

PUC DOCKET NO. 34440
SOAH DOCKET NO. 473-07-4058

**APPLICATION OF ONCOR
ELECTRIC DELIVERY COMPANY
TO AMEND A CERTIFICATE OF
CONVENIENCE AND NECESSITY
FOR A PROPOSED
TRANSMISSION LINE WITHIN
BELL AND WILLIAMSON
COUNTIES, TEXAS**

§ PUBLIC UTILITY COMMISSION
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§ OF TEXAS
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ORDER

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This order addresses the application of Oncor Electric Delivery Company to construct a new 36-mile, 345-kilovolt (kV) double-circuit transmission line connecting Oncor's Salado switching station (in Bell County) to the Hutto switching station (in Williamson County), along with associated substation work and related transmission-line work. This project is the northern portion of a larger project extending over 120 miles, from Clear Springs in the south to Salado in the north. This Clear Springs to Salado project will enhance a single south-to-north 345-kV double-circuit transmission line presently serving most bulk-transmission-service loads from Dallas/Ft. Worth to Central Texas, including Austin and San Antonio.

The Commission adopts the proposal for decision issued by the administrative law judges (ALJs) of the State Office of Administrative Hearings, including findings of fact and conclusions of law, but with the modifications set forth below. The substantive modifications provide for construction of additional parts of the transmission line using single-pole structures, rather than the proposed lattice-tower structures, along the ALJs' recommended route 129. Specifically, the Commission finds that it is appropriate to require the use of single-pole structures along the following route segments (links), in addition to the portions recommended for such structures by the ALJs: (1) the rest of link OO2 and that part of link T3 contained in the extra-territorial jurisdiction (ETJ) of the Village of Salado as of September 11, 2008; (2) the rest of link X contained in the ETJ of

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the City of Hutto; and (3) that part of link DD within the Katherine Byrom Estate north of the angle structure that enables the transmission line to cross to the east side of County Road 192.

The Commission finds that using the single-pole structures in the above-specified areas is justified, despite the somewhat greater cost, because of the lessened aesthetic and economic degradation associated with the single-pole structures than with lattice-tower structures. Recognizing that the reduced visual impact is particularly important in urban areas, the Commission directs the use of single-pole construction in the previously identified portions within the Salado and Hutto ETJs. The diminished economic impairment is an important consideration in the case of the Katherine Byrom Estate, an unusually long and narrow 238-acre tract (roughly 2 miles by .2 miles) used for cotton and grain production.¹ In comparison to lattice towers, the bases of which are 15 feet by 30 feet,² single-pole structures will remove significantly less farmland from cultivation and will otherwise pose less of a hindrance to farming along the more than a mile that the transmission-line route will occupy on the eastern side of the Byrom Estate's farm. Consequently, the Commission mandates the use of single-pole structures inside the Byrom Estate's farm.

In accordance with the above discussion, the Commission adds finding of fact 68A, modifies findings of fact 62 and 63, and modifies conclusion of law 7. The Commission also corrects findings of fact 62 and 63, which erroneously showed routes 129 and 163 as including link "XX." The correct link is "X."

In addition, the Commission modifies finding of fact 58 to clarify, consistent with the discussion in the proposal for decision, that route 163 was Oncor's preferred route.

Finally, the Commission adds finding of fact 66A to state explicitly that route 129 is the most appropriate route for the proposed transmission line.

¹ Direct Testimony of Julia Byrom Whatley at 3.

² *Id.* at 5.

I. Findings of Fact

Procedural History and General Project Description

1. Oncor Electric Delivery Company LLC (Oncor) is an investor-owned electric utility providing service under Certificate of Convenience and Necessity (CCN) No. 30160.
2. On July 10, 2007, Oncor filed an application (the application) to amend its CCN for a proposed transmission line within Bell and Williamson Counties, as shown on the maps filed with the application. The application was designated PUC Docket No. 34440.
3. The application requests approval to construct approximately 36.4 miles of 345-kilovolt (kV) double-circuit transmission line within Bell and Williamson Counties (proposed project).
4. On July 10, 2007, Oncor mailed by first-class mail written notice of the filing of the application to each landowner of record that would be directly affected if the application were granted, as determined by review of the Bell and Williamson County Tax Appraisal District information.
5. On July 10, 2007, Oncor provided written notice of the application to the municipalities of Bartlett, Belton, Georgetown, Granger, Holland, Hutto, Jarrell, Salado, and Weir (all of which are located within five miles of the proposed project) and to Bell and Williamson Counties, the counties in which facilities are proposed to be located.
6. On July 10, 2007, Oncor provided written notice of the application to Bartlett Electric Cooperative, Bartlett Municipal Electric Cooperative, City of Georgetown Utility Services, and Pedernales Electric Cooperative, which provide utility service within five miles of the proposed project.
7. Order No. 1, issued by the Commission on July 11, 2007, required additional information from the applicant, requested Staff's recommendation on the sufficiency of the application and notice, and addressed other procedural matters.

8. Oncor published notice of the application and of the opportunity to intervene in this proceeding on July 18 and July 25, 2007, in the *Williamson County Sun* and *Temple Daily Telegram*, both newspapers of general circulation in Williamson and Bell Counties, respectively.
9. Notice of the application was published in the Texas Register on July 20, 2007.
10. On July 24, 2007, Oncor filed a response to Order No. 1.
11. On July 31, 2007, the intervention requests of the City of Hutto, Kermit Harvel, Noretta June Schmidt, Charles Shell, and William Meissner and Ronald Pitts on behalf of M & P Farms, were granted.
12. On August 2, 2007, Oncor filed an Affidavit to the Provision of Notice to Cities, Counties, Neighboring Utilities, and Landowners, which included proof of publication.
13. On August 10, 2007, Oncor filed an amendment to the application and responded to Staff's recommendation of a day-for-day extension of the statutory deadline.
14. On August 14, 2007, the requests to intervene of the Avery Intervenors and John Mark Liddell were granted.
15. Order No. 4, issued by the Commission on August 22, 2007, found the application sufficient and granted the requests to intervene of Frank Harris, Kenneth J. and Patricia P. Faught, Kathryn Davis Wilson, and Weldon Copeland.
16. On August 28, 2007, Staff filed an order of referral, requesting that the proceeding be assigned to an administrative law judge at the State Office of Administrative Hearings (SOAH).
17. On September 12, 2007, Oncor filed a second amendment to the application.
18. Order No. 5, issued on September 13, 2007, granted the request for intervention of Norman and Lila Pecht; Julia Whatley; James Byrom; Stiles Byrom, Jr.; Margaret Byrom; Carl E. Liddell (Jonah, Ltd.); Emma Charlotte Sheffield; Randall Sentesi and Camille McCarn; Milton Liese; Eugenia Harrell; Charles Scheller; Guadalupe and Minerva Sanchez; Dalton F. Merz; Steve Tappan; City

of Weir; Norman Blackmon; Jimmy F. Byers; Ted Alexander; Reed Land Management; Frances Richardson; James Parks; Kim Knapek; Kevin Copeland; Thomson Family Ltd., Partnership; John and Paula Doerfler; Lynn Lidell; Darrell Cimbanin; John Koster; David Hollingsworth on Behalf of Williamson County Historical Commission; William B. Pipes; Fred Geiger; Salado Creek Protection Committee; James Luckemeyer; Donald Evelyn Luckemeyer; Thomas Langston; David and Sue Gloyna; Kurt and Lori Barrett; Robert and Kim Kyburz; Frank and Lisa Benolken; Phillip Cain; James and Patsy Hudgens; Gloria Flowers; Ray Robinson; Juliette Pichett; Lagreta Reed; Garlyn Shelton; William Parry; Virgil Lucas; Tim Vrabel; Allan King; UU Parties; Louisa Donoghue on Behalf of South San Gabriel Enterprises, L.P.; Hutto Citizens Group; J.A. Davidson Holdings, L.P.; Richard and Carol Schmickrath; Robert Klepzig; Village of Salado; and McAllister & Associates.

19. Order No. 6, issued on October 4, 2007, granted the requests to intervene of Carolyn Jancha, R&R MA Partnership, Arnold Foster, and Joe and Suzanne Caroll.
20. On October 19, 2007, Oncor provided written notice of the application to the City of Round Rock (located within five miles of the proposed project).
21. On October 29, 2007, Oncor filed a supplemental affidavit attesting to the provision of notice to the City of Round Rock.
22. On November 13, 2007, Norman and Lila Pecht, the Salado Creek Protection Committee, and the UU Group each filed a Statement on Adequacy of routes.
23. On November 20, 2007, Oncor filed a Response to Statements on route Adequacy.
24. In Order No. 10, issued on November 21, 2007, the presiding SOAH administrative law judge notified the parties that no preliminary hearing would be held on route adequacy and that a written ruling would be issued subsequently.
25. Order No. 11, issued on November 29, 2007, granted the City of Round Rock's request to intervene.

26. Order No. 12, issued on December 7, 2007, denied requests for a preliminary hearing on route adequacy.
27. On December 17, 2007, Salado Creek Protection Committee and the UU Group filed a Joint Appeal of Order No. 12.
28. On January 16, 2008, the Commission denied the Salado Creek Protection Committee and UU Group's Joint Appeal of Order No. 12.
29. Order No. 17, issued on April 24, 2008, required submission of a Notice of Intent to Participate in the hearing.
30. On May 5, 2008, an evidentiary hearing was convened in this docket by SOAH Administrative Law Judges Tommy L. Broyles and Craig R. Bennett.
31. Staff, Oncor, Hutto, Kermit Harvel, Avery Intervenors, Lila and Norman Pecht, Tom Langston, Stiles and Margaret Byrom, Salado Creek Protection Committee, UU Group, South San Gabriel Enterprise, LP, John C. and Paula W. Doerfler, McAllister & Associates, Julia Whatley, James Byrom, Frank Harris, Frances and Gean Richardson, and Frank and Lisa Benolken made appearances at the hearing on the merits.
32. Order No. 18, issued on May 12, 2008, dismissed all parties that elected not to appear at the hearing on the merits.

Adequacy of the application

33. The application, as amended, is materially sufficient and adequate.
34. The application includes a preferred route (route 163) and 12 alternate routes (routes 26, 27, 59, 60, 129, 142, 144, 162, 177, 182, 187, and 188).
35. The application, as amended, contains an adequate number of routes to conduct a proper evaluation.
36. Based on its evaluation of the various alternatives, Oncor properly concluded that the 13 routes presented in the application, as amended, were the most appropriate for consideration.

37. The Salado Switch is preferable to the Bell County Switch as the project's northern end-point, for the following reasons:
- a. If the Bell County Switch were used, the distance to Oncor's Killeen Switching Station and the distance to Cedar Valley would both increase by over 60%, rendering less effective post-contingency support to load in the Killeen and Fort Hood area.
 - b. A 345/138-kV autotransformer in Salado would not be effective in providing post-contingency support to the Killeen and Fort Hood area if it is on the same radial line as the Killeen Switching Station autotransformer, which would be the case if the northern end-point of the proposed project is at the Bell County Switch.
 - c. The Bell County Switch would be less effective because of the increased length of the 138-kV tie to this area.
 - d. Prudent transmission planning dictates that major infrastructure additions such as the proposed project be strategically placed to best facilitate reliable operation of the local transmission system into the future.
 - e. The end-point for the proposed project will have a long-term impact on the future development of the local transmission system, and it is important to position that end-point to maintain flexibility to address both near-term and long-term reliability needs.
 - f. The Salado Switch is the preferable location for the northern end-point of the proposed project in order to adequately and reliably address current and future transmission needs.
38. The proposed project is the best option to meet existing and expected utility-service needs, based on considerations of efficiency, reliability, costs, and benefits.

Need for the Proposed Transmission Line

39. The proposed project is the northern portion of the combined Clear Springs to Salado 345-kV project (proposed Clear Springs to Salado project), the southern portion of which is proposed for approval and construction by LCRA Transmission Services Company (LCRA TSC) in *Application of LCRA*

Transmission Services Corporation to Amend Its Certificate of Convenience and Necessity for a 345 kV Transmission Line in Caldwell, Guadalupe, Hays, Travis, and Williamson Counties, Texas, PUC Docket No. 33978 (pending).

40. The proposed Clear Springs to Salado project is needed to enhance the reliability of the Electric Reliability Council of Texas (ERCOT) grid by providing a second 345-kV double-circuit line between the north and south transmission zones in ERCOT.
41. The proposed Clear Springs to Salado project is needed to enhance the ability of the ERCOT grid to import remote generation between the north and south zones.
42. The proposed project is needed to address load growth in the fast-growing areas of Round Rock, Georgetown, and Hutto.
43. The proposed Clear Springs to Salado project is needed to support the export of installed generation resources in Central Texas.
44. The proposed project is needed to provide voltage support to the Hutto and Round Rock areas.
45. In April 2002, the ERCOT Regional Planning Group (RPG) considered 12 alternatives to the proposed Clear Springs to Salado project.
46. The ERCOT RPG analyzed each of the alternative options, considering the Central Texas concerns of south to north transfer, serving large load-growth areas in Travis and Williamson Counties, and increasing accessibility of newly installed generation resources.
47. The ERCOT RPG concluded that none of the alternative projects addressed all three Central Texas concerns as effectively as the proposed Clear Springs to Salado project.
48. The ERCOT RPG approved the proposed Clear Springs to Salado project on September 21, 2004.
49. A joint study group of Oncor, LCRA TSC, and Austin Energy considered alternatives to the proposed Clear Spring to Salado project and determined that

the proposed Clear Springs to Salado project should be submitted to the ERCOT for review.

50. ERCOT conducted an independent review of the proposed Clear Springs to Salado project and potential alternatives to the project and recommended that the proposed Clear Springs to Salado project be completed as soon as feasible.
51. The ERCOT Board of Directors approved the proposed Clear Springs to Salado project on December 18, 2004.
52. The ERCOT Board of Directors concluded that the proposed Clear Springs to Salado project is needed for the reliability of the ERCOT transmission system.
53. Distribution facilities do not present an option to meet the specified need.
54. The proposed Clear Springs to Salado project will result in approximately \$31.5 million in production-cost savings in 2011 alone and will eliminate or delay the need for approximately \$47.5 million of reliability-driven transmission projects.
55. The proposed project is the best option to meet the need, based on considerations of reliability, efficiency, costs, and benefits.

Routing Issues

56. The proposed project will be located within Bell and Williamson Counties, Texas, and will begin at Oncor's Salado Switching Station and terminate at Oncor's Hutto Switching Station.
57. The proposed project will be a 345-kV double-circuit transmission line constructed using 2-1 590 kcmil ACSR conductor and constructed primarily on double-circuit lattice steel V-towers on a 160-foot right-of-way (ROW) for a length of approximately 36.4 miles.
58. Oncor considered numerous routes for the proposed project in detail from an environmental and engineering perspective, selecting 13 routes to file with the Commission: Oncor's preferred route and 12 alternate routes.

59. Oncor provided notice regarding routes 26, 27, 59, 60, 129, 142, 144, 162, 163, 177, 182, 187, and 188.
60. Only three routes have been identified by the parties as preferred. These three routes are 129, 142, and 163. Nearly all parties support either route 129 or route 163.
61. Route 129 and route 163 are identical, except for two links that dictate how the routes will go around a certain area to the east of Salado; specifically, route 129 uses the link combination OO2-T3, while route 163 uses the link combination UU-PP2 instead.
62. Route 129 consists of the following links: A1-OO1-OO2-T3-T2-NN-G2-G3-N-O-AA-DD-HH-LL-X-EE. It has an approximate length of 194,801 feet, and an estimated total cost of \$93,300,000. (This estimate does not include the extra costs associated with the additional single-pole construction identified as appropriate in finding of fact 68A.) It has 35 habitable structures within 500 feet of its centerline. Approximately 81% of route 129 parallels existing corridors, including property boundaries. Approximately 27,247 feet of this route run parallel and adjacent to existing transmission lines, and 60,787 feet run parallel to existing public roadways. Approximately 56,300 feet of this route cross areas of high prehistoric or historic archaeological-site potential. Route 129 has three FAA-registered airstrips within 20,000 feet of the centerline, and two private airstrips within 10,000 feet of the centerline.
63. Route 163 consists of the following links: A1-OO1-UU-PP2-T2-NN-G2-G3-N-O-AA-DD-HH-LL-X-EE. It has an approximate length of 192,092 feet, and an estimated total cost of \$93,900,000. (This estimate does not include the extra costs associated with the additional single-pole construction identified as appropriate in finding of fact 68A, not counting links OO2 and T3.) It has 32 habitable structures within 500 feet of its centerline. Approximately 74% of route 163 parallels existing corridors, including property boundaries. Approximately 9,400 feet of this route run parallel and adjacent to existing transmission lines,

and 63,405 feet run parallel to existing public roadways. Approximately 67,760 feet of this route cross areas of high prehistoric or historic archaeological site potential. Route 163 has three FAA-registered airstrips within 20,000 feet of the centerline, and one private airstrip within 10,000 feet of the centerline.

64. There is more landowner opposition to route 163 than to route 129. More specifically, many landowners on Link UU, which is part of route 163, have participated in this proceeding and opposed route 163. In contrast, only two landowners on the link combination OO2-T3, which is part of route 129, have intervened, and one of those is associated with a group that finds route 129 acceptable.
65. Route 163 is projected to cross a subdivision being currently developed, known as the Creeks of Salado, that will have approximately 275 houses at completion.
66. Link OO2 (used by route 129) parallels an existing transmission line for its whole distance, whereas link UU (used by route 163) parallels existing ROW for only 10% of its distance.
- 66A. Route 129 is the most appropriate route for the proposed transmission line.
67. Single-pole construction is generally more costly than lattice-tower construction, but requires a smaller ROW; only 100 feet is needed for single-pole construction, whereas 160 feet is needed for lattice towers.
68. Single-pole construction is deemed more aesthetically pleasing to those intervenors that participated in this case and expressed an opinion on the use of single-pole construction.
- 68A. It is appropriate to use single-pole construction on the following links (in addition to any links designated for such construction in Oncor's original plans): A1-OO1-OO2 and the part of link T3 located within the extra-territorial jurisdiction of the Village of Salado as of September 11, 2008; link EE and the part of link X located within the extra-territorial jurisdiction of the City of Hutto as of September 11, 2008; and that part of link DD within the Katherine Byrom Estate

north of the angle structure that enables the transmission line to cross to the east side of County Road 192.

69. Oncor contracted with PBS&J to perform an independent environmental assessment and routing study of the proposed project.
70. PBS&J conducted a thorough data-collection process. This process included soliciting information from school districts, chambers of commerce, economic-development boards, and various other city officials and organizations in the proposed project study area.
71. Oncor and PBS&J held two public open-house meetings in the local area. The first meeting was held at the Salado Intermediate School on April 3, 2006. The second meeting took place on April 4, 2006 in the Hutto Middle School cafeteria. Both meetings were held from 4:00 p.m. to 8:00 p.m.
72. There is no pasture or cropland irrigated by traveling irrigation systems that will be traversed by the proposed project.
73. PBS&J contacted the United States Department of the Interior Fish and Wildlife Service (USFWS) and the Texas Parks and Wildlife Department (TPWD) to obtain information regarding the possibility of encountering any endangered or threatened species in the affected area of the proposed project.
74. The process of transmission-line construction and operation is not likely to have a negative impact on endangered or threatened wildlife species that could potentially occur in the area of the proposed project.
75. The proposed project is not located either in whole or in part within the Texas Coastal Management Program boundary.
76. The proposed project is not located adjacent to designated scenic roadways or within other identified or designated scenic views.
77. Improved service and reliability will result from the proposed project and will benefit all customers who take service from utilities connected to the ERCOT grid.

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 proposal for decision. 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 the Administrative Procedure Act, TEX. GOV'T CODE ANN. § 2001.051.
6. Oncor's proposed project complies with the Commission's prudent-avoidance policy.
7. Route 129, as modified by using single-pole construction on the links identified in finding of fact 68A, best meets the criteria found in PURA § 37.056 and P.U.C. SUBST. R. 101(b)(3).
8. Oncor is entitled to approval of the application as described in the findings of fact, having demonstrated that the proposed 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).
9. Oncor has complied with P.U.C. SUBST. R. 25.101 in its application for a CCN.
10. This application is not a major rate proceeding as defined by P.U.C. PROC. R. 22.2.

III. Ordering Paragraphs

In accordance with these 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, the proposed 36.4 mile 345-kV double-circuit transmission line located within Bell and Williamson Counties, as modified in this Order. The proposed project will begin at the existing Oncor Salado Substation in Bell County, Texas and will terminate at the existing Oncor Hutto Switching Station in Williamson County, Texas. The transmission line will follow the route described as route 129 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.
3. In the event Oncor or its contractors encounter any archaeological artifacts or other cultural resources during construction of the proposed project, Oncor shall cease work immediately in the vicinity of the resource and report the discovery to the Texas Historical Commission (THC) and take action as directed by the THC.
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 project. Oncor shall revegetate 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 and USFWS.
6. Oncor shall exercise extreme care to avoid affecting non-targeted vegetation or animal life when using chemical herbicides for controlling vegetation within the ROW 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 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 6th day of October ~~September~~ 2008.

PUBLIC UTILITY COMMISSION OF TEXAS



BARRY T. SMITHERMAN, CHAIRMAN



KENNETH W. ANDERSON, COMMISSIONER