may access Protected Materials only through its “Reviewing Representatives” who have signed the Protective Order Certification Form (see Attachment A). Reviewing Representatives of a Reviewing Party include its counsel of record in this proceeding and associated attorneys, paralegals, economists, statisticians, accountants, consultants, or other persons employed or retained by the Reviewing Party and directly engaged in this proceeding. At the request of the PUC Commissioners, copies of Protected Materials may be produced by Commission Staff. The Commissioners and their staff must be informed of the existence and coverage of this Protective Order and will observe the restrictions of the Protective Order.
6. **Highly Sensitive Protected Material Described**. The term “Highly Sensitive Protected Materials” is a subset of Protected Materials and refers to documents or information that a

producing party claims is of such a highly sensitive nature that making copies of such documents or information or providing access to such documents to employees of the Reviewing Party (except as specified herein) would expose a producing party to unreasonable risk of harm. Highly Sensitive Protected Materials include but are not limited to: (a) customer-specific information protected by § 32.101(c) of the Public Utility Regulatory Act;<sup>2</sup> (b) contractual information pertaining to contracts that specify that their terms are confidential or that are confidential pursuant to an order entered in litigation to which the producing party is a party; (c) market-sensitive fuel price forecasts, wholesale transactions information and/or market-sensitive marketing plans; and (d) business operations or financial information that is commercially sensitive. Documents or information so classified by a producing party must bear the designation “HIGHLY SENSITIVE PROTECTED MATERIALS PROVIDED PURSUANT TO PROTECTIVE ORDER ISSUED IN DOCKET NO. 58028” (or words to this effect) and must be consecutively Bates Stamped. The provisions of this Protective Order pertaining to Protected Materials also apply to Highly Sensitive Protected Materials, except where this Protective Order provides for additional protections for Highly Sensitive Protected Materials. In particular, the procedures herein for challenging the producing party’s designation of information as Protected Materials also apply to information that a producing party designates as Highly Sensitive Protected Materials.

7. **Restrictions on Copying and Inspection of Highly Sensitive Protected Material.**

Except as expressly provided herein, only one copy may be made of any Highly Sensitive Protected Materials except that additional copies may be made to have sufficient copies for introduction of the material into the evidentiary record if the material is to be offered for admission into the record. The Reviewing Party is required to maintain a record of all copies made of Highly Sensitive Protected Material and must send a duplicate of the

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<sup>2</sup> Public Utility Regulatory Act, Tex. Util. Code §§ 11.001-66.016 (PURA).



record to the producing party when the copy or copies are made. The record must specify the location and the person possessing the copy. Highly Sensitive Protected Material must be made available for inspection only at the location or locations provided by the producing party, except as specified by Paragraph 9. Limited notes may be made of Highly Sensitive Protected Materials, and such notes must themselves be treated as Highly Sensitive Protected Materials unless such notes are limited to a description of the document and a general characterization of its subject matter in a manner that does not state any substantive information contained in the document.

8. **Restricting Persons Who May Have Access to Highly Sensitive Protected Material.**

With the exception of Commission Staff, the Office of the Attorney General (OAG), and the Office of Public Utility Counsel (OPC), and except as provided herein, the Reviewing Representatives for the purpose of access to Highly Sensitive Protected Materials may be persons who are (a) outside counsel for the Reviewing Party, (b) outside consultants for the Reviewing Party working under the direction of Reviewing Party's counsel, or (c) employees of the Reviewing Party working with and under the direction of Reviewing Party's counsel who have been authorized by the presiding officer to review Highly Sensitive Protected Materials. The Reviewing Party must limit the number of Reviewing Representatives that review Highly Sensitive Protected Materials to the minimum number of persons necessary. The Reviewing Party is under a good faith obligation to limit access to each portion of any Highly Sensitive Protected Materials to two Reviewing Representatives whenever possible. Reviewing Representatives for Commission Staff, OAG, and OPC, for the purpose of access to Highly Sensitive Protected Materials, must consist of their respective counsel of record in this proceeding and associated attorneys, paralegals, economists, statisticians, accountants, consultants, or other persons employed or retained by them and directly engaged in these proceedings.

9. **Copies Provided of Highly Sensitive Protected Material.** A producing party is required to provide one copy of Highly Sensitive Protected Materials specifically requested by

the Reviewing Party to the person designated by the Reviewing Party who must be a person authorized to review Highly Sensitive Protected Material under Paragraph 8. Representatives of the Reviewing Party who are authorized to view Highly Sensitive Protected Material may review the copy of Highly Sensitive Protected Materials at the office of the Reviewing Party's representative designated to receive the information. Any Highly Sensitive Protected Materials provided to a Reviewing Party may not be copied except as provided in Paragraph 7. The restrictions contained herein do not apply to Commission Staff, OPC, and the OAG when the OAG is representing a party to the proceeding.

10. **Procedures in Paragraphs 10-14 Apply to Commission Staff, OPC, and the OAG and Control in the Event of Conflict.** The procedures in Paragraphs 10 through 14 apply to responses to requests for documents or information that the producing party designates as Highly Sensitive Protected Materials and provides to Commission Staff, OPC, and the OAG in recognition of their purely public functions. To the extent the requirements of Paragraphs 10 through 14 conflict with any requirements contained in other paragraphs of this Protective Order, the requirements of these Paragraphs control.
11. **Copy of Highly Sensitive Protected Material to be Provided to Commission Staff, OPC and the OAG.** When, in response to a request for information by a Reviewing Party, the producing party makes available for review documents or information claimed to be Highly Sensitive Protected Materials, the producing party is required to also deliver one copy of the Highly Sensitive Protected Materials to the Commission Staff, OPC (if OPC is a party), and the OAG (if the OAG is representing a party) in Austin, Texas. Provided however, that in the event such Highly Sensitive Protected Materials are voluminous, the materials will be made available for review by Commission Staff, OPC (if OPC is a party), and the OAG (if the OAG is representing a party) at the designated office in Austin, Texas. The Commission Staff, OPC (if OPC is a party) and the OAG

(if the OAG is representing a party) may request such copies as are necessary of such voluminous material under the copying procedures specified herein.

12. **Delivery of the Copy of Highly Sensitive Protected Material to Commission Staff and Outside Consultants.** The Commission Staff, OPC (if OPC is a party), and the OAG (if the OAG is representing a party) may deliver the copy of Highly Sensitive Protected Materials received by them to the appropriate members of their staff for review, provided such staff members first sign the certification specified by Paragraph 15. After obtaining the agreement of the producing party, Commission Staff, OPC (if OPC is a party), and the OAG (if the OAG is representing a party) may deliver the copy of Highly Sensitive Protected Materials received by it to the agreed, appropriate members of their outside consultants for review, provided such outside consultants first sign the certification in Attachment A.
13. **Restriction on Copying by Commission Staff, OPC and the OAG.** Except as allowed by Paragraph 7, Commission Staff, OPC and the OAG may not make additional copies of the Highly Sensitive Protected Materials furnished to them unless the producing party agrees in writing otherwise, or, upon a showing of good cause, the presiding officer directs otherwise. Commission Staff, OPC, and the OAG may make limited notes of Highly Sensitive Protected Materials furnished to them, and all such handwritten notes will be treated as Highly Sensitive Protected Materials as are the materials from which the notes are taken.
14. **Public Information Requests.** In the event of a request for any of the Highly Sensitive Protected Materials under the Public Information Act, an authorized representative of the Commission, OPC, or the OAG may furnish a copy of the requested Highly Sensitive Protected Materials to the Open Records Division at the OAG together with a copy of this Protective Order after notifying the producing party that such documents are being furnished to the OAG. Such notification may be provided simultaneously with the delivery of the Highly Sensitive Protected Materials to the OAG.

15. **Required Certification.** Each person who inspects the Protected Materials must, before such inspection, agree in writing to the following certification found in Attachment A to this Protective Order:

I certify my understanding that the Protected Materials are provided to me pursuant to the terms and restrictions of the Protective Order in this docket, and that I have been given a copy of it and have read the Protective Order and agree to be bound by it. I understand that the contents of the Protected Materials, any notes, memoranda, or any other form of information regarding or derived from the Protected Materials must not be disclosed to anyone other than in accordance with the Protective Order and unless I am an employee of the Commission or OPC will be used only for the purpose of the proceeding in Docket No. 58028. I acknowledge that the obligations imposed by this certification are pursuant to such Protective Order. Provided, however, if the information contained in the Protected Materials is obtained from independent public sources, the understanding stated herein must not apply.

In addition, Reviewing Representatives who are permitted access to Highly Sensitive Protected Material under the terms of this Protective Order must, before inspection of such material, agree in writing to the following certification found in Attachment A to this Protective Order:

I certify that I am eligible to have access to Highly Sensitive Protected Material under the terms of the Protective Order in this docket.

The Reviewing Party is required to provide a copy of each signed certification to Counsel for the producing party and serve a copy upon all parties of record.

16. **Disclosures between Reviewing Representatives and Continuation of Disclosure Restrictions after a Person is no Longer Engaged in the Proceeding.** Any Reviewing Representative may disclose Protected Materials, other than Highly Sensitive Protected Materials, to any other person who is a Reviewing Representative provided that, if the person to whom disclosure is to be made has not executed and provided for delivery of a signed certification to the party asserting confidentiality, that certification must be executed prior to any disclosure. A Reviewing Representative may disclose Highly Sensitive Protected Material to other Reviewing Representatives who are permitted access to such

material and have executed the additional certification required for persons who receive access to Highly Sensitive Protected Material. In the event that any Reviewing Representative to whom Protected Materials are disclosed ceases to be engaged in these proceedings, access to Protected Materials by that person must be terminated and all notes, memoranda, or other information derived from the protected material must either be destroyed or given to another Reviewing Representative of that party who is authorized pursuant to this Protective Order to receive the protected materials. Any person who has agreed to the foregoing certification is required to continue to be bound by the provisions of this Protective Order so long as it is in effect, even if no longer engaged in these proceedings.

17. **Producing Party to Provide One Copy of Certain Protected Material and Procedures for Making Additional Copies of Such Materials.** Except for Highly Sensitive Protected Materials, which must be provided to the Reviewing Parties under Paragraph 9, and voluminous Protected Materials, the producing party is required to provide a Reviewing Party one copy of the Protected Materials upon receipt of the signed certification described in Paragraph 15. Except for Highly Sensitive Protected Materials, a Reviewing Party may make further copies of Protected Materials for use in this proceeding according to this Protective Order, but a record must be maintained as to the documents reproduced and the number of copies made, and upon request the Reviewing Party is required to provide the party asserting confidentiality with a copy of that record.
18. **Procedures Regarding Voluminous Protected Materials.** 16 Texas Administrative Code (TAC) § 22.144(h) will govern production of voluminous Protected Materials. Voluminous Protected Materials will be made available in the producing party's voluminous room, in Austin, Texas, or at a mutually agreed upon location, Monday through Friday, 9:00 a.m. to 5:00 p.m. (except on state or Federal holidays), and at other mutually convenient times upon reasonable request.

19. **Reviewing Period Defined.** The Protected Materials may be reviewed only during the Reviewing Period, which will commence upon entry of this Protective Order and continue until the expiration of the Commission's plenary jurisdiction. The Reviewing Period will reopen if the Commission regains jurisdiction due to a remand as provided by law. Protected materials that are admitted into the evidentiary record or accompanying the evidentiary record as offers of proof may be reviewed throughout the pendency of this proceeding and any appeals.
20. **Procedures for Making Copies of Voluminous Protected Materials.** Other than Highly Sensitive Protected Materials, Reviewing Parties may take notes regarding the information contained in voluminous Protected Materials made available for inspection or they may make photographic, mechanical or electronic copies of the Protected Materials, subject to the conditions in this Protective Order; provided, however, that before photographic, mechanical or electronic copies may be made, the Reviewing Party seeking photographic, mechanical or electronic copies must provide written confirmation of the receipt of copies listed on Attachment B of this Protective Order identifying each piece of Protected Materials or portions thereof the Reviewing Party will need.
21. **Protected Materials to be Used Solely for the Purposes of These Proceedings.** All Protected Materials must be made available to the Reviewing Parties and their Reviewing Representatives solely for the purposes of these proceedings. Access to the Protected Materials may not be used in the furtherance of any other purpose, including, without limitation: (a) any other pending or potential proceeding involving any claim, complaint, or other grievance of whatever nature, except appellate review proceedings that may arise from or be subject to these proceedings; or (b) any business or competitive endeavor of whatever nature. Because of their statutory regulatory obligations, these restrictions do not apply to Commission Staff or OPC.
22. **Procedures for Confidential Treatment of Protected Materials and Information Derived from Those Materials.** Protected Materials, as well as a Reviewing Party's

notes, memoranda, or other information regarding or derived from the Protected Materials are to be treated confidentially by the Reviewing Party and must not be disclosed or used by the Reviewing Party except as permitted and provided in this Protective Order. Information derived from or describing the Protected Materials must be maintained in a secure place and must not be placed in the public or general files of the Reviewing Party except in accordance with the provisions of this Protective Order. A Reviewing Party must take all reasonable precautions to insure that the Protected Materials including notes and analyses made from Protected Materials that disclose Protected Materials are not viewed or taken by any person other than a Reviewing Representative of a Reviewing Party.

23. **Procedures for Submission of Protected Materials.** If a Reviewing Party tenders for filing any Protected Materials, including Highly Sensitive Protected Materials, or any written testimony, exhibit, brief, motion or other type of pleading or other submission at the Commission or before any other judicial body that quotes from Protected Materials or discloses the content of Protected Materials, the confidential portion of such submission must be filed and served in sealed envelopes or other appropriate containers endorsed to the effect that they contain Protected Material or Highly Sensitive Protected Material and are sealed pursuant to this Protective Order. If filed at the Commission, such documents must be marked "PROTECTED MATERIAL" and must be filed under seal with the presiding officer and served under seal to the counsel of record for the Reviewing Parties. The presiding officer may subsequently, on his/her own motion or on motion of a party, issue a ruling respecting whether or not the inclusion, incorporation or reference to Protected Materials is such that such submission should remain under seal. If filing before a judicial body, the filing party: (a) must notify the party which provided the information within sufficient time so that the producing party may seek a temporary sealing order; and (b) must otherwise follow the procedures in Rule 76a, Texas Rules of Civil Procedure.



24. **Maintenance of Protected Status of Materials during Pendency of Appeal of Order Holding Materials are not Protected Materials.** In the event that the presiding officer at any time in the course of this proceeding finds that all or part of the Protected Materials are not confidential or proprietary, by finding, for example, that such materials have entered the public domain or materials claimed to be Highly Sensitive Protected Materials are only Protected Materials, those materials will nevertheless be subject to the protection afforded by this Protective Order for three (3) full working days, unless otherwise ordered, from the date the party asserting confidentiality receives notice of the presiding officer's order. Such notification will be by written communication. This provision establishes a deadline for appeal of a presiding officer's order to the Commission. In the event an appeal to the Commissioners is filed within those three (3) working days from notice, the Protected Materials must be afforded the confidential treatment and status provided in this Protective Order during the pendency of such appeal. Neither the party asserting confidentiality nor any Reviewing Party waives its right to seek additional administrative or judicial remedies after the Commission's denial of any appeal.
25. **Notice of Intent to Use Protected Materials or Change Materials Designation.** Parties intending to use Protected Materials must notify the other parties prior to offering them into evidence or otherwise disclosing such information into the record of the proceeding. During the pendency of Docket No. 58028 at the Commission, in the event that a Reviewing Party wishes to disclose Protected Materials to any person to whom disclosure is not authorized by this Protective Order, or wishes to have changed the designation of certain information or material as Protected Materials by alleging, for example, that such information or material has entered the public domain, such Reviewing Party must first file and serve on all parties written notice of such proposed disclosure or request for change in designation, identifying with particularity each of such Protected Materials. A Reviewing Party will at any time be able to file a written motion to challenge the designation of information as Protected Materials.

26. **Procedures to Contest Disclosure or Change in Designation.** In the event that the party asserting confidentiality wishes to contest a proposed disclosure or request for change in designation, the party asserting confidentiality must file with the appropriate presiding officer its objection to a proposal, with supporting affidavits, if any, within five (5) working days after receiving such notice of proposed disclosure or change in designation. Failure of the party asserting confidentiality to file such an objection within this period will be deemed a waiver of objection to the proposed disclosure or request for change in designation. Within five (5) working days after the party asserting confidentiality files its objection and supporting materials, the party challenging confidentiality may respond. Any such response must include a statement by counsel for the party challenging such confidentiality that he or she has reviewed all portions of the materials in dispute and, without disclosing the Protected Materials, a statement as to why the Protected Materials should not be held to be confidential under current legal standards, or that the party asserting confidentiality for some reason did not allow such counsel to review such materials. If either party wishes to submit the material in question for in camera inspection, it must do so no later than five (5) working days after the party challenging confidentiality has made its written filing.
27. **Procedures for Presiding Officer Determination Regarding Proposed Disclosure or Change in Designation.** If the party asserting confidentiality files an objection, the appropriate presiding officer will determine whether the proposed disclosure or change in designation is appropriate. Upon the request of either the producing or Reviewing Party or upon the presiding officer's own initiative, the presiding officer may conduct a prehearing conference. The burden is on the party asserting confidentiality to show that such proposed disclosure or change in designation should not be made. If the presiding officer determines that such proposed disclosure or change in designation should be made, disclosure must not take place earlier than three (3) full working days after such

determination unless otherwise ordered. No party waives any right to seek additional administrative or judicial remedies concerning such presiding officer's ruling.

28. **Maintenance of Protected Status during Periods Specified for Challenging Various**

**Orders**. Any party electing to challenge, in the courts of this state, a Commission or presiding officer determination allowing disclosure or a change in designation will have a period of ten (10) days from: (a) the date of an unfavorable Commission order; or (b) if the Commission does not rule on an appeal of an interim order, the date an appeal of an interim order to the Commission is overruled by operation of law, to obtain a favorable ruling in state district court. Any party challenging a state district court determination allowing disclosure or a change in designation will have an additional period of ten (10) days from the date of the order to obtain a favorable ruling from a state appeals court. Finally, any party challenging a determination of a state appeals court allowing disclosure or a change in designation will have an additional period of ten (10) days from the date of the order to obtain a favorable ruling from the state supreme court, or other appellate court. All Protected Materials must be afforded the confidential treatment and status provided for in this Protective Order during the periods for challenging the various orders referenced in this paragraph. For purposes of this paragraph, a favorable ruling of a state district court, state appeals court, Supreme Court or other appellate court includes any order extending the deadlines in this paragraph.

29. **Other Grounds for Objection to Use of Protected Materials Remain Applicable.**

Nothing in this Protective Order precludes any party from objecting to the use of Protected Materials on grounds other than confidentiality, including the lack of required relevance. Nothing in this Protective Order constitutes a waiver of the right to argue for more disclosure, provided, however, that unless the Commission or a court orders such additional disclosure, all parties will abide by the restrictions imposed by the Protective Order.

30. **Protection of Materials from Unauthorized Disclosure.** All notices, applications, responses or other correspondence must be made in a manner which protects Protected Materials from unauthorized disclosure.
31. **Return of Copies of Protected Materials and Destruction of Information Derived from Protected Materials.** Following the conclusion of these proceedings, each Reviewing Party must, no later than thirty (30) days following receipt of the notice described below, return to the party asserting confidentiality all copies of the Protected Materials provided by that party pursuant to this Protective Order and all copies reproduced by a Reviewing Party, and counsel for each Reviewing Party must provide to the party asserting confidentiality a letter by counsel that, to the best of his or her knowledge, information, and belief, all copies of notes, memoranda, and other documents regarding or derived from the Protected Materials (including copies of Protected Materials) that have not been so returned, if any, have been destroyed, other than notes, memoranda, or other documents which contain information in a form which, if made public, would not cause disclosure of the substance of Protected Materials. As used in this Protective Order, "conclusion of these proceedings" refers to the exhaustion of available appeals, or the running of the time for the making of such appeals, as provided by applicable law. If, following any appeal, the Commission conducts a remand proceeding, then the "conclusion of these proceedings" is extended by the remand to the exhaustion of available appeals of the remand, or the running of the time for making such appeals of the remand, as provided by applicable law. Promptly following the conclusion of these proceedings, counsel for the party asserting confidentiality will send a written notice to all other parties, reminding them of their obligations under this Paragraph. Nothing in this Paragraph prohibits counsel for each Reviewing Party from retaining two (2) copies of any filed testimony, brief, application for rehearing, hearing exhibit or other pleading which refers to Protected Materials provided that any such

Protected Materials retained by counsel will remain subject to the provisions of this Protective Order.

32. **Applicability of Other Law.** This Protective Order is subject to the requirements of the Public Information Act, the Open Meetings Act,<sup>3</sup> the Texas Securities Act<sup>4</sup> and any other applicable law, provided that parties subject to those acts will notify the party asserting confidentiality, if possible under those acts, prior to disclosure pursuant to those acts. Such notice is not required where the Protected Materials are sought by governmental officials authorized to conduct a criminal or civil investigation that relates to or involves the Protected Materials, and those governmental officials aver in writing that such notice could compromise the investigation and that the governmental entity involved will maintain the confidentiality of the Protected Materials.
33. **Procedures for Release of Information under Order.** If required by order of a governmental or judicial body, the Reviewing Party may release to such body the confidential information required by such order; provided, however, that: (a) the Reviewing Party must notify the producing party of the order requiring the release of such information within five (5) calendar days of the date the Reviewing Party has notice of the order; (b) the Reviewing Party must notify the producing party at least five (5) calendar days in advance of the release of the information to allow the producing party to contest any release of the confidential information; and (c) the Reviewing Party must use its best efforts to prevent such materials from being disclosed to the public. The terms of this Protective Order do not preclude the Reviewing Party from complying with any valid and enforceable order of a state or federal court with competent jurisdiction specifically requiring disclosure of Protected Materials earlier than contemplated herein. The notice specified in this section is not required where the Protected Materials are sought by governmental officials authorized to conduct a criminal or civil investigation

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<sup>3</sup> Tex. Gov't Code § 551.001-.146.

<sup>4</sup> Tex. Rev. Civ. Stat. Ann. arts. 581-1 to 581-43.

that relates to or involves the Protected Materials, and those governmental officials aver in writing that such notice could compromise the investigation and that the governmental entity involved will maintain the confidentiality of the Protected Materials.

34. **Best Efforts Defined.** The term “best efforts” as used in the preceding paragraph requires that the Reviewing Party attempt to ensure that disclosure is not made unless such disclosure is pursuant to a final order of a Texas governmental or Texas judicial body, the written opinion of the Texas Attorney General sought in compliance with the Public Information Act, or the request of governmental officials authorized to conduct a criminal or civil investigation that relates to or involves the Protected Materials. The Reviewing Party is not required to delay compliance with a lawful order to disclose such information but is simply required to timely notify the party asserting confidentiality, or its counsel, that it has received a challenge to the confidentiality of the information and that the Reviewing Party will either proceed under the provisions of §552.301 of the Public Information Act, or intends to comply with the final governmental or court order. Provided, however, that no notice is required where the Protected Materials are sought by governmental officials authorized to conduct a criminal or civil investigation that relates to or involves the Protected Materials, and those governmental officials aver in writing that such notice could compromise the investigation and that the governmental entity involved will maintain the confidentiality of the Protected Materials.
35. **Notify Defined.** “Notify” for purposes of Paragraphs 32, 33 and 34 means written notice to the party asserting confidentiality at least five (5) calendar days prior to release; including when a Reviewing Party receives a request under the Public Information Act. However, the Commission, OAG, or OPC may provide a copy of Protected Materials to the Open Records Division of the OAG as provided herein.
36. **Requests for Non-Disclosure.** If the producing party asserts that the requested information should not be disclosed at all, or should not be disclosed to certain parties under the protection afforded by this Protective Order, the producing party must tender

the information for in camera review to the presiding officer within ten (10) calendar days of the request. At the same time, the producing party is required to file and serve on all parties its argument, including any supporting affidavits, in support of its position of non-disclosure. The burden is on the producing party to establish that the material should not be disclosed. The producing party must serve a copy of the information under the classification of Highly Sensitive Protected Material to all parties requesting the information that the producing party has not alleged should be prohibited from reviewing the information.

Parties wishing to respond to the producing party's argument for non-disclosure must do so within five working days. Responding parties should explain why the information should be disclosed to them, including why disclosure is necessary for a fair adjudication of the case if the material is determined to constitute a trade secret. If the presiding officer finds that the information should be disclosed as Protected Material under the terms of this Protective Order, the presiding officer will stay the order of disclosure for such period of time as the presiding officer deems necessary to allow the producing party to appeal the ruling to the Commission.

37. **Sanctions Available for Abuse of Designation.** If the presiding officer finds that a producing party unreasonably designated material as Protected Material or as Highly Sensitive Protected Material, or unreasonably attempted to prevent disclosure pursuant to Paragraph 36, the presiding officer may sanction the producing party pursuant to 16 TAC § 22.161.
38. **Modification of Protective Order.** Each party will have the right to seek changes in this Protective Order as appropriate from the presiding officer.
39. **Breach of Protective Order.** In the event of a breach of the provisions of this Protective Order, the producing party, if it sustains its burden of proof required to establish the right to injunctive relief, will be entitled to an injunction against such breach without any requirements to post bond as a condition of such relief. The producing party will not be



relieved of proof of any element required to establish the right to injunctive relief. In addition to injunctive relief, the producing party will be entitled to pursue any other form of relief to which it is entitled.

## ATTACHMENT A

### Protective Order Certification

I certify my understanding that the Protected Materials are provided to me pursuant to the terms and restrictions of the Protective Order in this docket and that I have received a copy of it and have read the Protective Order and agree to be bound by it. I understand that the contents of the Protected Materials, any notes, memoranda, or any other form of information regarding or derived from the Protected Materials must not be disclosed to anyone other than in accordance with the Protective Order and unless I am an employee of the Commission or OPC will be used only for the purpose of the proceeding in Docket No. 58028. I acknowledge that the obligations imposed by this certification are pursuant to such Protective Order. Provided, however, if the information contained in the Protected Materials is obtained from independent public sources, the understanding stated here will not apply.

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Signature

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Party Represented

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Printed Name

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Date

I certify that I am eligible to have access to Highly Sensitive Protected Material under the terms of the Protective Order in this docket.

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Signature

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Party Represented

---

Printed Name

---

Date

**ATTACHMENT B**

I request to view/copy the following documents:

Document Requested	# of Copies	Non-Confidential	Protected Materials and/or Highly Sensitive Protected Materials

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Party Represented

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Date

**DIRECT TESTIMONY**

**OF**

**DARIN CARROLL**

**ON BEHALF OF**

**CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC**

## **TABLE OF CONTENTS**

EXECUTIVE SUMMARY OF DARIN CARROLL .....	ES-1
I. INTRODUCTION .....	1
II. PURPOSE OF TESTIMONY .....	1
III. OVERVIEW OF THE FILING .....	3
IV. OVERVIEW OF STORM COSTS .....	5
A. Hurricane Beryl .....	5
B. Hurricane Francine .....	12
C. Winter Storm Enzo .....	15
V. OVERVIEW OF RESTORATION EFFORTS .....	17
VI. EMERGENCY OPERATIONS PLAN AND PROCESS .....	24
VII. SYSTEM RESTORATION COSTS .....	31
VIII. CUSTOMER SERVICE EFFORTS DURING HURRICANE BERYL, HURRICANE FRANCINE AND WINTER STORM ENZO .....	35
IX. COMMUNICATIONS DURING HURRICANE BERYL, HURRICANE FRANCINE AND WINTER STORM ENZO .....	36
X. REDUCTIONS TO SRCS .....	44

## **LIST OF EXHIBITS**

EXHIBIT DC-1	Space City Report on Hurricane Beryl
EXHIBIT DC-2	Restoration Timelines
EXHIBIT DC-3	PA After Action Report on Hurricane Beryl
EXHIBIT DC-4	2024 CenterPoint Emergency Operations Plan
EXHIBIT DC-5	2025 CenterPoint Emergency Operations Plan

**EXECUTIVE SUMMARY OF DARIN CARROLL**

My testimony provides an overview of CenterPoint Energy Houston Electric, LLC's ("CenterPoint Houston" or the "Company") application to recover system restoration costs ("SRCs") associated with Hurricane Beryl, Hurricane Francine, and Winter Storm Enzo. In particular, my testimony:

- provides an introduction of Company witnesses supporting the Company's request;
- describes the impacts of the three independent weather events on the Company's service territory and transmission and distribution systems;
- provides a summary of CenterPoint Houston's preparedness and restoration efforts;
- explains how the Company's Emergency Operations Plan ("EOP") guides CenterPoint Houston's restoration efforts;
- describes certain safety, customer service, and communication efforts associated with the storms; and
- summarizes the total SRCs requested by the Company.

Together with the testimony of other CenterPoint Houston witnesses, my testimony demonstrates that approximately \$1.3 billion, inclusive of carrying costs, in SRCs associated with Hurricane Beryl, Hurricane Francine, Winter Storm Enzo, and certain distribution-related SRCs deferred from Docket No. 57271 are reasonable and necessary and should be recovered in accordance with the statutory standard for recovery of SRCs.

**DIRECT TESTIMONY OF DARIN CARROLL**

**I. INTRODUCTION**

**Q. PLEASE STATE YOUR NAME, POSITION AND BUSINESS ADDRESS.**

A. My name is Darin Carroll. I am the Senior Vice President, Electric Business, for CenterPoint Houston in Houston, Texas. My business address is 1111 Louisiana St., Houston, Texas 77002.

**Q. PLEASE DESCRIBE YOUR EDUCATIONAL BACKGROUND AND PREVIOUS WORK EXPERIENCE.**

A. I received a bachelor's degree in business administration from the University of Southern Indiana. I have worked in various levels of gas and electric utility leadership since 2008. I began as an Operations Supervisor with Vectren in Evansville, Indiana, and over the years held roles with progressive levels of responsibility including division manager, operations director, vice president, and senior vice president.

**Q. WHAT EXHIBITS HAVE YOU INCLUDED WITH YOUR TESTIMONY?**

A. I have prepared or supervised the preparation of the exhibits listed in the table of contents.

**II. PURPOSE OF TESTIMONY**

**Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS PROCEEDING?**

A. My direct testimony presents an overview of the Company's application and testimony supporting the application. I also discuss how CenterPoint Houston operates when functioning under its EOP. I also summarize the primary cost drivers underlying CenterPoint Houston's requested SRCs.

1 **Q. PLEASE SUMMARIZE CENTERPOINT HOUSTON'S REQUEST.**

2 A. CenterPoint Houston is seeking a determination that costs associated with storm  
3 preparation and restoration efforts involving Hurricane Beryl, Hurricane Francine,  
4 and Winter Storm Enzo, together with certain distribution-related SRCs deferred  
5 from Docket No. 57271, totaling approximately \$1.3 billion, are reasonable and  
6 necessary costs and are eligible for recovery. The Company's EOP was activated  
7 during each of these weather events. The methods of recovery for these costs will  
8 be the subject of separate proceedings. Detailed information regarding the  
9 reasonableness and necessity of these costs is presented in my testimony and the  
10 testimony of the other Company witnesses in this proceeding. A summary of these  
11 costs is presented in Table DC-1 below.

12 **Table DC-1**  
13 **Summary of Total Incurred and Estimated System Restoration Costs (\$ millions)**

Incurring SRCs <sup>1</sup>	\$ 1,184.7
Estimated Additional Other Expenses	\$ 2.9
Estimated Carrying Costs	\$ 107.4
<b>Total System Restoration Costs</b>	<b>\$ 1,295.0</b>

14 CenterPoint Houston also requests that SRCs related to the transmission  
15 function (included in the \$1.3 billion shown in Table DC-1 above) be found to be  
16 prudent, with recovery to be sought from distribution service providers through the  
17 Company's Transmission Cost of Service charge in CenterPoint Houston's Tariff  
18 for Wholesale Transmission Service in a separate proceeding. For distribution-  
19 related SRCs, the Company proposes to securitize the amount upon issuance of a

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<sup>1</sup> SRCs incurred through March 31, 2025, for Hurricane Beryl, Hurricane Francine, Winter Storm Enzo, and distribution-related costs deferred from *Application of CenterPoint Energy Houston Electric, LLC for Determination of System Restoration Costs*, Docket No. 57271.



1 Public Utility Commission of Texas (“Commission”) Financing Order. The  
2 revenue necessary to service the securitization bonds will be recovered from retail  
3 electric providers (“REPs”) through a separate charge added to the Company’s  
4 Tariff for Retail Delivery Service. If the Commission determines that securitization  
5 is not beneficial for customers, CenterPoint Houston proposes to implement an  
6 appropriate surcharge mechanism to recover the distribution-related SRCs. Finally,  
7 the Company requests the approval of the manner in which SRCs will be  
8 functionalized and allocated to customer classes.

### 9 **III. OVERVIEW OF THE FILING**

#### 10 **Q. WHY IS THE COMPANY MAKING THIS FILING?**

11 A. The Company’s SRC filing is made in accordance with Chapter 36, Subchapter I  
12 of the Public Utility Regulatory Act (“PURA”). That statute addresses the recovery  
13 and securitization of SRCs as well as CenterPoint Houston’s separate request in a  
14 later proceeding for a Financing Order.

#### 15 **Q. DOES THE RECOVERY OF SRCS THROUGH SECURITIZATION** 16 **PROVIDE A BENEFIT TO CUSTOMERS?**

17 A. Yes. The mechanism allows the utility to timely recover distribution-related SRCs  
18 using a type of debt that will lower the carrying costs associated with the recovery,  
19 relative to the carrying costs that would be incurred using conventional financing  
20 methods. As part of the subsequent financing proceeding, the Commission will  
21 ensure that securitization of SRCs provides greater tangible and quantifiable

1 benefits to ratepayers than would have otherwise been achieved through other  
2 methods of recovery.<sup>2</sup>

3 **Q. HAS THE COMMISSION PREVIOUSLY CONSIDERED SRC**  
4 **REQUESTS?**

5 A. Yes. The Commission has previously considered requests for SRCs in the  
6 following proceedings:

- 7 • Docket No. 57271, Application of CenterPoint Energy Houston Electric,  
8 LLC for Determination of System Restoration Costs (2024-25).
- 9 • Docket No. 51997: Application of Entergy Texas, Inc. for Determination of  
10 System Restoration Costs (2021);
- 11 • Docket No. 48577: Application of AEP Texas, Inc. for Determination of  
12 System Restoration Costs (2018-19);
- 13 • Docket No. 36918. Application of CenterPoint Energy Houston Electric,  
14 LLC for Determination of Hurricane Restoration Costs (2009);
- 15 • Docket No. 36931, Application of Energy Texas, Inc. for Determination of  
16 2008 System Restoration Costs (2009); and
- 17 • Docket No. 32907, Application of Entergy Gulf States, Inc. for  
18 Determination of Hurricane Reconstruction Costs (2006).

19 **Q. HAS THE COMPANY PREPARED THIS FILING CONSISTENT WITH**  
20 **PRIOR SRC FILINGS THAT THE COMMISSION HAS FOUND TO BE**  
21 **REASONABLE?**

22 A. Yes. The Company's filing was prepared in accordance with the standards  
23 previously presented to the Commission in other SRC cases, as well as the  
24 Company's recent SRC filing, Docket No. 57271, related to storm events taking  
25 place in May of 2024 ("May 2024 EOP Storms").

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<sup>2</sup> See PURA § 36.401(b)(2) ("the commission will ensure that securitization of system restoration costs provides greater tangible and quantifiable benefits to ratepayers than would have been achieved without the issuance of transition bonds").

1 **Q. HOW IS THE COMPANY'S SRC FILING ORGANIZED?**

2 A. Table DC-2 below lists the topics covered by each witness in the case:

3 **Table DC-2**  
4 **List of Company Witness and Subject Matter of Testimony**

<b>Subject Matter of Testimony</b>	<b>Witness</b>	<b>Title</b>
Overview	Darin Carroll	Senior Vice President, Electric Business
Distribution	Randal M. Pryor	Vice President Distribution Operations and Service Delivery
Transmission	David Mercado	Vice President of High Voltage and System Operations
Logistics and Non-Logistics Support Resources	Carla Kneipp	Senior Vice President, Supply Chain and Workplace Services
Accounting / Functionalization	Russell Wright	Vice President of Financial Planning and Analysis
Allocation and Cost Recovery	John Durland	Director, Regulatory and Rates
External Assessment of Restoration Efforts	Derek HasBrouck	Partner, Energy and Utilities Practice, PA Consulting Group, Inc.
External Cost Attestation	Thomas L. Keefe	Partner, Deloitte & Touche LLP

5 **IV. OVERVIEW OF STORM COSTS**

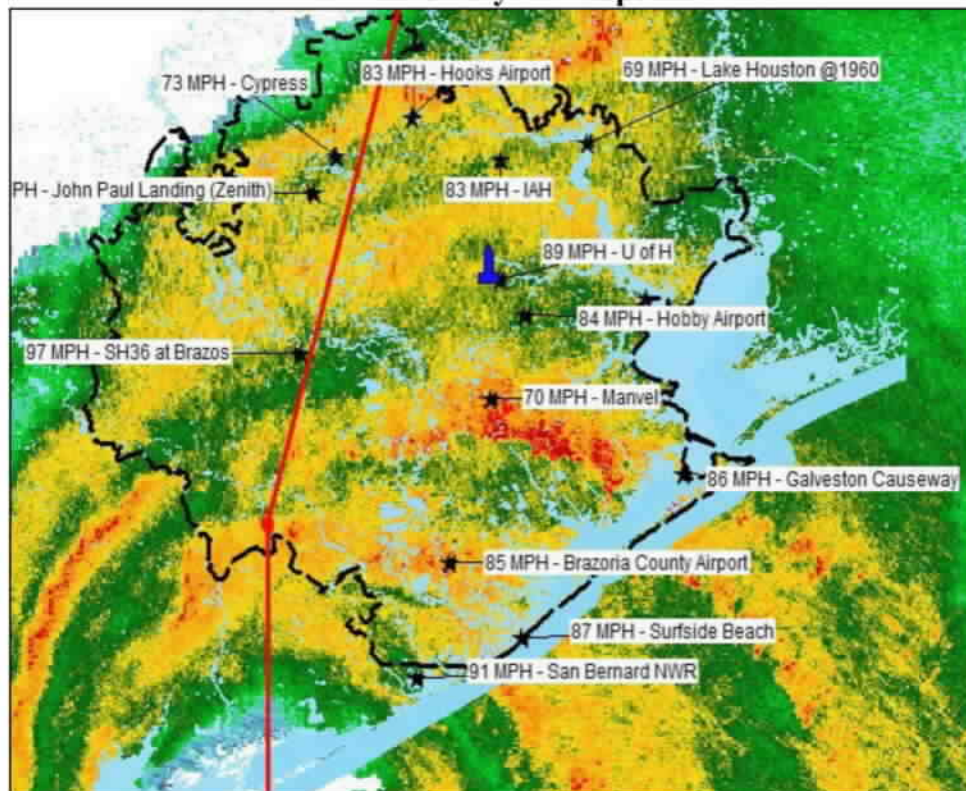
6 **A. Hurricane Beryl**

7 **Q. PLEASE DESCRIBE HURRICANE BERYL'S FORMATION AND**  
8 **STRENGTH AT LANDFALL.**

9 A. Hurricane Beryl initially formed as a tropical depression in the Atlantic Ocean on  
10 June 28, 2024. Within the first twenty-four to forty-eight hours of formation, the  
11 storm intensified into a category 4 hurricane and entered the Caribbean Sea. The  
12 storm initially passed south of Jamaica and the Cayman Islands before making  
13 landfall near Tulum, Mexico. After weakening into a tropical storm, the system  
14 reentered the Gulf of America where it gradually reorganized into a Category 1

hurricane. Initially forecasted to make a Texas landfall in South Texas, Hurricane Beryl's track moved eastward and by July 7, 2024, the storm's path had changed significantly, directly targeting the Greater Houston area. Hurricane Beryl made landfall near Matagorda, Texas early on July 8, 2024, as a *strengthening* Category 1 storm with 90 mile per hour (mph) maximum sustained winds and 97 mph peak winds. Hurricane Beryl's strengthening continued a few hours after landfall and only began to weaken once the eyewall was fully inland. The picture below reflects the storm and its various windspeeds as it came ashore into the Company's service territory.

**Figure DC-1**  
**Hurricane Beryl Windspeeds**



1    **Q.     DID ANY OTHER FACTORS MAKE HURRICANE BERYL UNIQUE?**

2    A.     Yes. Hurricane Beryl has been compared to Hurricane Ike, which in 2008 came  
 3           ashore as a *weakening* category 2 hurricane with 110 mph maximum sustained  
 4           winds. However, as noted in the National Hurricane Center's post-storm report on  
 5           Hurricane Beryl (January 23, 2025)<sup>3</sup> and Exhibit DC-1 the forecast for Hurricane  
 6           Beryl changed frequently throughout its course from the Atlantic, into the  
 7           Caribbean Sea, the Gulf of America, and its landfalls in Mexico and Texas. In fact,  
 8           Hurricane Beryl was forecasted to impact the greater Houston area only two days  
 9           before landfall, with the Company's most populated portions of its service territory  
 10          impacted by the "dirty side" of the storm, which brings the highest winds, storm  
 11          surges, and tornado threats.<sup>4</sup> The intensity of the storm and the sustained 90 mph  
 12          winds caused significant impact to vegetation, trees, fences, and power lines in the  
 13          Company's service territory. In and around the immediate aftermath of the storm,  
 14          2.26 million customers within CenterPoint Houston's service territory were without  
 15          power.

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<sup>3</sup> See National Hurricane Center, National Hurricane Tropical Cyclone Report, available at [https://www.nhc.noaa.gov/data/tcr/AL022024\\_Beryl.pdf](https://www.nhc.noaa.gov/data/tcr/AL022024_Beryl.pdf). See also Space City Weather article, Hurricane Beryl Postseason Report Finds It was 10 mph Stronger, and Slower to Weaken, available at <https://spacecityweather.com/hurricane-beryl-postseason-report-finds-it-was-10-mph-stronger-and-slower-to-weaken/>.

<sup>4</sup> See National Oceanic and Atmospheric Administration description of a hurricane's dirty side at <https://www.aoml.noaa.gov/hrd-faq/#tc-rightside-winds> (explaining that hurricane wind speeds are asymmetrical, with wind speeds greater (in the Northern Hemisphere) on the right side of a hurricane in relation to its direction of travel).

1   **Q.   HOW DID THE COMPANY PREPARE FOR HURRICANE BERYL IN**  
2   **ADVANCE OF ITS LANDFALL?**

3   A.   As Hurricane Beryl approached, CenterPoint Houston took proactive measures to  
4       prepare for its impact. The day before landfall, the Company contacted the  
5       Southeastern Electric Exchange and the Texas Mutual Assistance Group to secure  
6       additional resources and requested mutual assistance for line work, vegetation  
7       management, and damage assessment. The Company's Emergency Preparedness  
8       and Response ("EP&R") team provided daily leadership briefings beginning on  
9       June 30, 2024, the Emergency Operations Center ("EOC") was activated at Level  
10      2 on July 7, 2024, plans were set for four staging sites to be mobilized on July 8,  
11      2024, and 4,468 crew resources were activated in anticipation of the storm.

12   **Q.   HOW DID HURRICANE BERYL AFFECT CENTERPOINT HOUSTON'S**  
13   **SYSTEM?**

14   A.   The "dirty side" of Hurricane Beryl exposed the Company's system to the worst-  
15      case scenario. The Company's compact service territory includes the highest  
16      population-density county of all coastal counties in Texas. The map below shows  
17      the Company's service area to the northeast, or "dirty side," of Hurricane Beryl's  
18      eye as the storm first came ashore.

**Figure DC-2**  
**Hurricane Beryl Eye on Shore**



The event caused widespread devastation to CenterPoint Houston's transmission and distribution systems including significant damage to transmission poles, downing and breaking of distribution poles, and damaged equipment, largely due to damage from fallen trees and other vegetation and debris coming into contact with the Company's facilities. Entire trees fell due to weakened root systems, soil moisture and related vegetation conditions. This damage resulted in prolonged customer outages in certain portions of the Company's service territory. As a result of the seriousness of the storm and the sudden eastward shift of its track, on July 7, 2024, CenterPoint Houston activated its EOC at Emergency Level 2 (discussed further in my testimony below) by setting up four staging sites in the Greater

1 Houston area and calling upon mutual assistance support, including line skill and  
2 vegetation management professionals. By July 8, 2024, CenterPoint Houston had  
3 elevated its EOP to Emergency Level 1.

4 **Q. PLEASE SUMMARIZE THE RESTORATION EFFORTS TAKEN BY THE**  
5 **COMPANY FOLLOWING HURRICANE BERYL.**

6 A. CenterPoint Houston worked to quickly restore and replace damaged infrastructure  
7 to be able to provide power to its residential customers who provide the workforce  
8 necessary for post-storm recovery. When Hurricane Beryl made landfall at 4:00  
9 a.m. on July 8, 2024, Emergency Level 1 Activation was initiated, multiple-daily  
10 leadership briefings continued, and additional vegetation management support was  
11 requested. Damage assessments were immediately underway, all four staging sites  
12 were ready for check-in and dispatch, and the deployment of temporary emergency  
13 electric energy facilities (“TEEEF”) locations was evaluated.

14 On July 9, the first full day of restoration, crews worked tirelessly to assess  
15 damage, clear debris, and restore power as efforts gained momentum. Fourteen  
16 additional staging sites were established, increasing the total to 18, while the  
17 deployment of TEEEF locations continued to be evaluated. Out of the 13,991  
18 activated crew members, 10,589 were on-site, making significant progress—by the  
19 end of the day, 74% of circuit lockouts had been cleared, and power was restored  
20 to 1.1 million customers. Restoration efforts accelerated in the following days, with  
21 more than 1.3 million customers having power restored by the evening of July 11.  
22 Crews, now bolstered by over 15,000 total resources, continued working across 21  
23 operational staging sites. To support critical infrastructure, 31 TEEEF units were



1 deployed at 28 key locations, including community cooling centers and hospitals.  
2 By July 14, power had been restored to 80% of affected customers, marking a major  
3 milestone in the recovery process.

4 **Q. CAN YOU PROVIDE ANY ADDITIONAL CONTEXT FOR THE DEGREE**  
5 **OF DAMAGE CAUSED BY HURRICANE BERYL TO THE HOUSTON**  
6 **AREA AND THE COMPANY'S TRANSMISSION AND DISTRIBUTION**  
7 **SYSTEM?**

8 A. With respect to the Company's transmission system, high winds during Hurricane  
9 Beryl heavily damaged a total of 20 transmission structures, which had to be  
10 replaced, resulting in 31 transmission circuit sustained outages. Additionally, as a  
11 result of the transmission circuit outages, eight CenterPoint Houston-owned  
12 transmission system substations and sixteen customer-owned transmission system  
13 substations were completely de-energized during Hurricane Beryl. The same  
14 conditions resulted in significant damage to the Company's distribution system  
15 causing significant outages. In total, approximately 2.265 million electric  
16 customers were impacted by the storm with 1,770 circuits locked out, 2,993  
17 overhead line fuses blown, 940 Underground Residential Distribution terminal  
18 poles blown, and 481 transformers damaged. Mr. Mercado and Mr. Pryor further  
19 discuss the damages in their direct testimonies. The pictures below exemplify the  
20 type of widespread damage observed by CenterPoint Houston following the storm.

**Figure DC-3  
Hurricane Beryl Damage**



**Q. DID THE COMPANY CONDUCT AN AFTER-ACTION REVIEW OF ITS RESTORATION EFFORTS IN THE WAKE OF HURRICANE BERYL?**

A. Yes. The Company carefully tracks its restoration efforts in response to major storm events. Exhibit DC-2 includes summary timelines for each of the major events relating to the Company's request in this proceeding. Additionally, CenterPoint Houston retained an outside expert, PA Consulting Group, Inc. ("PA Consulting"), to provide an independent assessment of its efforts in response to Hurricane Beryl. PA Consulting's after-action report related to Hurricane Beryl is attached to my testimony at Exhibit DC-3.

**B. Hurricane Francine**

**Q. PLEASE DESCRIBE HURRICANE FRANCINE AND ITS IMPACT.**

A. On August 26, 2024, the National Weather Service reported a storm system moving through the Gulf of America that was strengthening and had a significant chance of developing into a tropical storm. By September 9th, Hurricane Francine shifted

1 northwestward toward the coastlines of northern Mexico and Southern Texas,  
2 prompting Tropical Storm Watches for the entire Texas coast. The storm's  
3 westward adjustment brought heightened concerns for coastal counties in Texas  
4 with forecasts of strong winds and heavy rainfall and resulted in the Company  
5 continuing preparation efforts. Hurricane Francine eventually caused significant  
6 flooding when it struck Louisiana on September 11, 2024, as a Category 2 storm.  
7 In the wake of Hurricane Beryl and the uncertainty around the projected path of  
8 Hurricane Francine, CenterPoint Houston and its affiliated gas utilities activated  
9 their EOC at Emergency level 2 for their Texas and Louisiana service territories on  
10 September 8, 2024, to proactively prepare for response efforts. The picture below  
11 shows the storm just prior to landfall.

12 **Figure DC-4**  
13 **Hurricane Francine before Landfall**



14 **Q HOW DID THE COMPANY PREPARE FOR HURRICANE FRANCINE?**

15 A. In coordination with state leadership, the Company appointed a resource  
16 commander to develop and adjust storm resource plans to efficiently dispatch

resources, accelerated the dispatch of vegetation crews based on damage modeling, used a 25% resource buffer as part of our resource modeling, and expand staging site housing for four strategic locations to minimize travel time. The Company initiated emergency response calls September 7, 2024, and continued those calls through September 10, 2024.

**Q. HOW DID HURRICANE FRANCINE AFFECT CENTERPOINT HOUSTON'S SYSTEM?**

A. Despite having an anticipated path that would have impacted the CenterPoint Houston service territory, Hurricane Francine did not directly cause any system outages on the Company's transmission or distribution system. With its potential to impact the Company's service territory and general unpredictability, coupled with the Texas Governor's July 16, 2024, directive to the Company to ensure it "has a sufficient number of pre-staged workers to be able to immediately respond to any power outages that may occur for any tropical storm or hurricane that hits [its] service area,"<sup>5</sup> required CenterPoint Houston to prepare for the potential of restoration efforts.

CenterPoint Houston deactivated its EOC for Hurricane Francine on September 11, 2024. Mr. Pryor, Ms. Kneipp, and Mr. HasBrouck discuss the preparation for Hurricane Francine in their direct testimonies.

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<sup>5</sup> Letter from Greg Abbott, Governor of Tex., to Jason P. Wells, President & CEO, CenterPoint Energy, Inc. at 1 (July 16, 2024) (available at [https://gov.texas.gov/uploads/files/press/CenterPoint\\_CEO\\_Jason\\_Wells\\_Letter.pdf](https://gov.texas.gov/uploads/files/press/CenterPoint_CEO_Jason_Wells_Letter.pdf)).

1                   **C.      Winter Storm Enzo**

2   **Q.      PLEASE DESCRIBE WINTER STORM ENZO AND ITS IMPACT.**

3   A.      Winter Storm Enzo was an unusually strong winter weather event impacting the  
4            Gulf Coast in late January 2025. The system brought cold temperatures and icy  
5            conditions. Advance weather models also showed a strong chance of an impact to  
6            the Greater Houston area. On January 18, 2025, the National Weather Service  
7            issued a Winter Storm Watch for the region and the Electric Reliability Council of  
8            Texas (“ERCOT”) issued a Weather Watch for January 20 through 23, 2025. By  
9            January 19, 2025, the National Weather Service upgraded the advisory to a Winter  
10           Storm Warning for the region. To proactively prepare for any response and  
11           customer restoration efforts, on January 20, 2025, CenterPoint Houston activated  
12           its EOC at Emergency Level 2 based on the latest forecast of winter weather  
13           impacting the CenterPoint Houston service territory and the potential for ice  
14           accumulation on power lines and vegetation, including tree limbs, falling or coming  
15           into contact with power lines.

16           Ultimately, up to 4.2 inches of snow fell in some parts of the Greater  
17           Houston area while some roads became impassable because of freezing rain and  
18           sleet. Additionally, Houston area schools and its two airports were closed.  
19           Fortunately, the anticipated freezing rain did not occur, which greatly reduced the  
20           potential for outages. As a result, by January 21, 2025, 99.9% of its Greater  
21           Houston area customers who could receive service were receiving normal electric  
22           service. The picture below shows the snow accumulation in Houston as a result of  
23           Winter Storm Enzo.

**Figure DC-5**  
**Winter Storm Enzo Impact to Houston**



**Q. HOW DID WINTER STORM ENZO IMPACT THE COMPANY'S SYSTEM?**

A. Winter Storm Enzo primarily impacted six of the Company's transmission lines. The cause for the impacts on five of those lines was attributed to galloping conductors which is a phenomenon caused by wind acting upon an asymmetrically iced conductor surface creating lift resulting in the conductor oscillation or "galloping." The sixth transmission line sustained damage from wind and ice (specifically, a damaged bond wire). Winter Storm Enzo had a minor impact to the distribution grid. More than 99.5% of CenterPoint Houston's customers maintained normal electric service throughout the event, with crews promptly addressing scattered outages. CenterPoint Houston deactivated its EOC on



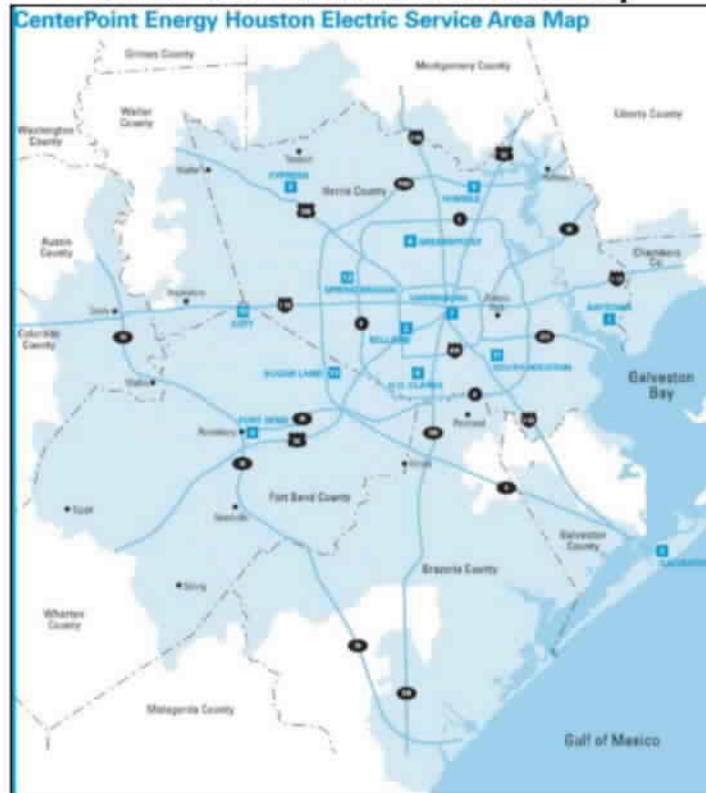
1 January 22, 2025. Mr. Mercado, Mr. Pryor, Ms. Kneipp, and Mr. HasBrouck  
2 discuss the preparation and restoration for Winter Storm Enzo in their direct  
3 testimonies.

4 **V. OVERVIEW OF RESTORATION EFFORTS**

5 **Q. WHAT WERE CENTERPOINT HOUSTON'S PRIMARY OBJECTIVES IN**  
6 **RESPONDING TO HURRICANE BERYL, HURRICANE FRANCINE AND**  
7 **WINTER STORM ENZO?**

8 A. As it does in each instance requiring system restoration, CenterPoint Houston  
9 deemed it imperative to prepare for and provide an urgent response to the impacts  
10 of the weather events and to restore service for its customers as quickly as possible.  
11 The CenterPoint Houston service area includes the city of Houston, as well as cities  
12 and other areas located in twelve (12) counties along or near the Gulf Coast of  
13 Texas. The Company's service area covers approximately 5,000 square miles,  
14 which is approximately 2% of the geographic land area of Texas, but accounts for  
15 approximately 25% of the ERCOT region's electricity load. CenterPoint Houston  
16 serves the nation's fourth largest city (Houston), the nation's second largest port  
17 (the Houston Port Authority), the world's largest medical center (the Texas Medical  
18 Center), the NASA Johnson Space Center, a United States ("U.S.") Department of  
19 Energy ("DOE") Strategic Petroleum Reserve facility, multiple industrial plants  
20 along the Houston Ship Channel and elsewhere, and various coastal communities.  
21 The area contains a significant portion of the U.S.'s chemical production and  
22 petroleum refining capacity. The Company's service area map is depicted in Figure  
23 DC-6 below.

**Figure DC-6**  
**CenterPoint Houston Service Area Map**





1 universities are highly dependent on reliable electric service. Many private sector  
2 facilities are equally dependent on reliable power; because of the critical products  
3 and services they provide to the community such as gasoline refining and stations,  
4 crude oil transportation, natural gas shipping, warming and cooling centers, and  
5 grocery stores to name a few. Accordingly, CenterPoint Houston works quickly to  
6 restore and/or replace damaged infrastructure to be able to provide power to its  
7 residential customers who provide the workforce necessary for post-storm  
8 recovery.

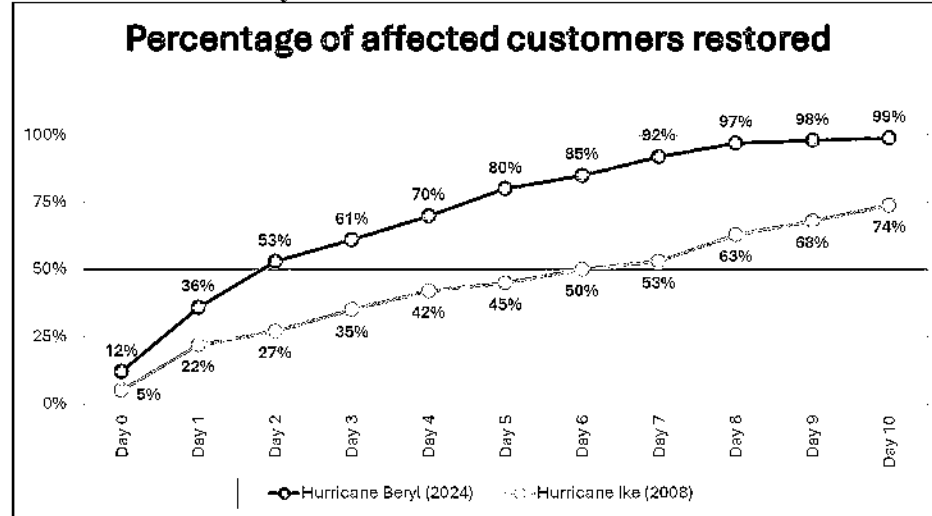
9 **Q. DOES THE COMMISSION REQUIRE THE COMPANY TO TAKE THE**  
10 **NECESSARY STEPS TO RESTORE SERVICE AS QUICKLY AS**  
11 **POSSIBLE?**

12 A. Yes. 16 Texas Administrative Code § 25.52(b)(1) requires utilities to “reestablish  
13 service within the shortest possible time” when interruptions occur.

14 **Q. WHAT WAS THE TIMELINE FOR RESTORATION OF SERVICE TO**  
15 **THE CUSTOMERS OF CENTERPOINT HOUSTON FOLLOWING**  
16 **HURRICANE BERYL, HURRICANE FRANCINE, AND WINTER STORM**  
17 **ENZO?**

18 A. For Hurricane Beryl, the timeline below depicts the restoration of service over the  
19 extent of the event. The eye of Hurricane Beryl passed through the Company’s  
20 service territory at approximately noon on July 8, 2024, and restoration was deemed  
21 complete on July 19, 2024. However, the Company retained two staging sites to  
22 support the restoration of localized outages in the hardest hit areas that needed to  
23 be addressed after July 19, 2024.

**Figure DC-7**  
**Hurricane Beryl and Hurricane Ike Restoration Timelines**



In comparison, the timeline above also charts the customer restoration time during Hurricane Beryl compared to the restoration time during Hurricane Ike.

The Company experienced no customer outages directly related to Hurricane Francine. By January 18, 2025, Winter Storm Enzo began impacting the Company's service territory and restoration was returned to normal business operations on January 22, 2025. And, as Mr. Pryor discusses, the Company experienced minimal impact to the distribution system during Winter Storm Enzo and was able to maintain normal customer service throughout the event.

**Q. HOW DID CENTERPOINT HOUSTON ENSURE THE SAFETY AND WELFARE OF ITS WORKFORCE DURING THE RESTORATIONS?**

A. The safety and welfare of its workforce and the public are a Company priority. Safety is CenterPoint Houston's top core value. Our EOP integrates safety into every aspect of the Company's response to natural disasters or major weather events such as Hurricane Beryl, Hurricane Francine and Winters Storm Enzo. The Company initially stages mutual assistance and other out-of-town crews outside

1 and/or inside of the Company's service territory as necessary to keep personnel out  
2 of potentially dangerous storm conditions. When emergency operations were  
3 declared for each of the weather events, our safety team prepared for and delivered  
4 safety orientation sessions for the responding mutual assistance workforce. Safety  
5 representatives supported the development of internal and external safety messages  
6 throughout Hurricane Beryl, Hurricane Francine, and Winter Storm Enzo. The  
7 Safety Officer and his staff assisted with the preparation and communication of  
8 news releases containing safety tips for members of the public. Safety specialists  
9 including additional contracted resources conducted safety observations of our  
10 workforce conducting restoration activities and at staging sites for the duration of  
11 each EOP Event. Additional safety resources were dispatched to sites with TEEEF  
12 to ensure the safe installation and protections for the public.

13 **Q. DID THE COMPANY'S RESTORATION ACTIVITIES AND RELATED**  
14 **COSTS END AT THE TIME POWER WAS RESTORED TO ALL**  
15 **CUSTOMERS?**

16 A. Yes. The Company was able to complete all necessary restoration to its  
17 transmission and distribution systems, and substations, by the time the restoration  
18 effort ended for Hurricane Beryl and Winter Storm Enzo. In this filing, the  
19 Company seeks a determination that all SRCs recorded through March 31, 2025,  
20 including estimated additional other expenses and carrying costs are reasonable and  
21 necessary. The Company intends to defer any trailing SRCs received after  
22 March 31, 2025, related to Hurricane Beryl, Hurricane Francine and Winter Storm  
23 Enzo to a future proceeding.

1   **Q.    WAS POWER RESTORED SAFELY AND COST EFFECTIVELY**  
2       **FOLLOWING EACH WEATHER EVENT?**

3    A.   Yes. As summarized above and as addressed by other witnesses, Hurricane Beryl,  
4       Hurricane Francine, and Winter Storm Enzo each presented unique and sometimes  
5       unprecedented challenges. The Company's overall strategy related to extreme  
6       weather preparation and the Company's response to the weather events as described  
7       by the witnesses in this case ensured that the Company was able to prepare and  
8       respond effectively and efficiently. Service was restored to customers as quickly,  
9       reliably, and as safely as possible. The Company's workforce did not experience  
10      any serious injuries or fatalities related to restoration activities. As the other  
11      witnesses in this case attest, the Company's SRCs are just and reasonable.

12   **Q.    PLEASE DESCRIBE THE SAFETY PERFORMANCE FOR THE**  
13       **HURRICANE BERYL, HURRICANE FRANCINE, AND WINTER STORM**  
14       **ENZO RESPONSES.**

15   A.   Despite the many Company and affiliate employees as well as mutual assistance  
16       resources involved and the large number of work hours, the safety performance was  
17       good and consistent with the Company's safety goals for 2024 under normal  
18       operating conditions. There were no serious injuries or fatalities experienced by  
19       employees or reported by contracted resources. Environmental hazards such as  
20       heat and insects provided the most challenges for crews during restoration  
21       activities.

1   **Q.   HOW MANY INTERNAL, NATIVE, AND MUTUAL ASSISTANCE**  
2       **RESOURCES WERE ACTIVATED TO RESTORE SERVICE**  
3       **FOLLOWING HURRICANE BERYL, HURRICANE FRANCINE, AND**  
4       **WINTER STORM ENZO?**

5   A.   For Hurricane Beryl, CenterPoint Houston called upon approximately 16,000  
6       internal, native, and mutual assistance resources in support of the restoration  
7       activities. For Winter Storm Enzo, the Company called upon approximately 3,500  
8       internal, native, and mutual assistance resources. These resources were a mix of  
9       predominantly line skills, damage assessors, and vegetation management. For  
10      Hurricane Francine, the Company called upon approximately 2,000 line skill and  
11      vegetation management resources.

12   **Q.   DID THE COMPANY ENCOUNTER ANY OBSTACLES THAT IMPEDED**  
13      **ITS RESTORATION EFFORTS FOR ANY OF THE STORMS?**

14   A.   As always, the Company's ability to use resources immediately is subject to the  
15      need to stage workers in a safe location. The Company provides uniformed security  
16      guards and police officers during the entirety of a major EOP event to safeguard  
17      restoration resources and employees at service centers, staging sites and laydown  
18      yards. During Hurricane Beryl, the Company brought in a higher level of security  
19      resources due to threats to employees and contractors. Fortunately, despite many  
20      threats, restoration personnel did not experience serious harm.

1                   **VI. EMERGENCY OPERATIONS PLAN AND PROCESS**

2   **Q.   PLEASE DESCRIBE CENTERPOINT HOUSTON'S EOP AND ITS**  
 3       **PRIMARY OBJECTIVES.**

4   A.   The Company's EOP<sup>6</sup> is designed for response and restoration of electric service  
 5       in CenterPoint Houston's service territory following major damage or disruption of  
 6       service. The EOP's primary objective is to provide a framework that enables  
 7       CenterPoint Houston to accomplish the orderly restoration of electric facilities  
 8       through pre-planned, direct, efficient, and safe use of all Company resources and  
 9       available outside assistance. To that end, it provides for a coordinated response to  
 10      incidents, emergencies, and crises through a framework and guidelines for  
 11      emergency organization, communications, and information management, decision-  
 12      making, response operations, resource management, and recovery operations. It is  
 13      not meant to address issues pertaining to the connection, suspension, or  
 14      disconnection of electric service in the ordinary course of the Company's business.  
 15      A secondary objective is to accumulate and regularly disseminate to management,  
 16      regulatory agencies, government and elected officials, and the public an accurate  
 17      assessment of the damage to the Company's system and the progress made to  
 18      restore service. The EOP process is also the subject of consistent reflection and  
 19      improvement, as evidenced by changes made in 2024 following Hurricane Beryl to  
 20      improve preparedness for subsequent severe storms such as Hurricane Francine and  
 21      Winter Storm Enzo.

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<sup>6</sup> *Project to Submit Emergency Operations Plans and Related Documents Under 16 TAC § 25.53, Project No. 53385, CenterPoint Energy Houston Electric LLC Emergency Operations Plan 2024 Update (Mar. 15, 2024); Project 53385, CenterPoint Energy Houston Electric LLC 2024 Emergency Operations Plan Update (Mar. 17, 2025). See Exhibit DC-4 and Exhibit DC-5.*

1     **Q.     WHAT IS THE SCOPE OF THE EOP?**

2     A.     The measures in the EOP are enacted for any event or circumstance that impacts  
3           CenterPoint Houston Operations and requires resources and other support greater  
4           than normal daily operations to protect safety, property, critical operations, and/or  
5           the environment. Generally, there are three types of these events: Incidents,  
6           Emergencies, and Crises. Incidents include any occurrence or event—natural,  
7           technological, or human-caused—that requires a response to protect life, property,  
8           or the environment and/or restore operations. Typically, Incidents do not extend  
9           beyond normal day-to-day operational capabilities. Emergencies include any  
10          incident, whether natural, technological, or human-caused, that requires responsive  
11          action to protect life or property, or the environment and/or restore operations,  
12          which extends beyond normal day-to-day operational capabilities. Crises include  
13          any occurrence of a natural catastrophe, technological accident, or human-caused  
14          emergency that has resulted in severe property damage, deaths, and/or multiple  
15          injuries, significant property or environmental damage, or significant disruptions to  
16          operations. This can include emergencies happening simultaneously at different  
17          enterprise locations or involving multiple operational functions and those occurring  
18          for prolonged periods.

19    **Q.     HOW IS THE EOP PREPARED AND UPDATED AS NECESSARY?**

20    A.     The EOP has a maintenance and revision schedule. The plan is generally reviewed  
21           annually and updated and revised as appropriate. This revision and update process  
22           incorporates lessons learned from actual emergency situations and exercises or  
23           when changes in resources, capabilities, or governance structure occur. The EOP's

1 maintenance and revision process also allows for interim changes under certain  
 2 conditions such as new regulations or laws, an incident occurring that requires a  
 3 review, or other changes that are deemed significant.

4 **Q. HOW IS THE EOP ACTIVATED?**

5 A. The Company has established Emergency Levels, based on the complexity of an  
 6 emergency, that help determine the possible actions that may need to be  
 7 implemented at the particular emergency level (EOC activations, resource/staffing  
 8 needs, mutual assistance, etc.). Table DC-3 below, which is also depicted in the  
 9 EOP, describes these levels.

10 **Table DC-3**

Level of Activation	Description
Level 4 – Routine Operations Incident	Normal daily operations; any issues are resolved at the crew level.
Level 3 – Elevated Incident Conditions	An incident has occurred, but local/regional resources are capable of handling. The EOC is not activated. EP&R staff are notified and available for support.
Level 2 – Emergency Conditions	An emergency has occurred that requires coordination among multiple departments and resources. The EOC is partially or fully activated to support depending on the significance of the emergency. EP&R staff are notified and provide support. Crisis Management Committee (“CMC”) is notified, but likely not activated.
Level 1 – Crisis Conditions	A crisis has occurred, and significant coordination is necessary. Crisis may involve multiple CenterPoint Energy, Inc. (“CNP”) operations/locations. EOC is fully activated. CMC is activated.

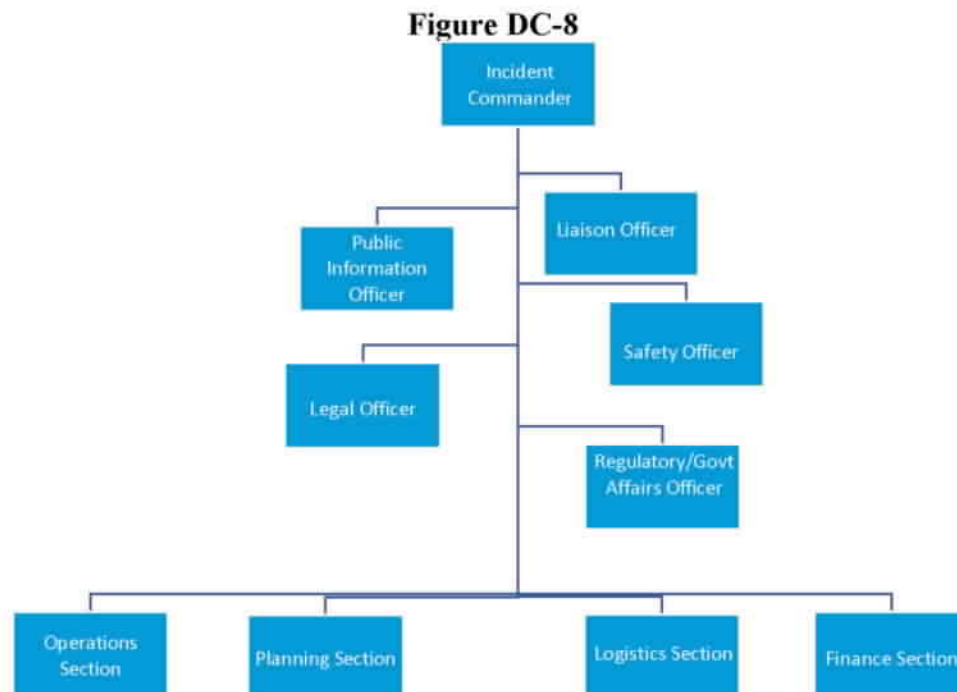
11 The use of Emergency Levels promotes a common operating picture and mindset  
 12 among all responding departments about the severity and urgency of the situation.  
 13 Additionally, the activation of any emergency response includes the establishment  
 14 of an Incident Command Team per the Incident Command System. Depending on  
 15 the scope and nature of the emergency, there may be some emergency functions



that are not activated or may be activated after the initial response has already begun. For an effective response, the Company only activates the functions that are required but maintains the ability to allow for activation of additional functions if the emergency escalates, to include all functions when appropriate. The Incident Commander/Unified Command determines what functions need to be activated.

**Q. WHAT IS THE INCIDENT COMMAND SYSTEM?**

A. The Federal Emergency Management Agency has an established National Incident Management System (“NIMS”). The Incident Command System is a component of NIMS. It is an all-hazards incident management tool allowing the response of many different CenterPoint Houston and affiliate departments and outside mutual assistance. The organizational chart below (Figure DC-8) identifies the typical command and general staff for a CenterPoint Houston emergency response:



1 Exhibits DC-4 and DC-5 provide additional information on the Incident Command  
2 System and its implementation following events such as Hurricane Beryl.

3 **Q. IS TRAINING CONDUCTED FOR STORM PERSONNEL EACH YEAR?**

4 A. Yes. A significant number of our Texas employees have an assigned role in the  
5 Company's EOP Storm Roster. Training is conducted through annual exercises  
6 and drills as well as specific role and function-based training for response operation  
7 sections. For instance, EOP tabletop exercises are held from time to time, involving  
8 members of the Incident Command, as well as members of Operations, Planning,  
9 Logistics, and Finance sections focused heavily on command, coordination,  
10 communications, and decision making to test the EOP.

11 **Q. HOW ARE COMMUNICATIONS HANDLED DURING EOP**  
12 **ACTIVATION?**

13 A. CenterPoint Houston's communications in connection with the EOP begins in  
14 advance of the Company's activation. In the case of a potential severe weather  
15 event such as a hurricane, proactive communications are initiated several days in  
16 advance, with a focus on customer safety and informing them about what  
17 CenterPoint Houston will be doing prior to, during and following the storm to  
18 restore service to impacted customers as safely and quickly as possible. To  
19 communicate with employees during EOP activation, CenterPoint Houston utilizes  
20 a pre-programmed communication vehicle that sends alerts to employees using all  
21 possible communication means. The alert advises employees of the EOP status and  
22 provides instructions for employee response. With respect to customers, the  
23 Company's strategy includes a frequent cadence of updates via the following tools

1 and channels: News releases, in-person media briefings (during Hurricane Francine  
2 and Winter Storm Enzo), media responses, on-camera interviews, social media  
3 platforms (Facebook, X, Instagram, LinkedIn and Nextdoor), customer email,  
4 Power Alert Service, and the Company's website. These tools and channels also  
5 serve as the cornerstones of the Company's proactive communications after an EOP  
6 activation has been declared and throughout the entire duration of the response.  
7 CenterPoint Houston also utilizes Company representatives in roles referred to as  
8 crew spokespersons to provide on-site information to impacted customers and  
9 communities. Also, CenterPoint Houston maintains liaisons with various first  
10 responders and embeds employees within activated Office of Emergency  
11 Management ("OEM") centers serving the state, counties and cities, as well as  
12 third-party assistance agencies when activated to identify and coordinate  
13 restoration for critical facilities. Communication with governmental officials is  
14 essentially constant during EOP events such as Hurricane Beryl, Hurricane  
15 Francine, Winter Storm Enzo. Additionally, the Company provides required  
16 notifications to the Commission, ERCOT, the U.S. DOE, the North American  
17 Electric Reliability Corporation, and the Texas Reliability Entity, as appropriate.  
18 During major events, a daily communication schedule is established which includes  
19 the issuance of daily market notices with damage and restoration updates, safety  
20 information, company press releases, and information specific to the event's effect  
21 on retail market processes. The market notices are distributed via the ERCOT  
22 Retail Market Subcommittee listserv. Throughout the restoration event, the  
23 Company also hosts daily market calls to update REPs on the restoration and market

1 processes and to answer questions. In addition, representatives from the Electric  
2 Market Operations team are assigned extended work shifts and are available to  
3 assist REPs with inquiries and support needs.

4 **Q. WHEN DOES STORM PREPARATION BEGIN PURSUANT TO THE**  
5 **EOP?**

6 A. The preparation begins prior to the formation of any weather event. Each year prior  
7 to the start of hurricane season, CenterPoint Houston tests its readiness during a  
8 hurricane preparedness exercise. This preparation is accomplished with planned  
9 EOP readiness drills that ensure employees understand roles during the EOP and  
10 maintain situational awareness throughout the event. Additional preparations  
11 include the intentional management of EOP material inventory, pre-staging of  
12 Storm Kits containing minimum levels of EOP material, developing warehouse  
13 staffing plans, and the coordination of mutual assistance resources. Once a weather  
14 event forms that may impact the CenterPoint Houston service territory, the  
15 Company begins monitoring the system and takes proactive steps to prepare for any  
16 impact as necessary. Ms. Kneipp's direct testimony provides additional detail  
17 related to contractual and staging site preparation on an annual basis and in the  
18 immediate wake of an event.

19 **Q. HOW MUCH LEAD TIME IS REQUIRED TO TRIGGER THE**  
20 **ACTIVATION OF THE EOP?**

21 A. The EOP is intended to be placed into operation with or without prior warning. The  
22 Company's initiation of the EOP following the May 2024 EOP Storms is an  
23 example of its activation without warning. For storm events with more lead time,

1 such as Hurricane Beryl, Hurricane Francine, and Winter Storm Enzo, the EOP was  
2 initiated before the impact to the Company's service territory. It is scalable and  
3 designed to be activated for forecasted emergencies or even no-notice type events  
4 and the processes within the plan are capable of activating without any lead time.

5 **Q. WAS THE EOP ACTIVATED IN RESPONSE TO HURRICANE BERYL,**  
6 **HURRICANE FRANCINE, AND WINTER STORM ENZO?**

7 A. Yes. As noted above, the EOP was activated at Emergency level 2 on July 7, 2024,  
8 for Hurricane Beryl and elevated to Emergency level 1 on July 8, 2024. Emergency  
9 response was deactivated for Hurricane Beryl on July 19, 2024. For Hurricane  
10 Francine, the Company activated Emergency level 2 for the Company's service  
11 area on September 8, 2024, and deactivated on September 11, 2024. For Winter  
12 Storm Enzo, the Company activated to Emergency level 2 for the Company's  
13 service area on January 20, 2025, and deactivated on January 22, 2025.

14 **VII. SYSTEM RESTORATION COSTS**

15 **Q. WHAT ARE SYSTEM RESTORATION COSTS?**

16 A. SRCs are defined in Section 36.402 of PURA. While the definition is broad, I will  
17 outline some of the costs described in that statute. SRCs are defined as "reasonable  
18 and necessary costs, including costs expensed, charged to self-insurance reserves,  
19 deferred, capitalized, or otherwise financed, that are incurred by an electric utility  
20 due to any activity or activities conducted by or on behalf of the electric utility in  
21 connection with the restoration of service and infrastructure associated with electric  
22 power outages affecting customers of the electric utility as the result of any tropical

1 storm or hurricane, ice or snow storm, flood, or other weather-related event or  
2 natural disaster that occurred in calendar year 2008 or thereafter.”<sup>7</sup>

3 **Q. WHY WERE SRCS INCURRED IN RESPONSE TO HURRICANE BERYL,**  
4 **HURRICANE FRANCINE, AND WINTER STORM ENZO?**

5 A. In short, the Company was responding to a natural disaster caused by extreme  
6 weather. Hurricane Beryl resulted in over 2 million customer outages, and SRCs  
7 were incurred in order to quickly and safely restore service over an 11-day period.  
8 Weather conditions anticipated to impact the Company’s service area related to  
9 Hurricane Francine and Winter Storm Enzo also resulted in mobilization, staging,  
10 and (for Winter Storm Enzo) restoration efforts by the Company.

11 **Q. WHAT TYPES OF COSTS ARE INCLUDED IN THE COMPANY’S SRCS?**

12 A. The Company’s SRCs include mobilization, staging, and construction,  
13 reconstruction, replacement, repair, or removal of damaged electric transmission,  
14 electric distribution, and general plant facilities. CenterPoint Houston’s SRCs also  
15 include reasonable estimates of the costs of an activity or activities conducted or  
16 expected to be conducted by or on behalf of the electric utility in connection with  
17 the restoration of service or infrastructure associated with electric power outages.  
18 These estimated costs include the costs associated with the preparation, filing, and  
19 prosecution of this proceeding. SRCs may also include reasonable and necessary  
20 weatherization and storm-hardening costs incurred, as well as reasonable estimates  
21 of costs to be incurred, by the electric utility, but such estimates shall be subject to

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<sup>7</sup> PURA § 36.402(a).

1 true-up and reconciliation after the actual costs are known.<sup>8</sup> Cost categories  
 2 generally include: payroll, contractor services, logistics, materials and supplies,  
 3 fleet/fuel/transportation, employee expenses and other costs. Mr. Wright provides  
 4 a summary of costs by these cost categories and functions in Exhibit RW-1.

5 **Q. WHAT OTHER COSTS MAY BE INCLUDED IN SRCS?**

6 A. PURA provides that SRCs shall include carrying costs at the electric utility's  
 7 weighted average cost of capital as last approved by the Commission in a general  
 8 rate proceeding from the date on which the SRCs were incurred until the date that  
 9 transition bonds are issued or until SRCs are otherwise recovered pursuant to other  
 10 provisions in PURA.<sup>9</sup>

11 **Q. WHAT ARE THE RELEVANT DATES WITH RESPECT TO SRC**  
 12 **INCURRENCE REFLECTED IN TABLE DC-1 ABOVE?**

13 A. The Company's request includes actually incurred SRCs through March 31, 2025,  
 14 estimated costs associated with the preparation, filing, and prosecution of this  
 15 proceeding, and a carrying cost amount that assumes a December 1, 2025, date for  
 16 securitization.

17 **Q. WHAT WERE THE MAJOR COST DRIVERS OF SRCS IN THE WAKE**  
 18 **OF HURRICANE BERYL, HURRICANE FRANCINE, AND WINTER**  
 19 **STORM ENZO?**

20 A. The three largest cost categories associated with the Company's SRCs for all three  
 21 weather events were contractor services, payroll, and logistics. These categories

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<sup>8</sup> *Id.*

<sup>9</sup> PURA § 36.402(b).

1 include the cost of mutual assistance resources, the staging of those crews and  
2 (except for Hurricane Francine) restoration efforts by all resources, as well as the  
3 actual physical electric plant replaced or repaired as a result of the damage.  
4 Mr. Pryor and Mr. Mercado provide additional discussion with respect to how these  
5 cost drivers relate to the degree of damage and costs incurred in the Distribution  
6 and Transmission functions.

7 **Q. WERE TEEEF DEPLOYED IN THE WAKE OF HURRICANE BERYL,**  
8 **HURRICANE FRANCINE, AND/OR WINTER STORM ENZO AND, IF SO,**  
9 **ARE THOSE COSTS INCLUDED IN THE COMPANY'S FILING?**

10 A. Yes. The Company deployed several of its TEEEF units as well as other units  
11 brought in specifically for restoration in the wake of Hurricane Beryl. With respect  
12 to costs that are included in this SRC application, the Company is requesting  
13 approximately \$2.5 million in TEEEF-related costs related solely to TEEEF  
14 facilities supplied by the Company's mutual assistance partners. Cost recovery for  
15 CenterPoint Houston's own TEEEF units is expected to be sought in the filing  
16 related to cost recovery for the Company's leased units.

17 **Q. DOES THE COMPANY'S REQUEST INCLUDE AFFILIATE COSTS?**

18 A. Yes. Affiliate costs for Hurricane Beryl, Hurricane Francine and Winter Storm  
19 Enzo total approximately \$19.4 million. Affiliates providing services include  
20 CenterPoint Energy Service Company, LLC, CenterPoint Energy Resources Corp.  
21 ("CERC"), and Vectren Corp. Mr. Wright addresses recovery of affiliate costs and  
22 CenterPoint Houston's share of these costs in his direct testimony.



1   **Q.    IS THE COMPANY NOT REQUESTING RECOVERY OF ANY SYSTEM**  
2   **RESTORATION-RELATED COSTS IN THIS FILING?**

3   A.   Yes, consistent with the Company's commitments following Hurricane Beryl,  
4       CenterPoint Houston has incurred additional costs related to hardening its system  
5       since that storm that are not requested in this filing and will never be requested.  
6       The majority of these costs in 2024 (over \$100 million) relate to aggressive  
7       additional vegetation management measures for the purpose of hardening for the  
8       remainder of the 2024 hurricane season and in advance of the 2025 hurricane  
9       season, which is expected to be active. Mr. Wright also discusses amounts not  
10      requested by the Company.

11                   **VIII. CUSTOMER SERVICE EFFORTS DURING**  
12                   **HURRICANE BERYL, HURRICANE FRANCINE AND**  
13                   **WINTER STORM ENZO**

14   **Q.    DID CENTERPOINT HOUSTON'S STORM RESTORATION EFFORT**  
15   **AFFECT CUSTOMER SERVICE?**

16   A.   Yes. The Company's customer service teams always prepare for potential  
17       increased call volume or messaging in major storm events. The customer service  
18       team was affected during the preparation and restoration efforts associated with  
19       Hurricane Beryl and Winter Storm Enzo. The Customer Service team was on  
20       standby for Hurricane Francine but were not activated for EOP.

21   **Q.    WHAT IMPACT DID HURRICANE BERYL HAVE ON CENTERPOINT**  
22   **HOUSTON'S CALL CENTER OPERATIONS?**

23   A.   The call center was directly affected by Hurricane Beryl. The Company received  
24       1,716,854 CenterPoint Houston electric-related calls whereas the same duration the  
25       year before the contact center handled 61,913 calls. Hurricane Beryl increased a

1 typical call volume day by 400%. Due to this increased volume of calls, the  
2 Company incurred increased telephony technology costs. Call Center staffing was  
3 augmented by implementing overtime schedules, using internal support  
4 groups/contractor labor (such as online customer service agents that typically  
5 respond to online customer inquiries, the Quality Assurance team, the Customer  
6 Experience Resolution Team, and Issue Resolution Agents) and other functional  
7 business units (such as Electric Market Operations, Billing and Credit) to address  
8 the increased number of calls.

9 **Q. HOW DID THE COMPANY'S CUSTOMER SERVICE ORGANIZATION**  
10 **RESPOND TO WINTER STORM ENZO?**

11 A. Similar to Hurricane Beryl, the Call Center staffing was augmented by additional  
12 internal resources to address the expected increased number of calls. Personnel  
13 worked overtime to address customer calls and online queries. Because the call  
14 volume was not substantial, no additional telephony technology was needed.

15 **IX. COMMUNICATIONS DURING HURRICANE BERYL, HURRICANE**  
16 **FRANCINE AND WINTER STORM ENZO**

17 **Q. HOW DID THE COMPANY COMMUNICATE WITH CUSTOMERS**  
18 **DURING AND AFTER HURRICANE BERYL?**

19 A. Before Hurricane Beryl's landfall, the Company issued news releases to local  
20 media, used social media posts, sent an e-mail to all customers in CERC's Texas  
21 gas customer database, and sent Power Alert Service blast messages to all  
22 enrolled customers about the Company's preparations for the storm and providing  
23 tips to customers on how to prepare. Automated calls that include a hurricane-  
24 related message were also made to customers when the customer's phone number

1 was known. Tips included topics like enrolling in Power Alert Service, and general  
2 safety tips about flooding and avoiding downed power lines.

3 After Hurricane Beryl made landfall, CenterPoint Houston issued news  
4 releases, increased social media posts and sent Power Alert Service blast messages  
5 on the day of landfall. Messages included generator safety tips, updates on the  
6 impact of the storm, flood safety, downed wire safety and damage assessment  
7 updates. The Company used news releases and social media posts, sent customer  
8 emails to all CERC's gas customers in the impacted area and used Power Alert  
9 Service messaging. Topics included progress updates, links to the circuit-level  
10 online restoration tracker, details of the restoration progress, damage assessment  
11 details, safety tips, warnings to beware of scammers, portable generator tips,  
12 weatherhead repair information, cooling center and shelter information, carbon  
13 monoxide safety messages, crew safety information, reminders to use 811 Call  
14 Before You Dig when making fence repairs, and service area level outage details.

15 Videos of CNP's Chief Executive Officer were used to provide updates to  
16 customers about the extent of the damage, the restoration process and offering his  
17 acknowledgement of what everyone was experiencing as a result of the devastating  
18 storm. In addition, there was dedicated space on CenterPointEnergy.com for  
19 information on the storm and updates on restoration. Customers could find the  
20 number of current outages, outages restored since the storm's peak, a circuit-level  
21 restoration tracker, safety tips, service area level outage information and updates,  
22 all news releases, and blog updates from the Chief Executive Officer.

1           The Company also utilized representatives, in EOP crew spokespersons  
2           roles, to provide on-site information to impacted communities.

3           The specific communications for Hurricane Beryl included:

- 4           • 55 media interviews conducted and 390 media inquiries answered
- 5           • 574 mentions in news articles and more than 2,400 features on local,  
6           state and national televised broadcasts in July
- 7           • 20 total daily news release updates sent
- 8           • 4 customer emails sent, with updates on storm restoration progress - as  
9           many as 1.35 million customers reached (translated into Spanish)
- 10          • Social media hits as follows
  - 11           ○ 170 Facebook posts that reached 14.5 million people
  - 12           ○ 376 X (formerly Twitter) posts that gained 14.3 million  
13           impressions
  - 14           ○ 118 LinkedIn posts gained more than 729,000 impressions
  - 15           ○ 185 Instagram posts reached more than 972,000 people
  - 16           ○ More than 60,000 followers gained across all platforms
  - 17           ○ 2.2 million views earned on videos
  - 18           ○ 30,000 shares received on posts
  - 19           ○ More than 183,000 reactions and likes earned on posts

20   **Q.   HOW DID THE COMPANY COMMUNICATE WITH CUSTOMERS**  
21   **DURING AND AFTER HURRICANE FRANCINE?**

22   A.   While Hurricane Francine did not make landfall in the Company's electric service  
23   territory, the Company issued news releases to local media, posted on its social  
24   media accounts, sent e-mails to customers and sent Power Alert Service blast  
25   messages via call, text and email about the Company's preparations for the storm  
26   and to provide tips to customers on how to prepare. Also included in  
27   communications were topics like enrolling in Power Alert Service, and general  
28   safety tips about flooding and avoiding downed power lines.

29           Beginning on September 7, 2024, the Company began deploying the above-  
30   mentioned communications as well as conducting interviews with local media to  
31   discuss CenterPoint Houston's monitoring of the weather and hurricane

1 preparedness efforts. The Company also held two media briefings as it continued  
 2 to track the path of Hurricane Francine. Distribution of messaging related to the  
 3 Company's monitoring and preparedness efforts concluded once it was evident  
 4 Hurricane Francine was not going to hit CenterPoint Houston's electric service  
 5 territory.

6 In addition, there was dedicated space on CenterPointEnergy.com for  
 7 information on the storm and updates on restoration, including outage tracker,  
 8 safety tips and all news releases.

9 The specific communications for Hurricane Francine included:

- 10 • 10 media interviews conducted and 25 media inquiries answered
- 11 • 18 mentions in news articles and 159 features on televised broadcasts in
- 12 local, state and national media
- 13 • 7 total news release updates sent (translated to Spanish)
- 14 • 3 customer emails sent echoing messaging distributed through other
- 15 channels (translated into Spanish)
- 16 • Social media hits as follows:
  - 17 ○ 78 Facebook posts that reached more than 253,000 people
  - 18 ○ 128 X (formerly Twitter) posts that gained more than 220,000
  - 19 impressions
  - 20 ○ 38 LinkedIn posts gained more than 44,000 impressions
  - 21 ○ 52 Instagram posts reached more than 25,000 people
  - 22 ○ More than 700 followers gained across all platforms
  - 23 ○ More than 3,500 views earned on videos
  - 24 ○ More than 440 shares received on posts
  - 25 ○ Nearly 2,900 reactions and likes earned on posts

26 **Q. HOW DID THE COMPANY COMMUNICATE WITH CUSTOMERS**  
 27 **DURING AND AFTER WINTER STORM ENZO?**

28 A. In anticipation of Winter Storm Enzo impacting the Company's electric service  
 29 territory, the Company issued news releases to local media, posted on its social  
 30 media accounts, sent e-mails to customers and sent Power Alert Service blast  
 31 messages via call, text and email about the Company's preparations for the winter

1 storm and to provide tips to customers on how to prepare. Also included in  
 2 communications were topics like enrolling in Power Alert Service, and general  
 3 safety tips.

4 The Company began deploying the above-mentioned communications  
 5 beginning on January 15 as well as conducting interviews with local media to  
 6 discuss CenterPoint Houston's monitoring of the weather and winter preparedness  
 7 efforts.

8 In addition, there was dedicated space on CenterPointEnergy.com for  
 9 information on the winter storm and updates on restoration, including outage  
 10 tracker, safety tips and all news releases.

11 The specific communications for Winter Storm Enzo included:

- 12 • 24 media interviews conducted and 64 media inquiries answered
- 13 • 114 mentions in news articles and 124 features on televised broadcasts
- 14 in local, state and national media
- 15 • 13 total news release updates sent
- 16 • 6 customer emails sent, with updates on storm restoration progress - as
- 17 many as 1.35 million customers reached (translated into Spanish)
- 18 • Social media hits as follows:
  - 19 ○ 80 Facebook posts that reached more than 253,000 people
  - 20 ○ 93 X (formerly Twitter) posts that gained more than 86,000
  - 21 impressions
  - 22 ○ 31 LinkedIn posts gained more than 91,000 impressions
  - 23 ○ 43 Instagram posts reached more than 40,000 people
  - 24 ○ More than 1,100 followers gained across all platforms
  - 25 ○ More than 47,000 views earned on videos
  - 26 ○ More than 1,000 shares received on posts
  - 27 ○ More than 7,100 reactions and likes earned on posts

28 **Q. WAS THE COMMUNICATION EFFECTIVE, FROM THE COMPANY'S**  
 29 **PERSPECTIVE?**

30 **A.** For Hurricane Beryl, Hurricane Francine and Winter Storm Enzo, CenterPoint  
 31 Houston used a variety of communication channels, including traditional media

1 (TV, print/online and radio), social media, company website, email, text and phone  
2 calls to communicate critical information to as many customers as possible. These  
3 communications were also distributed more broadly to the general public and  
4 directly to customers via our customer email and Power Alert Service platforms.  
5 With so many customers, utilizing a comprehensive suite of communication  
6 channels, broadly and direct to customer, was the most effective way to  
7 communicate during these major weather events.

8 **Q. DID CENTERPOINT HOUSTON ENCOUNTER ANY CHALLENGES**  
9 **WITH RESPECT TO COMMUNICATION WITH CUSTOMERS**  
10 **FOLLOWING HURRICANE BERYL?**

11 A. Yes. In May of 2024, as the Commission and many stakeholders are aware, the  
12 Company encountered issues with its Original Outage Tracker Map. Those issues  
13 persisted during Hurricane Beryl. By the time Hurricane Francine and Winter  
14 Storm Enzo occurred, the Company utilized a new cloud-based outage tracker that  
15 did not encounter any issues during those events. I discuss this cloud-based outage  
16 tracker below in my testimony.

17 **Q. WHAT ACTIONS DID THE COMPANY TAKE TO ADDRESS THESE**  
18 **CHALLENGES?**

19 A. The Company undertook a series of improvement actions associated with the  
20 Original Outage Tracker Map, with one of the main improvements being to increase  
21 its scalability by making it cloud based (the “2024 Outage Tracker Map” which was  
22 launched in August of 2024). In the settlement of the Company’s recent base rate  
23 proceeding, the Company agreed to return an online outage tracker map to

1 operation by February 28, 2025.<sup>10</sup> This 2024 Outage Tracker Map is the outage  
 2 tracker application in place today. The Company has also enhanced the application  
 3 since August 2024 to include such items as Spanish translations, premise-level  
 4 power status, and the ability to export data. However, as noted by Mr. Wright, no  
 5 costs associated with the development of the 2024 Outage Tracker Map are  
 6 included in this filing.

7 For the duration of Hurricane Beryl, the Company used a cloud based *static*  
 8 outage tracker to keep customers informed of how many customers were without  
 9 power and how many had been restored. An interactive outage restoration map  
 10 (“Beryl Outage Map”) was introduced on July 10, 2024, that provided information  
 11 on when *circuits* would be restored. The Beryl Outage Map was updated daily with  
 12 estimated restoration times and the status of areas that were restored. *Customer-*  
 13 *specific* outage information is available through CenterPoint Houston’s Power  
 14 Alert Service which allowed customers to check on their service and the estimated  
 15 restoration time if they are part of an outage.

16 **Q. PLEASE DESCRIBE THE COMPANY’S COMMUNICATION EFFORTS**  
 17 **WITH THE COMMISSION AND STATE AND LOCAL GOVERNMENT**  
 18 **OFFICIALS BEFORE, DURING AND AFTER HURRICANE BERYL,**  
 19 **HURRICANE FRANCINE, AND WINTER STORM ENZO OCCURRED.**

20 A. Prior to each storm, CenterPoint Houston informed Commissioners with the  
 21 Commission and their staff, as well as agency leadership and agency media

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<sup>10</sup> *Application of CenterPoint Energy Houston Electric, LLC for Authority to Change Rates*, Docket No. 56211, Final Order at Finding of Fact No. 132 (Mar. 13, 2025).



1 personnel. At individual staff's request, the Director of Infrastructure and Director  
2 of Rulemakings were also included. Updates were provided twice a day (e.g., once  
3 in the morning and once in the evening). The Company then submitted information  
4 to the agency's outage reporting email. This same information was shared with the  
5 Office of Public Utility Counsel and with the Commission's Emergency  
6 Management Coordinator and the State Operations Center (operated by the Texas  
7 Department of Emergency Management) personnel. As discussed above, the  
8 Company has liaisons with local and state OEMs who participate in briefings and  
9 updates that include state and local officials.

10 In addition to the liaisons, the Company has dedicated employees whose  
11 responsibilities include meeting with state and local officials and those employees  
12 also briefed state and local officials regarding the Company's restoration effort.  
13 During an emergency event like Hurricane Beryl in which the EOC is activated, the  
14 Company establishes a logical cadence of distributing information to local and state  
15 entities. During Hurricane Beryl, Company state government relations liaisons sent  
16 two emails per day beginning July 8th, the day that Hurricane Beryl made landfall  
17 and impacted the Greater Houston area, to the accounts of the Governor, the  
18 Lieutenant Governor, the Texas House speaker, the Chair and Vice-Chair of the  
19 Texas Senate Business and Commerce Committee, the Chair and the Vice-Chair of  
20 Texas House State Affairs Committee, respective Senate and House Committee  
21 members, and the Texas Legislative Delegation of Houston and surrounding areas.  
22 The emails included updates of service restoration such as number of customers  
23 restored, crews assisting, staging sites and general information regarding service

1 restoration throughout the Company's service area. In addition, during the event  
2 the Company held twice daily online briefings for elected local, state and federal  
3 officials beginning on July 9th, the second day post storm landfall.

4 For Hurricane Francine, the Company held daily online briefings for elected  
5 local, state and federal officials, their staff, and emergency operations personnel on  
6 September 9, 2024, and September 10, 2024. For Winter Storm Enzo, the Company  
7 held daily online briefings for elected local, state and federal officials, their staff,  
8 and emergency operations personnel from January 19, 2025, through January 21,  
9 2025. The Company provided daily press releases for both Hurricane Francine and  
10 Winter Storm Enzo.

11 **X. REDUCTIONS TO SRCS**

12 **Q. HAS CENTERPOINT HOUSTON RECEIVED ANY INSURANCE**  
13 **PROCEEDS, GOVERNMENTAL GRANTS, OR OTHER SOURCES OF**  
14 **FUNDING TO REDUCE THE COMPANY'S SRCS?**

15 A. No.

16 **Q. DID THE COMPANY CHALLENGE OR DISPUTE ANY INVOICES**  
17 **RECEIVED IN CONNECTION WITH THE RESTORATION OF SERVICE**  
18 **FOLLOWING HURRICANE BERYL, HURRICANE FRANCINE, AND**  
19 **WINTER STORM ENZO?**

20 A. Yes. As discussed in the direct testimony of Mr. Wright, the Company tracked  
21 Hurricane Beryl, Hurricane Francine, and Winter Storm Enzo by cost objects.  
22 Internal controls are in place to ensure that only costs related to the storms were  
23 charged appropriately. Costs were validated for accuracy and consistency with  
24 contractual arrangements. Discrepancies for third-party invoices were investigated

1 and resolved with the vendor. Corrected invoices were received and then processed  
2 for payment. In addition, payroll and employee expenses such as mileage or meals  
3 were reviewed and approved by EOP personnel for accuracy.

4 **Q. WHAT ADJUSTMENTS WERE MADE AS A RESULT OF THE**  
5 **COMPANY'S REVIEW AND VALIDATION OF ITS SRCs?**

6 A. In addition to the Company's decision to forever forego any request for recovery  
7 of certain hardening activities that I discuss above, invoice discrepancies were  
8 resolved with the vendors before processing for payment and were therefore not  
9 included in the SRCs. Certain costs such as hotels for mutual assistance were  
10 processed through Company credit cards and any credits for discrepancies were  
11 offset to the total SRCs. Employee related charges that were not related to  
12 performing EOP assignments were removed from the SRCs.

13 **Q. DOES CENTERPOINT HOUSTON BELIEVE THAT ALL OF THE COSTS**  
14 **REQUESTED IN THIS APPLICATION WERE REASONABLY AND**  
15 **NECESSARILY INCURRED?**

16 A. Yes.

17 **Q. DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?**

18 A. Yes.

## **Hurricane Beryl postseason report finds it was 10 mph stronger, and slower to weaken**

January 28, 2025 at 10:00 am by Matt Lanza

**In brief:** The National Hurricane Center released their post-storm report on Hurricane Beryl late last week, bumping its landfall intensity in Texas from 80 mph to 90 mph. The report also features a number of nuggets of information, statistics, and images. This post summarizes some of the highlights.

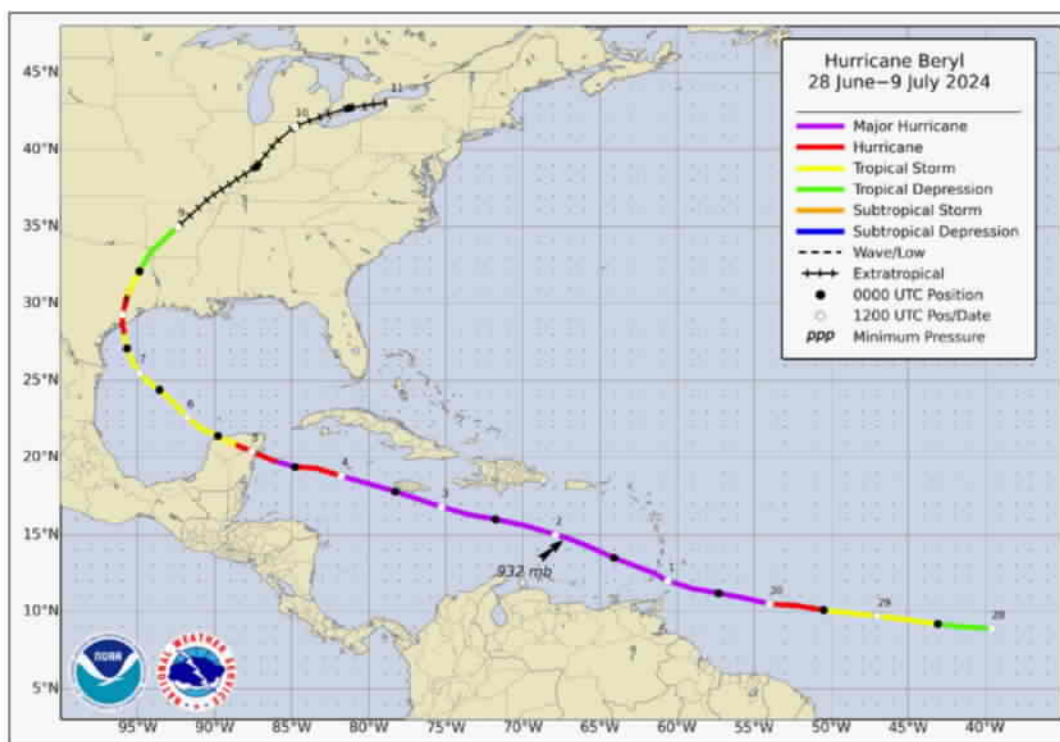


Figure 1. Best track positions for Hurricane Beryl, 28 June – 9 July 2024. Tracks over the United States and during the extratropical stage are partially based on analyses from the NOAA Weather Prediction Center.

(NOAA NHC)

Hard to believe it's been over 6 months now since Hurricane Beryl thrashed the Houston area. As is customary, the National Hurricane Center released their post-storm analysis on Beryl late last week, and there were some notable changes to the storm's history. It is important to be clear that this is a common thing. When the storm is hitting, forecasters are consuming so much data and issuing constant updates that they don't always have a chance to lock down all the finer details of the storm. In the postseason, there is the luxury of being able to scrutinize all available data to make an objective determination of a storm's data points. National Hurricane Center forecasters do this with every storm.

### **Beryl was a strong category 1 storm**

While Hurricane Beryl was presumed to have a landfall intensity of 80 mph when it came ashore in Texas, the postseason review determined that this was too low. Beryl got an upgrade to a strong category 1 storm, with 90 mph maximum sustained winds

at landfall. This is interesting, and it makes the comparisons to Ike somewhat more relevant in a data sense.

Ike came ashore as a weakening category 2 storm with 110 mph maximum sustained winds. Beryl came ashore as a strengthening category 1 storm, having rapidly intensified from a 60 mph tropical storm to a 90 mph hurricane in about 14 hours. While that's still 20 mph of difference in maximum sustained wind, the fact that the two storms were trending in opposite directions, and all else the same, the weaker side of Ike wasn't that much stronger than the "dirty" side of Beryl, which Houston experienced. This makes the similarities between the storms in terms of widespread tree damage and power outages more comprehensible in retrospect.

Also worth noting, Beryl peaked in the Caribbean as a category 5 storm with ~165 mph maximum sustained winds, confirming the intensity reported in the advisories. The report stated that "the maximum intensity of Beryl is somewhat uncertain due to temporal gaps in the aircraft data near the time of peak intensity, and issues with (microwave) surface wind estimates that prevented their use in this evaluation." In other words, some of the data was unusable, and the timing of the reconnaissance flight into Beryl may have differed from the exact time of peak intensity. Whatever the case, 165 mph is dang strong.

### **Beryl didn't weaken immediately at landfall**

One reason Beryl came in stronger than the typical category 1 storm is that the storm likely continued to strengthen just beyond landfall. Where the storm came ashore is not exactly terra firma. Given the geography around Matagorda Bay, the technical landfall may have occurred before the storm truly got on land. The NHC determined this by noting that the minimum pressures recorded near the Texas coast occurred *after* landfall, indicating that the storm had passed but pressures were still lowering instead of rising as is typically the case. Basically, much like a large ship trying to make a 180° turn, Beryl needed a moment before it could tap the brakes.

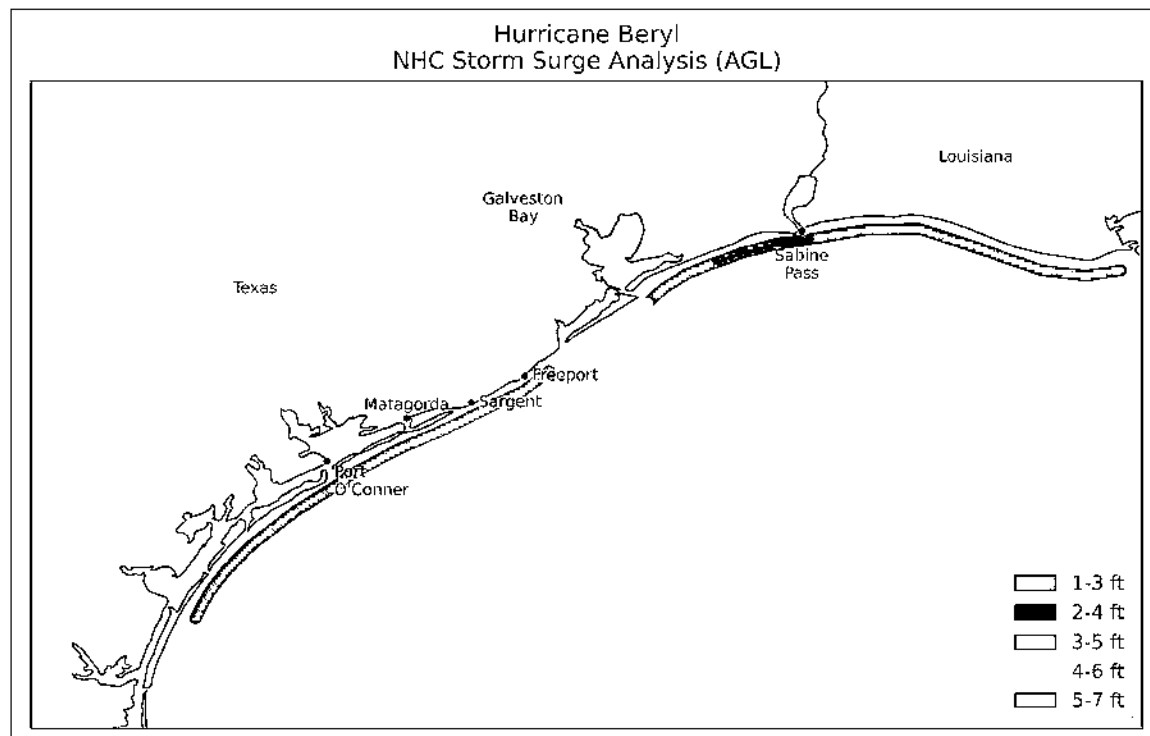


Figure 7. Analyzed storm surge inundation (feet above ground level) along the Texas and Louisiana coast. Image provided by the NHC Storm Surge Unit.

(NOAA NHC)

### No surprises with rain or storm surge

Generally speaking, Beryl produced a surge height of 5 to 7 feet above ground level between Matagorda and Freeport. Much of this is based on high water mark assessments by teams following the storm. Surge values decreased to about 4 to 6 feet above ground level between Freeport and Galveston. Maximum rainfall was around 15 inches in Thompsons in Fort Bend County. That was an exception, as most locations generally saw 8 to 12 inches of rain.

### The forecast was excellent—except here

The NHC track forecast beat their average errors at almost all lead times *on average* through Beryl. A notable exception? When Beryl was in the western Caribbean and the majority of model guidance favored a Mexico landfall. From the report: “The largest track forecast errors occurred during the time that Beryl was moving through the western Caribbean when the forecasts for landfall on the western Gulf coast had a strong left or southward bias. Indeed, the Texas landfall position in the best track is at

the right/northward edge of the official forecasts, and the forecast landfall points shifted significantly to the north as the storm approached the coast.” They go on to state that the TABM model (which basically just assumes a medium intensity storm) did best, whereas the ECMWF (Euro) and GFS (American) models failed. The reasons for the failure are not clear at this time.

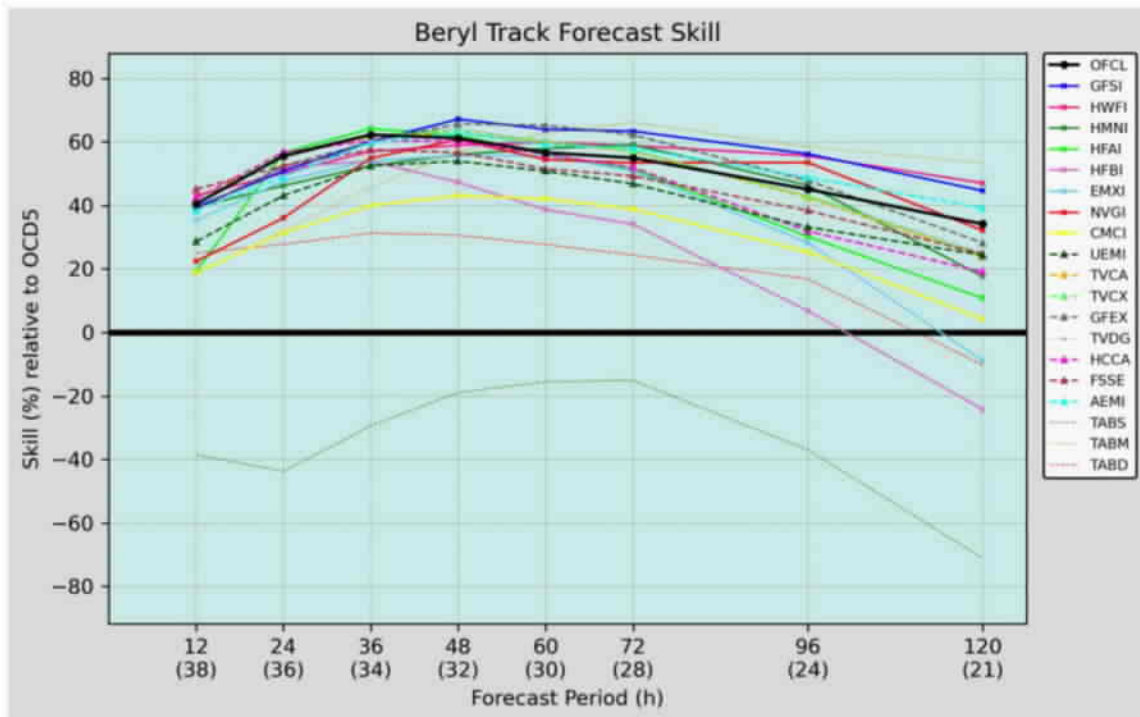


Figure 14. Skill diagram for selected track forecast models (homogenous sample) in percent relative to OCD5 for Hurricane Beryl, 28 June – 9 July 2024. The number of forecasts at each time period is shown in parentheses below the horizontal axis.

Believe it or not, Beryl’s forecast track was really good on average — but the one exception occurred with the forecast of what it would do after the Yucatan, which is unfortunately what led to everyone scrambling to catch up over the holiday weekend last July. (NOAA NHC)

A glaring caveat to all this? They do not include the ICON or European AI model in track errors, which in my subjective view did best capturing the risks to Houston. One major change we implemented at Space City Weather was to give those models much more weight after Beryl, and they continued to perform well last season. Google’s AI GraphCast also did a very good job identifying the northward risks early on.

### Beryl remains a warning to Houston

We’ve said this countless times in the wake of Beryl and since: It was a warning to this region. Beryl had 14 hours of favorable conditions over water to strengthen and went



from a tropical storm to nearly a category 2 hurricane. What if it had 24 hours, and started from a 70 mph tropical storm? 36 hours? We've seen this play out in Florida, Louisiana, and the Coastal Bend several times since 2017 with storms in the Gulf of Mexico. Harvey, Michael, Ida, Ian, Idalia, Helene, Milton to name some others. It really is a matter of when, not if. We need to continue to focus on ensuring we're prepared every year with our hurricane kits, getting more people to adopt that practice, and continuing to invest in resiliency and infrastructure improvements, which is to say: Build the damn Ike Dike.

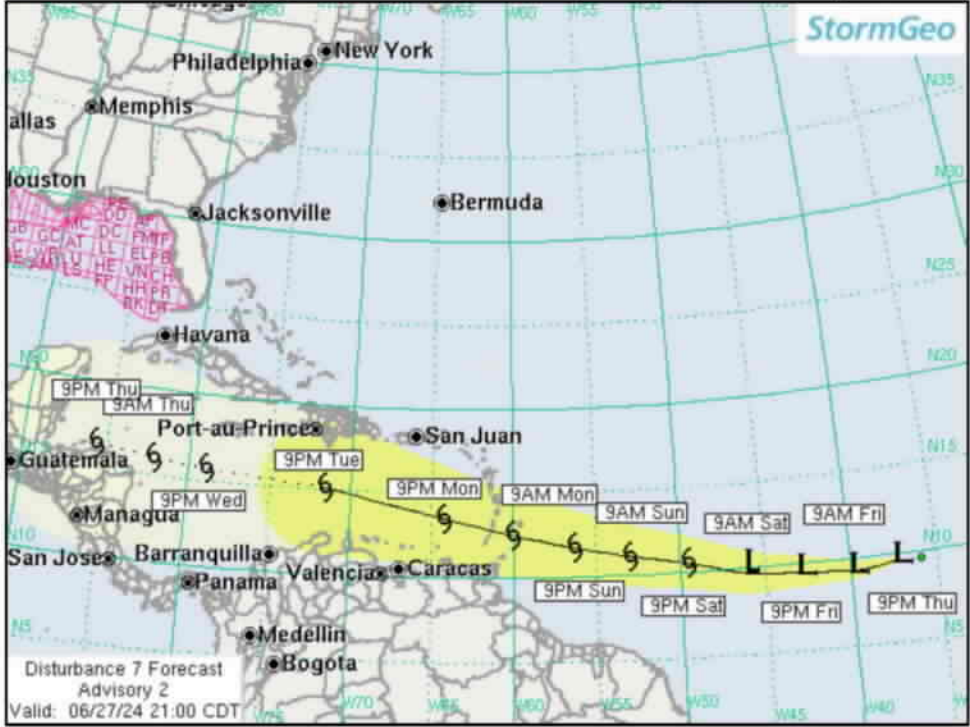
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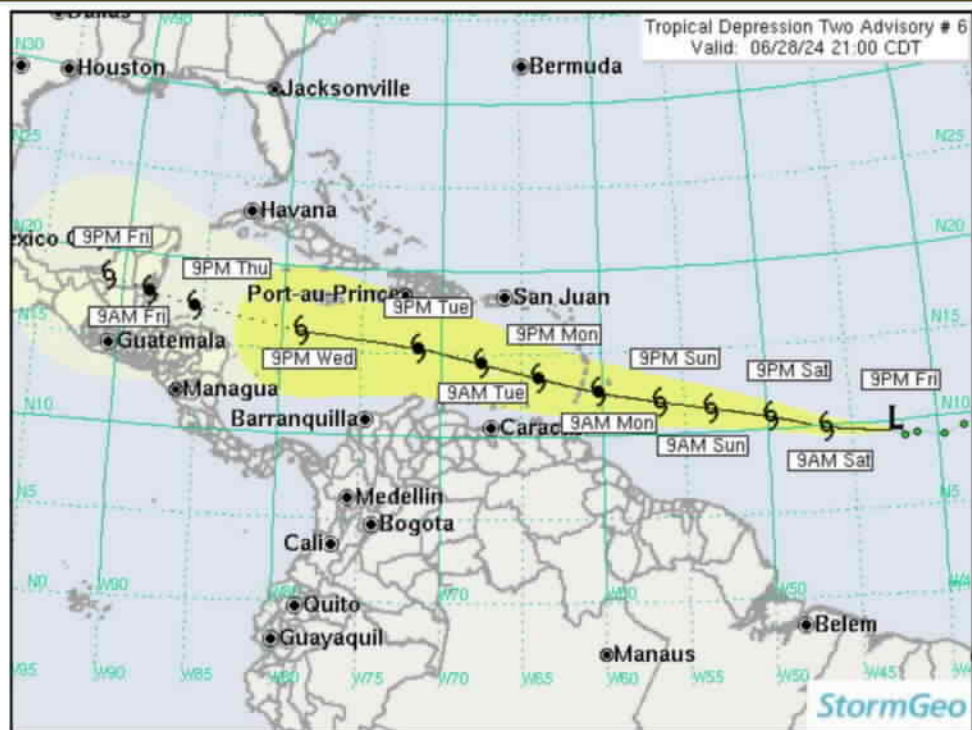
## Emergency Operations Plan

## Timeline of Weather Event Monitoring and Activation

## I. Hurricane Beryl

BERYL PREPARATION AND RESPONSE	
Tuesday, June 25, 2024	<b>Weather Forecast:</b> <ul style="list-style-type: none"> <li>EP&amp;R receives email from StormGeo about a new tropical disturbance that formed in the Atlantic Ocean (and eventually becomes Beryl).</li> </ul>
Thursday, June 27, 2024	<b>Weather Forecast:</b> <ul style="list-style-type: none"> <li>EP&amp;R receives weather monitoring email from Harris County Office of Homeland Security and Emergency Management about Invest 95L, a strong tropical wave in the Atlantic showing signs of better organization, and begins monitoring its development.</li> </ul> 
Friday, June 28, 2024	<b>Weather Forecast:</b> <ul style="list-style-type: none"> <li>Invest 95L becomes Tropical Depression #2.</li> </ul>

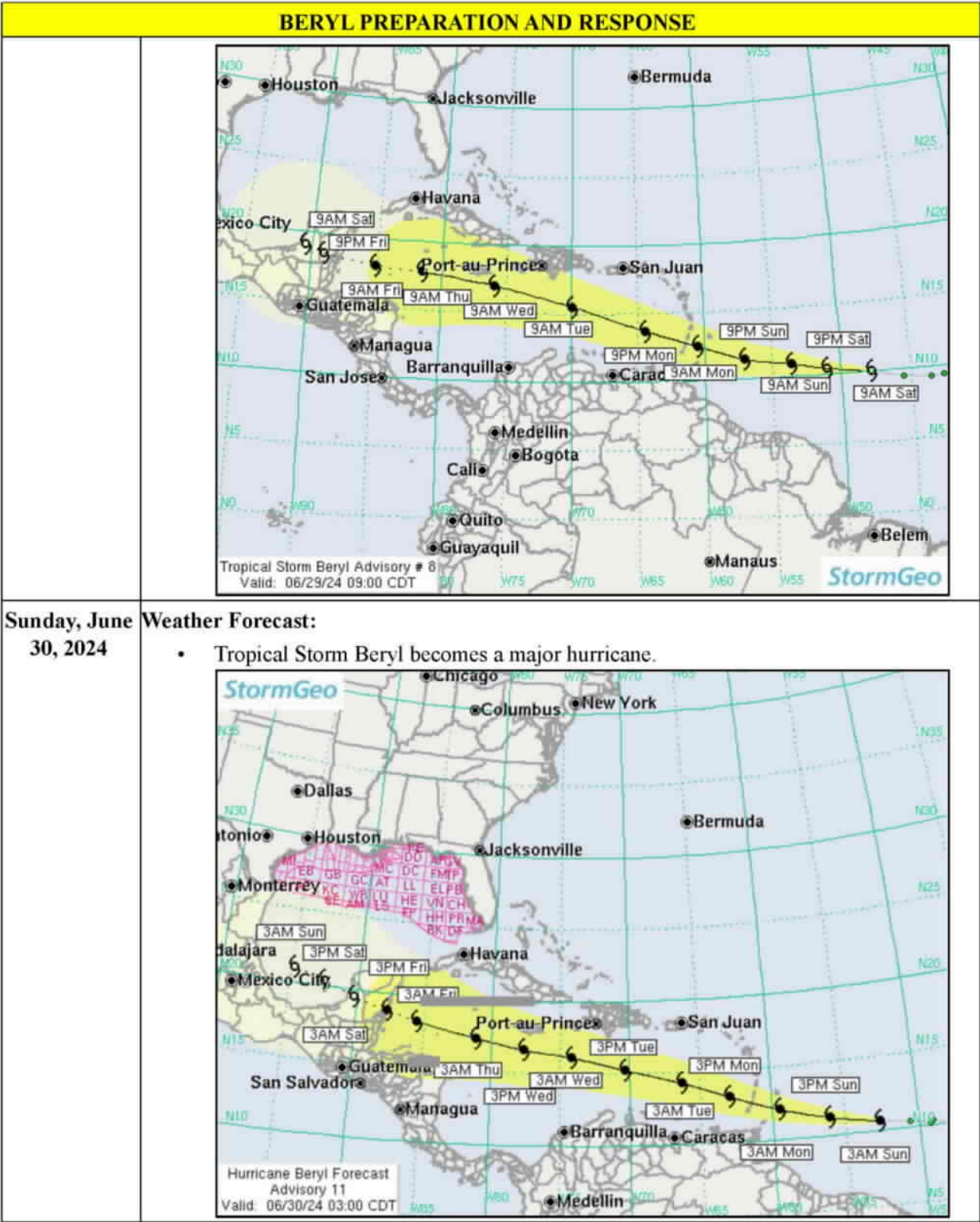
## BERYL PREPARATION AND RESPONSE




**Saturday,  
June 29, 2024**

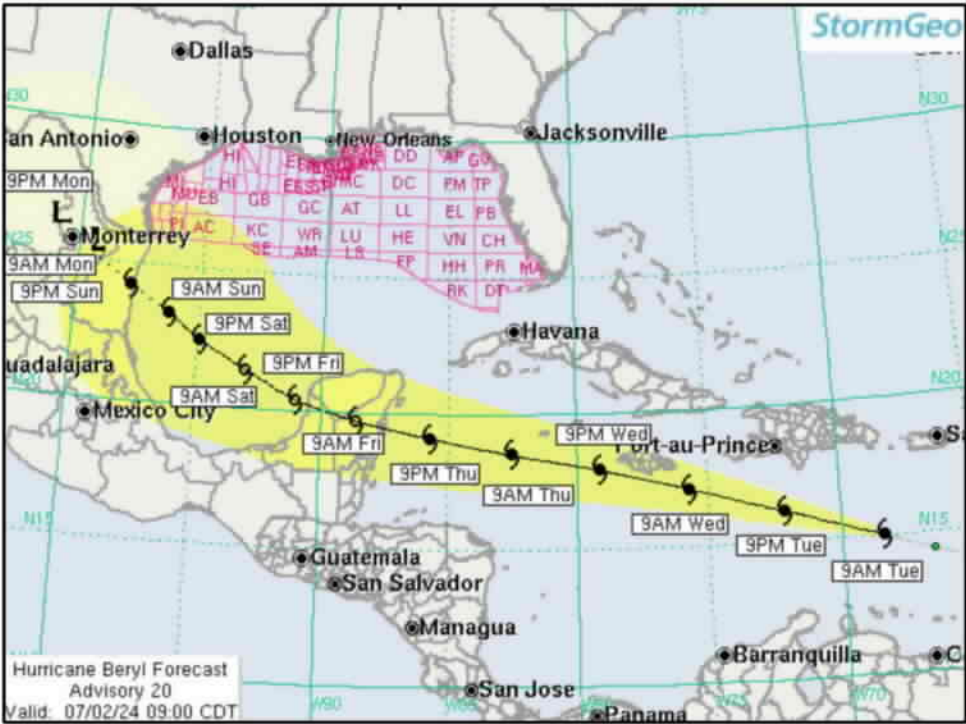
**Weather Forecast:**

- Tropical Depression #2 becomes Tropical Storm Beryl.
- EP&R receives weather monitoring emails and alerts from Harris County and StormGeo; Beryl continues to track westward toward Jamaica and the western Caribbean Sea. Harris County "Ready Harris" alert says, "At this time, Beryl poses no threat to Texas."





BERYL PREPARATION AND RESPONSE	
	<p><b>Summary of CenterPoint Preparations:</b></p> <ul style="list-style-type: none"> <li>EP&amp;R provides weather update to CenterPoint team about continuing to monitor Beryl; while not a current threat, forecasts beyond day 5 are complicated and tend to have lower confidence in the path.</li> </ul>
Monday, July 1, 2024	<p><b>Weather Forecast:</b></p> <ul style="list-style-type: none"> <li>StormGeo and Harris County weather monitoring report identify Mexico as most likely location of final landfall. National Weather Service (NWS) update states “no impacts are expected for Southeast Texas within the next 7 days.”</li> </ul>  <p><b>Summary of CenterPoint Preparations:</b></p> <ul style="list-style-type: none"> <li>EP&amp;R provides weather update to CenterPoint team about continuing to monitor Beryl, noting that overnight guidance showed a significant adjustment of the track forecast to the south, but final track beyond the Yucatan remains uncertain</li> </ul>
Tuesday, July 2, 2024	<p><b>Weather Forecast:</b></p> <ul style="list-style-type: none"> <li>StormGeo and Harris County weather monitoring report note shift of forecast track northward, with StormGeo saying there is a chance Beryl could make landfall as far north as south Texas. NWS identifies Northeastern Mexico or Southern Texas as most likely landfall spot.</li> </ul>

BERYL PREPARATION AND RESPONSE	
	<div><p>The map displays the forecast path of Hurricane Beryl, starting from the Gulf of Mexico and moving northeast towards the Texas coast. Key locations marked include Dallas, Houston, New Orleans, Jacksonville, Monterrey, Mexico City, and various cities in Central America. The forecast path is indicated by a line with arrows, showing the hurricane's progression from the Gulf of Mexico, through the Yucatan Peninsula, and towards the coast of Mexico. The map includes a grid of latitude and longitude lines, and a legend for the forecast path. The text 'Hurricane Beryl Forecast Advisory 20 Valid: 07/02/24 09:00 CDT' is visible at the bottom left of the map area.</p></div> <p><b>Summary of CenterPoint Preparations:</b></p> <ul style="list-style-type: none"><li>• EP&amp;R provides weather update to CenterPoint team about continuing to monitor Beryl and that current trending is to northeast Mexico, but final path is undetermined.</li><li>• CenterPoint Houston holds prep call with a line skills resource aggregator (Center Phase Energy).</li></ul> <div><div><b>Wednesday, July 3, 2024</b></div><div><b>Weather Forecast:</b><ul style="list-style-type: none"><li>• StormGeo report states “threat to middle and upper Texas coast appears to be decreasing” with final landfall predicted for northeast Mexico about 60 miles south of Brownsville, TX on evening of July 7; Harris County weather monitoring report similarly indicates a track into Mexico.</li></ul></div></div>