

**PUC DOCKET NO. 35996
SOAH DOCKET NO. 473-09-1964**

**APPLICATION OF ONCOR ELECTRIC
DELIVERY COMPANY TO AMEND A
CERTIFICATE OF CONVENIENCE
AND NECESSITY FOR A PROPOSED
TRANSMISSION LINE WITHIN
KAUFMAN COUNTY**

§
§
§
§
§
§

**PUBLIC UTILITY COMMISSION
OF TEXAS**

RECEIVED
SEP 17 PM 2:49
FILED
FILING CLERK

ORDER

This Order addresses the application of Oncor Electric Delivery Company LLC to amend its certificate of convenience and necessity (CCN) for a proposed transmission line in Kaufman County. The administrative law judge at the State Office for Administrative Hearings issued a proposal for decision in which the judge recommended granting Oncor's application. The Commission adopts the proposal for decision including the following findings of facts and conclusions of law.

I. Findings of Fact

Procedural history and general project description

1. Oncor is an investor-owned electric utility providing service under CCN No. 30160.
2. On September 10, 2008, Oncor filed an application to amend its CCN for two proposed transmission lines within Kaufman County as shown on the maps filed with the application.
3. The application requested approval to construct two new 138-kilovolt (kV) double-circuit transmission lines. Combined, the proposed transmission lines will be slightly over 14 miles long. The eastern transmission line route would connect the Oncor Duck Cove Substation to the proposed Ables Springs Substation. The western transmission line route

would connect the proposed Ables Springs Substation to the existing Oncor Royse-Terrell Switch 138-kV transmission line.

4. The application included two preferred routes: one for the eastern transmission line route (E2) and one for the western transmission line route (W32). The application also included twelve alternate routes: five for the eastern transmission line route (E1, E15, E16, E19, and E20) and seven for the western transmission line route (W3, W4, W8, W38, W39, W43, and W44).
5. On September 10, 2008, Oncor: (1) mailed written notice of the application, including a map, to each municipality within five miles of the requested facilities, including the cities of Hawk Cove, McLendon-Chisholm, Quinlan, Terrell, and West Tawakoni; (2) either hand-delivered or mailed written notice of the application, including a map, to Kaufman County, the county in which the requested facilities will be located; (3) provided notice of the application to Trinity Valley Electric Cooperative, Inc. and Farmers Electric Cooperative, Inc., both of which are utilities providing the same utility service within five miles of the requested facilities; and (4) mailed written notice by first class mail of the application, including a map, to each landowner as stated on current county tax rolls that will be directly affected if the requested certificate is granted.
6. On September 18, 2008 and September 25, 2008, Oncor published notice of its application in the *Terrell Tribune*, a newspaper of general circulation within Kaufman County.
7. On October 3, 2008, Oncor filed an affidavit attesting to the provision of notice.
8. On October 13, 2008, Order No. 3 found the application sufficient and materially complete.
9. On October 20, 2008, Order No. 4 found Oncor's provision of notice complied with Commission rules regarding notice.

10. The following parties were granted intervention and filed an Intent to Participate: Ben Jarvis, Bruce Wilder, Billy Pat Jones, Lucille Porter, John Porter, North Texas Municipal Water District (District), Lamar Ranch, Joe Darst, Joan Layden, Germaine Cole, and Michael and Cynthia Goode. Additionally, the Silverthorne Ranch was granted intervention at the beginning of the hearing on the merits.
11. Order No. 16, issued on March 23, 2009, found that Oncor's application contains an adequate number of diverse routes. Order No. 16 was not appealed.
12. The hearing on the merits convened and concluded on June 1, 2009, and the record closed on June 30, 2009, following briefing.

Project description and cost

13. The proposed transmission line project will be located in Kaufman County.
14. The eastern transmission line route begins at the existing Oncor Duck Cove Substation and terminates at the proposed Ables Springs Substation. The western transmission line route begins at the proposed Ables Springs Substation and terminates at the existing Oncor Royse-Terrell Switch 138-kV transmission line.
15. The proposed transmission line project will be two 138-kV transmission lines constructed using double-circuit concrete or steel monopoles. The monopoles will be approximately 80 feet in height. The proposed transmission line project will be built on a 70-foot wide right-of-way for a length of approximately 14 miles.
16. The estimated cost for the eastern transmission line route using alternative route E1 is \$2,716,000, and the estimated cost for the western transmission line route is \$5,181,000. The estimated cost for the entire proposed transmission line project is \$7,897,000.

Need for proposed transmission line

17. The need for the proposed transmission line project is uncontested.

18. The proposed transmission line project is necessary to interconnect a new transmission customer, the District's water treatment plant, which requires dual-feed service under the rules of the Texas Commission on Environmental Quality.
19. The project is needed to improve reliability to several local substations.
20. The project is needed to serve future planned substations.
21. The District is constructing a new water treatment plant in Kaufman County that will require dual-feed transmission service.
22. Farmers Electric Cooperative, Inc. will construct a new 138-25 kV substation, Ables Springs, to provide service to the new plant.
23. The Texas Commission on Environmental Quality requires a primary power supply and emergency power supply for a water treatment plant like the one being built by the District. The District has requested service from two 138-kV lines to provide the required level of reliability.
24. The project is necessary to interconnect the District's plant.
25. The existing Duck Cove, Iron Bridge, Lake Tawakoni Pump, and Enterprise stations are all currently served by radial lines. An outage of one of the radial lines would completely interrupt electric service to these customers because none of this load can currently be transferred to another source.
26. The proposed project will provide an alternate transmission source to these stations and customers, which will facilitate maintenance activities and improve reliability by reducing the likelihood of a blackout to customers served by a radial line in the case of a forced outage.
27. The proposed project will facilitate wholesale competition by providing a transmission line through an area where a transmission line does not exist. Additionally, the line will

be able to deliver economical electric power from existing and future generation resources located outside of the area to electric customers in the area.

28. The proposed project will improve transmission service through an area where retail competition is available.
29. Oncor submitted the proposed project to the Electric Reliability Council of Texas (ERCOT) for review. ERCOT, a PURA § 39.151 independent organization, sent the proposed transmission line project to the Regional Planning Group for its review. ERCOT concurred that the proposed project is the preferred transmission option to address the issues raised during the Regional Planning Group review process.

Alternative options to the proposed project

30. The proposed project provides a better option to meet the project needs than any available distribution alternative.
31. The proposed project will also increase reliability to existing radially fed substations and provide transmission service to the planned Trinity Valley Electric Cooperative, Inc. substation. A distribution alternative would not provide the same level of increased reliability.
32. Using distribution to serve the District's plant would result in unacceptable voltage drops. The District will have several 2,500 horsepower motors installed in the plant that will start and stop continually during regular operation. Each time a motor would start, an estimated 16.9 % voltage drop would be experienced.

Routing of the proposed project

33. Oncor retained the Lopez Garcia Group, Inc., now URS Corporation (URS) to prepare an environmental assessment and alternative route analysis.
34. Oncor considered numerous routes for the proposed project in detail from an environmental and engineering perspective.

35. Selection of one route for the western transmission line route and one route for the eastern transmission line route will allow the proposed project to fulfill the transmission needs of the new water treatment plant.

Community Values

36. Representatives from URS and Oncor met with various local officials and state and federal agencies before filing the application to determine any concerns related to community values.
37. Oncor hosted a public open house regarding the proposed project on November 8, 2007.
38. Information received from the public open house was considered and incorporated into the routing analysis of URS and the eventual selection by Oncor of preferred and alternative routes.
39. Seventy acres of the 770-acre Porter Farm is designated as a National Historic Landmark (NHL).
40. In 1903, Dr. Seaman Knapp, a representative of the U.S. Department of Agriculture organized the first cooperative farm demonstration at Porter Farm. The demonstration project helped local farms learn scientific methods to deal with the boll weevil.
41. The success of the Porter Farm demonstration led to the formation of the entire nationwide Agricultural Extension Service.
42. In 1964, the National Park Service designated 70 acres of Porter Farm as an NHL.
43. There are fewer than 2,500 NHLs.
44. The proposed project would be visible from the Porter Farm NHL.
45. The community values favor routing the proposed project away from the Porter Farm NHL.

46. Building the proposed project along the preferred route would result in the two power lines on Porter Farm running perpendicular to each other, thereby making aerial spraying impossible and putting part of the Porter Farm in jeopardy of insect infestations.

Recreational and park areas

47. None of Oncor's filed routes cross or come within 1,000 feet of any federal, state, or local parklands or recreational facilities.

Historical values

48. Historical values favor routing the proposed project away from the Porter Farm NHL.
49. Using any route with link JJ, including the preferred route, could endanger the NHL.

Aesthetic values

50. Oncor and URS identified and examined topographical variation, prominence of water in the landscape, vegetation variety, diversity of scenic elements, degree of human development or alteration, and the unique qualities of the scenic environment compared with the region as a whole.
51. Oncor has paralleled existing corridors and other compatible features whenever possible to minimize the aesthetic impact on the area.
52. Oncor appropriately considered aesthetic values in choosing routes.
53. None of the filed routes is significantly better than any other in protecting aesthetic values.

Environmental integrity

54. Texas Parks and Wildlife Department (TPWD) provided Oncor with general information about the proposed project on July 5, 2007.

55. After Oncor chose routes and filed its application, TPWD submitted another letter on November 13, 2008, indicating it does not support the preferred route because segment A contains a stream and associated riparian habitat for approximately 1,000 feet.
56. TPWD expressed concerns with other filed routes.
57. Oncor responded to each of TPWD's concerns except the concern about the preferred route paralleling riparian habitat.
58. The factor of environmental integrity weighs against the selection of the western preferred route.

The probable improvement of service and lowering of costs to consumers in the area

59. The proposed project will provide a second transmission source to those stations that are currently served by radial lines. An outage of one of the radial lines before the proposed project is built would completely interrupt electric service to the customers served by the stations because almost none of this load can be transferred to another source.
60. Routine maintenance of the radial lines is difficult and expensive because electric service to customers must be maintained during maintenance.
61. The proposed project will reduce or alleviate the risk of complete interruption and may reduce the cost of repairs to the radial lines.
62. The proposed project will improve reliability in the area by providing a second source of transmission service, allowing continuous service even if an outage occurs on one of the radial lines.
63. The proposed project is not a designated Competitive Renewable Energy Zone project, but it will provide added transmission capacity for the delivery of renewable energy.
64. The proposed project will improve service to the area and help lower costs over time.

Engineering constraints

65. None of the filed routes contain insurmountable engineering constraints.
66. None of the filed routes is significantly better than any other due to engineering constraints.

Prudent avoidance

67. The proposed project complies with the Commission policy of prudent avoidance.
68. Western alternative route W3 has seven habitable structures within 300 feet of the centerline.
69. Eastern alternative route E1 has fifteen habitable structures within 300 feet of the centerline.

II. Conclusions of Law

1. Oncor is an electric utility as defined in Public Utility Regulatory Act (PURA), TEX. UTIL. CODE ANN. §§ 11.004 and 31.002(6).
2. The Commission has jurisdiction over this matter pursuant to PURA §§ 14.001, 32.001, 37.051, 37.053, 37.054, and 37.056.
3. SOAH has jurisdiction over this proceeding, including the preparation of this proposed order, pursuant to PURA § 14.053 and TEX. GOV'T CODE ANN. §§ 2001.058 and 2003.049.
4. Notice of the application was provided in compliance with PURA § 37.054 and P.U.C. PROC. R. 22.52(a).
5. Proper notice of the hearing on the application was provided in accordance with TEX. GOV'T CODE ANN. § 2001.051.

6. The proposed project complies with the routing factors in PURA § 37.056 and P.U.C. SUBST. R. 25.101.
7. Oncor's proposed transmission line project adequately complies with the Commission's policy of prudent avoidance.
8. Oncor is entitled to approval of the application as described in the findings of fact, having demonstrated that the proposed transmission line project is necessary for the service, accommodation, convenience, and safety of the public within the meaning of PURA § 37.056, taking into consideration the factors set out in PURA § 37.056(b) and (c).

III. Ordering Paragraphs

In accordance with the findings of fact and conclusions of law, the Commission issues the following order:

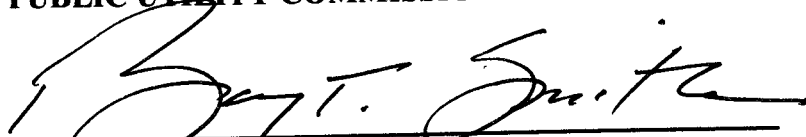
1. Oncor's CCN No. 30160 is amended to include the construction of the transmission facilities requested in the application and described as two new 138-kV double-circuit transmission lines in Kaufman County. The eastern transmission line route will connect the Oncor Duck Cove Substation to the proposed Ables Springs Substation and will follow the route as described as route E1 in the application. The western transmission line route will connect the proposed Ables Springs Substation to the existing Oncor Royse-Terrell Switch 138-kV transmission line and will follow the route described as route W3 in the application.
2. Oncor shall implement erosion control measures as appropriate and return the site to its original contours and grades unless otherwise agreed to by the landowners or landowners' representatives.
3. In the event Oncor or its contractors encounter any archaeological artifacts or other cultural resources during construction, Oncor shall cease work immediately in the

vicinity of the resource and report the discovery to the Texas Historical Commission and take action as directed by the Texas Historical Commission.

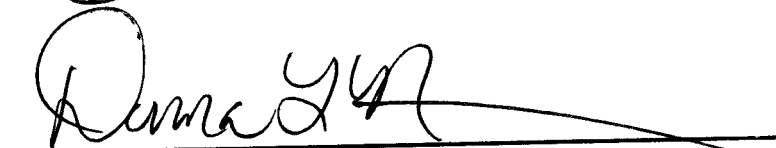
4. Oncor shall follow the procedures outlined in the following publication for protecting raptors: *Suggested Practices for Raptor Protection on Power Lines, The State of the Art in 2006*, Avian Power Line Interaction Committee, 2006.
5. Oncor shall minimize the amount of flora and fauna disturbed during construction of the proposed transmission line project. Oncor shall re-vegetate using native species considering landowner preferences and to the maximum extent practical avoid adverse environmental impacts to sensitive wildlife and vegetative habitats as identified by the TPWD.
6. Oncor shall exercise extreme care to avoid affecting non-targeted vegetation or animal life when using chemical herbicides for controlling vegetation within the right-of-way and that such herbicide use comply with rules and guidelines established in the *Federal Insecticide, Fungicide and Rodenticide Act* and with the Texas Department of Agriculture regulations.
7. Oncor shall cooperate with directly affected landowners to implement minor deviations in the approved route to minimize the impact of the proposed transmission line project.
8. Oncor shall update the reporting of this project on their monthly construction progress report prior to the start of construction to reflect final estimated cost and schedule in accordance with P.U.C. SUBST. R. 25.83(b). In addition, Oncor shall provide final construction costs, with any necessary explanation for cost variance, after completion of construction and when all charges have been identified.
9. All other motions, requests for entry of specific findings of fact or conclusions of law, and any other requests for general or specific relief, if not expressly granted are denied.

SIGNED AT AUSTIN, TEXAS the 17th day of September 2009.

PUBLIC UTILITY COMMISSION OF TEXAS



BARRY T. SMITHERMAN, CHAIRMAN



DONNA L. NELSON, COMMISSIONER



KENNETH W. ANDERSON, JR., COMMISSIONER