

House Select Committee on Hurricane Ike Devastation

Commissioner Donna L. Nelson
Public Utility Commission of Texas







Question 1

Based on your experience, what aspects of Hurricane Ike recovery efforts, prior to and after Hurricane Ike, worked well?





What worked well...

- Utilities (CenterPoint, Entergy, TNMP, Oncor, AEP/SWEPCO, and the East Texas Coops) were present at the SOC immediately following landfall. They prioritized power restoration to critical facilities.
- Utilities worked with local officials on the ground and on daily conference calls to provide updated restoration information.



What worked well...

- For the first time, outages by zip code were posted on PUC's website
- Bill inserts urging registration with 2-1-1 are included in May through November billing cycles.
- PUC temporarily suspended certain rules to facilitate the efficient restoration of electric and telecommunications service.



What worked well...

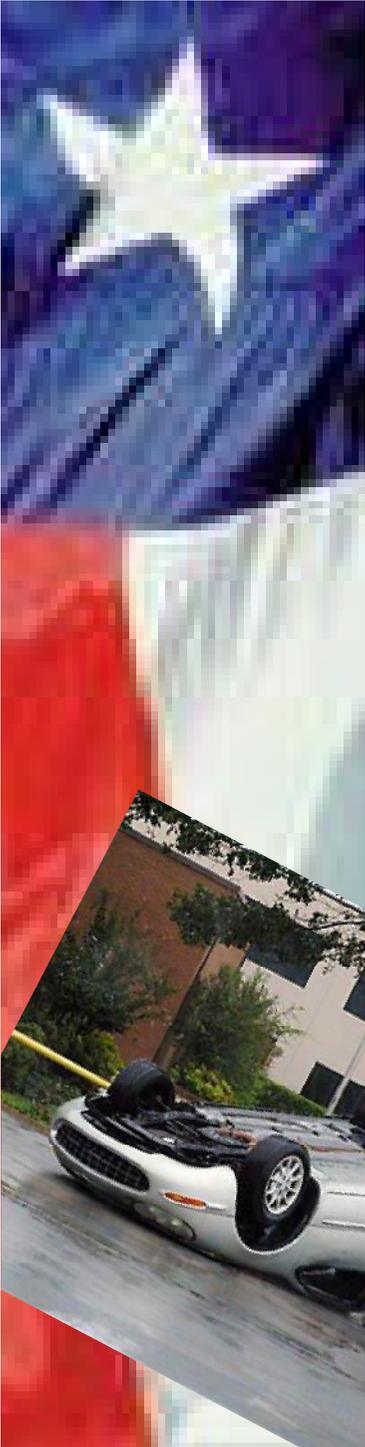
- Pre-deployment of DOE representatives to work with FEMA and PUC allowed for outage prediction modeling.
- DOE forecasted 2.61 million customers would lose power; the actual number was 2.87 million.
- DOE was instrumental in expediting waivers of the Federal Energy Regulatory Commission's (FERC's) jurisdiction over interconnections between CenterPoint and Entergy.
- DOE coordinated the use of helicopters to complete damage assessments of utility infrastructure.



Question 2

Based on your experience, what aspects of Hurricane Ike recovery efforts, prior to and after the Hurricane, did not work well?





What didn't work...

- Ongoing discussion about the location of points of distribution (POD) sites is needed.
- The ability of utilities to prioritize restoration to other key facilities such as nursing homes and dialysis centers should be addressed.
- Large companies should be encouraged to purchase or contract for back-up generators.





Question 3

Please share ideas and thoughts of how the State of Texas could improve or enhance efforts that would eliminate any obstacles you experienced in Hurricane Ike relief efforts.





Suggested improvements...

- The delineation of the responsibilities and coordination of state agencies within the Emergency Management Council should be reviewed.
- Storm hardening activities should be analyzed.





Question 4

If another hurricane or natural disaster were to occur in your area in the near future, what actions would you immediately initiate to better prepare for this event?





Better preparation...

- PUC will initiate meetings with SOC officials and electric utilities to discuss the priorities for restoration of service for critical care customers.
- PUC will continue to work on providing up-to-date information regarding outages on our website.
- PUC will continue to upgrade our outage database to provide more information regarding estimated restoration times.



Storm Hardening in Florida

- Florida Public Utility Commission (FPUC) conducted a study to determine how to enhance the reliability of Florida's transmission and distribution grids during extreme weather events.
- Upon completion, they adopted rules requiring utilities to file their hardening plans and, at a minimum, new construction, major expansions or rebuilds, and critical infrastructure facilities must meet the 2007 National Electric Safety Code (NESC) standards and the appropriate wind loading standards.



Storm Hardening in Texas

- Investments made by transmission companies are recoverable through electric rates (i.e. passed on to ratepayers).
- PUC is contracting for a cost benefit analysis to evaluate the appropriate structures (wood, concrete, or steel) to be used in hurricane-prone areas, annual vegetation management programs, and underground transmission and distribution lines.



Impact of storm hardening on ratepayers

- The percentage of a customer's bill associated with transmission and distribution costs ranges from 15 to 20 percent, depending on the service territory
- If a customer consumes 1000 kWh in a month, this equates to \$29 to \$31 a month





Impact of storm hardening on ratepayers

- One recommendation that will be taken into account in the cost-benefit analysis is burying distribution lines
- According to Entergy Texas, the cost of converting existing overhead distribution lines to underground lines would range from \$1.71 billion to \$2.95 billion
- This could result in estimated increases of \$30 to \$50 on a customer's monthly bill.



Advanced Meters

- Information about which customers have lost service
- Automatic information about whether the loss of power is related to damage to transmission lines or to damage on the customer side of the meter
- Customers would be able to access their accounts remotely to know whether power had been restored
- Advanced meters allow some “self healing” options