

# Hurricanes Harvey and Irma: Electric Industry Impacts, Restoration, and Cost Recovery



By *Everett Britt*

On August 25, 2017, Hurricane Harvey made landfall on the Texas shoreline and began a slow, meandering trek on and off and along the Texas coast. Heavy rains from the storm persisted in southeast Texas until August 31. Harvey's initial impact came from its intense hurricane-force winds, but as those winds lessened and the storm's path slowed to a crawl, the primary danger came from the steady and sustained rainfall that blanketed a wide swath of Texas and created an unprecedented flooding event.

Barely two weeks later, on September 10, 2017, Hurricane Irma made landfall in the Florida Keys and on mainland Florida several hours thereafter, continuing north through Florida and into Georgia before losing its tropical characteristics on September 12. Irma's impact was widespread, with the state's largest utility describing it as the largest hurricane event the utility had ever faced. Tropical force winds were experienced in all but one county in Florida.

This article describes the major impacts of Hurricanes Harvey and Irma on electric companies in their paths, the companies' restoration efforts, and how recovery of the storm-related costs for electric utilities may be addressed under the applicable regulatory frameworks.<sup>1</sup>

Hurricane Harvey made landfall near Rockport, Texas, as a Category 4 hurricane with sustained winds of over 100 miles per hour and gusts exceeding 135 miles per hour.<sup>2</sup> After making landfall on August 25, the storm meandered on shore for several days, returned to the Gulf of Mexico on August 28, and eventually made a second landfall, this time on August 30, just east of the Texas–Louisiana border before moving further north and east into the rest of the country in a weakened state. Unprecedented rain totals over the course of the storm exceeded 50 inches in parts of Houston and surrounding areas, and more than 3,600 square miles were covered in at least 40 inches of rain.<sup>3</sup>



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Most customers in the area initially impacted by Hurricane Harvey receive electric utility service from AEP Texas. AEP Texas provides electric delivery service to approximately one million customers. In its report to the Public Utility Commission of Texas (PUCT) regarding storm damage, AEP Texas identified 68 damaged substations, 549 downed transmission structures, 5,726 damaged or replaced distribution structures, and 220,000 customer outages at peak.<sup>4</sup> The dangers involved with restoration activities were sadly underscored when a contractor lineman for AEP Texas was fatally injured during the recovery efforts.<sup>5</sup>

As Hurricane Harvey moved slowly eastward, the service areas of CenterPoint Energy Houston Electric (CEH) and Entergy Texas were impacted more by the historic level of flooding than by the then-diminished winds. CEH, whose service area includes most of Houston, provides electric delivery service to approximately 2.2 million customers. CEH reported 1.27 million total customer restorations although the peak number of outages at any one given time appears to have been around 100,000.<sup>6</sup> CEH also reported 17 substations being out of service or inaccessible due to high water.<sup>7</sup> Entergy Texas serves approximately 444,000 customers in areas north and east of Houston and reported that, in the week after Harvey first made landfall in Texas, the company restored more than 200,000 outages caused by the storm.<sup>8</sup> Entergy Texas reported that extensive flooding damaged its substation infrastructure; 17 substations experienced some flooding, and six were completely flooded.<sup>9</sup>

The unusual extent of flooding from Harvey also









