



**Scott E. Doyle**  
Senior Vice President  
Regulatory and Public Affairs

December 1, 2016

The Honorable Larry Gonzales  
Chair, Sunset Advisory Commission  
P.O. Box 13066  
Austin, Texas 78711-3066

**RE: Sunset Staff Report on the Texas Department of Transportation (TxDOT) dated November 2016**

Dear Chairman Gonzales:

On behalf of CenterPoint Energy, Inc., I am submitting the following comments on the Sunset Staff's Report on the Texas Department of Transportation (Report). CenterPoint Energy owns and operates electric and natural gas utilities serving more than 5 million metered customers in six states. In Texas, our electric utility maintains the wires, poles and infrastructure serving 2.3 million metered customers in a 5,000-square-mile service territory in the greater Houston metropolitan area. Our Texas natural gas utility serves 1.7 million metered customers in a geographic area that stretches from northeast Texas down the Texas Coast to Laredo, covering 79 counties and 255 cities, the largest of these including Beaumont, Houston, Laredo, and Tyler.

Given the tens of thousands of miles of wires, poles, pipelines and infrastructure that CenterPoint Energy must maintain in road rights-of-way in the cities and counties within our Texas service areas, we wanted to provide comments offering our perspective on TxDOT and the Report. The number of road projects underway and planned far into the future, along with the required advance planning horizons, necessitate a strong, coordinated, and mutually-beneficial working relationship between TxDOT and utilities. Ongoing improvements in collaboration and communication are imperative to the overall process improvement at the agency.

CenterPoint Energy agrees with the recommendation to continue the agency for another 12 years and offers the following comments on a number of issues identified in the Report.

***Issue 1 – TxDOT's Progress Toward a More Transparent, Performance-Based Transportation Planning Process Is Far from Complete.***

CenterPoint Energy has made it a priority to forge a better working relationship with TxDOT. Our coordination with TxDOT to plan utility relocation work for road projects has improved tremendously over the course of 2016.

1111 Louisiana Street, Houston, TX 77002  
P.O. Box 4567, Houston, TX 77210-4567, Tel: 713 207 6700  
scott.doyle@CenterPointEnergy.com

Specifically, CenterPoint Energy and TxDOT have agreed over the past year to meet frequently to discuss project prioritization from both engineering and relocations agreement perspectives. While more effort and coordination is needed, CenterPoint Energy and TxDOT are moving toward a strong communication and escalation path for notice of planned projects. As an entity that must respond to relocation requests in a timely manner, improvements in the communication of TxDOT's priorities will benefit the overall construction process.

***Issue 2 – TxDOT Must Quickly Finalize Ongoing Project Development Fixes to Eliminate Backlogs and Prepare for the Future.***

In the past, TxDOT entered into construction agreements with contractors that included delay penalties and damages clauses to incentivize timely road construction. Often, we were not notified of upcoming projects and the utility relocation timeline was not included in the agreed-upon contractor timeline. This led to utility required emergency relocations in order for TxDOT to avoid paying damages to contractors. TxDOT's process for right-of-way acquisition allows for non-contiguous parcels to be released for utility relocation in advance of a construction project. This has the effect of creating an inefficient utility relocation process, as the utility is required to make several mobilizations to complete the relocation.

***Issue 3 – TxDOT Lacks Critical Contract Oversight Tools to Efficiently Spend Billions in Taxpayer Dollars and Better Deliver Construction Projects on Time.***

Significant increases in project funding for TxDOT has created notable growing pains between utility providers and TxDOT. CenterPoint Energy now conducts frequent coordination meetings with TxDOT to help ensure construction milestones are well understood. Continued improvements in coordination will benefit the overall process.

***Issue 5 – TxDOT's Process Improvement Efforts Lack Clear, Measurable Results.***

Utility coordination with TxDOT is still in the early stages of development and varies by utility and local district. Utilities must be engaged in any efforts toward process improvement. Top-down support of these collaborative efforts from TxDOT continues to be necessary to ensure coordination continues and utilities are able to provide feedback on the relocation processes. CenterPoint Energy has requested, and TxDOT has engaged in, several coordination efforts including engineering meetings, agreement meetings, and continued communication and education efforts intended to bridge the gap between TxDOT expectations and the utility's ability to respond.

***Issue 6 – TxDOT Does Not Effectively Oversee or Support its 25 Districts.***

TxDOT's decentralized approach to managing and prioritizing projects in each district has been problematic for CenterPoint Energy in identifying and responding to priority projects. Each district has separately contracted administrative and field utility personnel with differing priorities and demands for utility relocations resulting in unmet expectations.

CenterPoint Energy has also encountered situations in which some of the more rural districts apply different material or construction standards for our utility infrastructure. This type of inconsistency between districts in the same agency only leads to additional challenges for the utility coordinating projects that might cross district boundaries.

CenterPoint Energy continues to work with TxDOT to coordinate a unified TxDOT priority list and ensure TxDOT accounts for utility relocation timelines. With a limited pool of qualified utility personnel, it is critical that these resources are allocated to the right projects. CenterPoint Energy has recognized initial success with the centralization of TxDOT area engineers in monthly meetings that facilitate open dialog about project priorities. Continued improvements will support additional efficiencies in utility coordination.

***Issue 9 – Texas Has a Continuing Need for the Texas Department of Transportation.***

CenterPoint Energy supports the continuation of TxDOT for another 12 years. There is a clear need for such an entity to continue managing road projects. But continuation should not occur without an emphasis on the agency and utility companies continuing to improve processes for project prioritization, collaboration, coordination and communication with all project stakeholders. We look forward to working with you on these important issues affecting the important interactions between TxDOT and our electric and natural gas delivery industries.

Sincerely,



Scott E. Doyle  
Senior Vice President – Regulatory and Public Affairs

CC: The Honorable Van Taylor, Vice Chair, Sunset Advisory Commission  
Members, Sunset Advisory Commission  
Mr. Ken Levine, Director, Sunset Advisory Commission