



Control Number: 48785



Item Number: 161

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CONSOLIDATED SOAH DOCKET NO. 473-19-1265
CONSOLIDATED DOCKET NO. 48785

JOINT REPORT AND APPLICATION §
OF ONCOR ELECTRIC DELIVERY §
COMPANY LLC, AEP TEXAS INC., AND §
LCRA TRANSMISSION SERVICES §
CORPORATION TO AMEND THEIR §
CERTIFICATES OF CONVENIENCE §
AND NECESSITY FOR 345-KV §
TRANSMISSION LINES IN PECOS, §
REEVES, AND WARD COUNTIES, §
TEXAS (SAND LAKE TO SOLSTICE §
AND BAKERSFIELD TO SOLSTICE) §

BEFORE THE
STATE OFFICE OF
ADMINISTRATIVE HEARINGS

2019 MAR 12 PM 2:15

**OCCIDENTAL PERMIAN LTD., OXY DELAWARE BASIN, LLC, OXY
USA INC., OXY USA WTP LP, HOUNDSTOOTH RESOURCES, LLC, AND
OCCIDENTAL WEST TEXAS OVERTHRUST, INC.'S REPLY BRIEF**

I. INTRODUCTION

As Occidental Permian Ltd., Oxy Delaware Basin, LLC, Oxy USA, Inc., Oxy USA WTP LP, Houndstooth Resources, LLC, and Occidental West Texas Overthrust, Inc. (collectively “Oxy”) demonstrated in testimony and at the hearing, the Commission should select a route that follows the less developed western corridor—either route 325 Modified¹ or, alternatively, route 325 as proposed.² The western corridor routes are the best option for this transmission line because they will minimize the line’s impact on the oil and gas operations³ that make up the *vast majority* of the surface development in this study area.⁴ Additionally, those routes significantly outperform the central corridor routes (routes 41 and 320) supported by other parties in terms of paralleling compatible rights-of-way⁵ while performing comparably with respect to other routing

¹ Route 325 Modified uses links A-B2-B3-C2 Modified-D1 -E1/F1 Modified-I1-K11 Modified-K12-L2-Z.

² Proposed route 325 uses links A-B2-B3-C2-D1 -E1-F1-I1-K11-K12-L2-Z.

³ As noted in Mr. Mendoza’s testimony, running a transmission line through an oil and gas field can interfere with ongoing operations and create significant safety concerns. Oxy Ex. 2A (Confidential Mendoza Dir.) at 6-8.

⁴ Tr. (Marusak Cr.) at 40:19-41:4; *see also* Oncor/AEP Ex. 1, Application, Attachment 1 (Environmental Assessment) at 3-29 (“The bulk of the region is used for oil and gas production or range for livestock; cropland within the study area is less common and is limited to scattered irrigated fields.”).

⁵ In fact, route 325 performs the best of any of the proposed routes in terms of paralleling. *See* Oncor/AEP Ex. 1, Application at Attachment 12 (Route 325 parallels compatible ROW for 48.7% of its length, which is the most of any proposed route).

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factors.⁶ While the western corridor routes are more expensive than routes 41 or 320, they are still significantly cheaper than the most expensive route presented in the Application,⁷ and in any event, the additional cost is justified by the benefits to be gained by avoiding the most active oil and gas production areas. Further, it is likely that the cost estimates overstate the cost differential between the central and western corridor routes. Not only would Oxy need to be compensated for any mineral interests that are negatively impacted by the line,⁸ but given the fast pace of oil and gas development, running the line through the densest oil and gas production areas increases the chance that Oncor and AEP will encounter unanticipated obstacles after construction begins.⁹ In fact, Oncor and AEP noted in their initial brief that “[f]rom a construction standpoint, route 325 may be better than route 320 when considering the likelihood of potential engineering constraints that could arise in the more active developmental areas that route 320 crosses.”¹⁰ This is a significant benefit that should weigh heavily in the Commission’s routing decision. In sum, the western corridor is a more compatible location for infrastructure development, and the Commission should select route 325 Modified, or alternatively, route 325.

Regardless of which route the Commission ultimately chooses, it should incorporate Oxy and Concho’s agreed modifications to links C2, E1/F1, F3/G4/G51/I2, J1/J7, and K11, as applicable. No party objected to those modifications at the hearing or in briefing, and all that remains is for Oxy and Concho to provide executed route modification consent agreements from the affected surface owners. Oxy and Concho have divided up the responsibility for obtaining those consent agreements, and have worked diligently to obtain them. As discussed below, Oxy and Concho are close to obtaining all of the necessary consents for some of their requested modifications, but do not yet have all of the agreements necessary for any individual

⁶ See Oxy Initial Br. at 13.

⁷ Route 325 costs \$116.4 million and is \$10.5 million cheaper than the most expensive proposed route. Route 325 Modified costs \$117.2 million, and is \$9.7 million cheaper than the most expensive proposed route. See Oncor/AEP Ex. 1, Application at Attachment 3 (cost of filed routes); Oncor/AEP Exhibit 12, (Peppard Reb.) at 12 (cost of route modifications).

⁸ Oxy Ex. 2A (Confidential Mendoza Dir.) at 6-8.

⁹ See Oxy Initial Br. at 9-10.

¹⁰ Oncor/AEP Initial Br. at 4.

modification. Oxy and Concho expect to obtain additional consent agreements in the coming days and weeks, and will submit additional agreements to the Commission if and when they have all of the consent agreements related to any given modification. In the meantime, Oxy requests that the Commission approve route 325 as proposed for the reasons discussed above and in Oxy's initial brief. While the unmodified version of route 325 will negatively impact Oxy's operations as discussed in Mr. Mendoza's testimony, Oxy is willing to accept those impacts in order to avoid the much more severe consequences of bisecting the densely packed and rapidly expanding oil and gas production areas along the central corridor.

II. OXY'S ROUTING PREFERENCES

The ALJs requested that each party's briefing include a list ranking that party's routing preferences. Oxy's preferences are as follows:

- Route 325 Modified (most preferred)
- Route 325, as proposed
- Routes 41/320 Modified
- Routes 41/320, as proposed (Oxy strongly opposes these routes without modifications)

III. ROUTE MODIFICATION CONSENT AGREEMENTS

Oxy and Concho have divided the responsibility of obtaining route modification consent agreements. Together, Oxy and Concho have contacted all surface owners who would be affected by their proposed modifications in an effort to obtain route modification consent agreements. As of the time of filing, Oxy has obtained three executed consent agreements from those surface owners. Several more surface owners have indicated to Oxy that they intend to execute route modification consent agreements, but have not yet returned executed copies. The following chart is a breakdown of where Oxy is in this process:

Modification Links	Total Consents Needed (Oxy Portion)	Consents Obtained by Oxy	Other Notes
C2	3	0	
E1/F1	2	0	Oxy has verbal indications that both affected surface owners intend to execute consent agreements.
F3/G4/G51/I2	13	3	One consent agreement along link F3, one along F3/G4, one along I2.

As the chart shows, Oxy is very close to obtaining consent agreements from all affected landowners along links E1/F1. Additionally, it is Oxy's understanding that Concho is close to obtaining all of the required consent agreements for the modifications to links J1/J7 and K11. Oxy and Concho intend to continue their efforts to obtain route modification consent agreements from every surface owner who would be affected by their proposed modifications, and will submit additional agreements to the Commission if and when they have all of the consent agreements related to any given modification.

Along with this brief, Oxy is filing a Motion to Admit Additional Evidence that attaches the executed route modification consent agreements that Oxy has obtained so far as Oxy Exhibit 7-1. That motion also includes an affidavit from Ryan Pfefferle, a Power Engineer at Occidental Energy Ventures, attesting to the fact that Oxy USA WTP LP currently owns the surface estate on Tracts 205 and 206, which appear on links E1/F1. Oxy USA WTP LP is a party to this proceeding and consents to Oxy's proposed modification to links E1/F1.

IV. ARGUMENT

A. Application (Order of Referral Issue 1)

Not addressed.

B. Need (Order of Referral Issues 2-3)

Not addressed.

C. Route (Order of Referral Issues 4-6)

4. *Which proposed transmission line route is the best alternative weighing the factors set forth in PURA § 37.056(c) and 16 TAC § 25.101(b)(3)(B)?*

Oxy's initial brief included detailed arguments with respect to the routing factors set forth in PURA § 37.056(c) and 16 TAC § 25.101(b)(3)(B). In sum, while western corridor routes 325 and 325 Modified are more expensive than the central corridor routes, they are still significantly less expensive than the most expensive routes filed along with the Application.¹¹ Additionally, that increased cost is justified to protect community values associated with oil and gas development, which is the primary economic driver in this study area.¹² Further, avoiding the densest and most rapidly expanding oil and gas production areas will decrease the chance that Oncor and AEP will encounter unexpected obstacles during construction, which is another significant benefit.¹³ Finally, the western corridor routes significantly outperform the central corridor routes in terms of paralleling. In fact, proposed route 325 was the *best* of the filed routes in terms of paralleling, with 48.7% of its length parallel to existing compatible ROW, compared to just 26.6% and 27.2% for routes 41 and 320, respectively.¹⁴ Taken as a whole, these factors justify adopting a western corridor route.

¹¹ Route 325 costs \$116.4 million and is \$10.5 million cheaper than the most expensive proposed route. Route 325 Modified costs \$117.2 million, and is \$9.7 million cheaper than the most expensive proposed route. See Oncor/AEP Ex. 1, Application at Attachment 3 (cost of filed routes); Oncor/AEP Exhibit 12, (Peppard Reb.) at 12 (cost of route modifications).

¹² See Oxy Initial Br. at 5-8.

¹³ *Id.* at 9-10.

¹⁴ See Oncor/AEP Ex. 1, Application at Attachment 12.

5. *Are there alternative routes or facilities configurations that would have a less negative impact on landowners? What would be the incremental cost of those routes?*

Oxy's initial brief described the benefits of Oxy and Concho's proposed modifications to links C2, E1/F1, K11, F3/G4/G51/I2 and J1/J7.¹⁵ As discussed above, Oxy and Concho have not yet obtained route modification consent agreements from all of the surface owners who would be impacted by any one of those modifications. However, Oxy and Concho are still working to obtain additional consent agreements and will keep the Commission apprised of their progress.

6. *If alternative routes or facility configurations are considered due to individual landowner preference:*
- a) *Have the affected landowners made adequate contributions to offset any additional costs associated with the accommodations?*
 - b) *Have the accommodations to landowners diminished the electric efficiency of the line or reliability?*

These factors were addressed on pages 17-18 of Oxy's initial brief.¹⁶

D. Texas Parks and Wildlife Department (Order of Referral Issue 7)

Not addressed.

E. Oxy supports Oncor and AEP's request for non-standard modification language.

Given the extremely fast pace of oil and gas development in this study area, there is a high probability that Oncor and AEP will encounter unexpected obstacles when they attempt to construct this transmission line.¹⁷ Accordingly, Oxy supports the utilities' request for non-standard ordering language that would allow for limited routing flexibility in situations where (1) the modification is implemented only to the extent necessary to avoid the engineering constraint;

¹⁵ Oxy Initial Br. at 14-17.

¹⁶ Oxy Initial Br. at 17-18.

¹⁷ See Oxy Initial Br. at 9-10; Oncor/AEP Initial Br. at 18-19.

(2) the utility employs good utility practice; (3) the modification is located on a property without habitable structures; and (4) the property is used primarily for oil and gas related purposes.¹⁸

V. PROPOSED FINDINGS OF FACT AND CONCLUSIONS OF LAW

Attachment A to this brief is a redline version of Oncor/AEP's proposed findings of fact and conclusions of law that should serve if the Commission adopts route 325 as proposed. Oxy will submit additional proposed findings if and when it provides executed route modification consent agreements from every affected surface owner along any of Oxy and Concho's proposed modifications.

VI. CONCLUSION

Oxy urges the Commission to adopt a route that uses the less developed western corridor to avoid the densely packed and rapidly expanding oil and gas operations in the center of the study area. As discussed above, building this line on either of routes 41 or 320 would significantly interfere with existing and ongoing oil and gas development in an area where the *vast majority* of development is oil and gas related. Protecting and facilitating that development is in the best interests of the local community and the state as a whole. The less developed western corridor is a superior choice for locating transmission infrastructure, and using that corridor would ensure that the burden of this line does not fall disproportionately on Oxy and other oil and gas producers.

Oxy continues to support the proposed modifications to links C2, E1/F1, F3/G4/G51/I2, J1/J7, and K11 because those unopposed modification proposals will allow Oxy and Concho to mitigate the most severe effects of this line and more easily accommodate its construction. Oxy and Concho will continue to work toward obtaining route modification consent agreements from the affected landowners and will submit additional agreements to the Commission if and when all of the consent agreements for any given modification are obtained.

Oxy looks forward to continuing to work with Oncor, AEP, and the Commission as this project moves forward.

¹⁸ See Oncor/AEP Initial Br. at 18-19.

Respectfully submitted,

THOMPSON & KNIGHT LLP

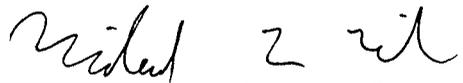


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CERTIFICATE OF SERVICE

I, Michael McMillin, Attorney for Oxy, hereby certify that a copy of the foregoing document was served on all parties of record in this proceeding on this 12th day of March, 2019 by hand-delivery, facsimile, electronic mail and/or First Class, U.S. Mail, Postage Prepaid.



Michael McMillin

I. PROPOSED FINDINGS OF FACT

Applicants

1. Oncor Electric Delivery Company LLC (Oncor) is an investor-owned electric utility providing service under certificate of convenience and necessity (CCN) number 30158.
2. AEP Texas Inc. (AEP Texas) is an investor-owned electric utility providing service under CCN number 30170.

Joint Application

3. On November 7, 2018, Oncor and AEP Texas (together, Applicants) filed with the Public Utility Commission of Texas (the Commission) a joint application (the Application) to amend their CCNs for the proposed Sand Lake to Solstice double-circuit 345-kilovolt (kV) transmission line (Sand Lake to Solstice Project) in Pecos, Reeves, and Ward counties. The Application was assigned Docket No. 48785.
4. The Applicants retained Halff Associates, Inc. (Halff) to perform and prepare an Environmental Assessment and Alternative Route Analysis (EA) for the Sand Lake to Solstice Project.

Procedural History

5. On November 7, 2018, the Applicants filed the direct testimony of their witnesses: Russell J. Marusak; Wilson P. Peppard; Thomas W. Reynolds, III; Brenda J. Perkins; and Brent R. Kawakami. AEP Texas filed corrected direct testimony of Thomas W. Reynolds, III, on November 29, 2018.
6. On November 7, 2018, Applicants as well as LCRA Transmission Services Corporation (LCRA TSC) filed a motion to consolidate the consideration of this project with AEP Texas and LCRA TSC's proposed Bakersfield to Solstice 345-kV transmission line project (Bakersfield to Solstice Project) originally filed in Commission Docket No. 48787, to issue a protective order, and to refer this matter to the State Office of Administrative Hearings (SOAH).
7. On November 14, 2018, the Commission issued an order of referral and preliminary order, referred this matter to SOAH, and identified a number of issues to be addressed.

**Oxy Reply Brief: Attachment A
Redline FoF/CoL Adopting Route 325, as Proposed**

8. On November 15, 2018, the SOAH administrative law judges (ALJs) issued Order No. 1 establishing the intervention deadline, consolidating Docket Nos. 48785 and 48787 into Docket No. 48785, providing notice of a prehearing conference, describing jurisdiction, and providing other information.
9. On December 10, 2018, the SOAH ALJs issued Order No. 2 giving notice of the convening of the hearing on the merits at the SOAH offices in Austin at 9:00 a.m. on February 15, 2019, and continuing on February 19-22, 2019. Also in Order No. 2, the ALJs granted in the consolidated docket the motions to intervene filed by Alan Zeman (Zeman), Oxy (comprised of Occidental Permian Ltd.; Oxy Delaware Basin, LLC; Oxy USA Inc.; Oxy USA WTP LP; Houndstooth Resources, LLC; and Occidental West Texas Overthrust, Inc.), the City of Garland, Elizabeth Graybill, and Mary Graybill-Rees.
10. Barbour, Inc. filed a statement of position on January 8, 2019. Zeman and Dwight Forrister, on behalf of the Forrister Generation-Skipping Trust (Forrister), filed direct testimony on January 9, 2019. Charles H. Midgely filed direct testimony on behalf of Plains Marketing, L.P. and Plains Pipeline, L.P. (together, Plains) on January 10, 2019. Albert Mendoza filed direct testimony on behalf of Oxy on January 10, 2019. Terry Burkes filed direct testimony on behalf of COG Operating LLC (COG) on January 10, 2019. Other testimony was filed in the consolidated docket relating to the Bakersfield to Solstice Project.
11. On January 15, 2019, the SOAH ALJs issued Order No. 3 granting intervenor status to the following parties interested in the Sand Lake – Solstice project: Cross V Ranch, LP; Barbour, Inc.; Forrister; Plains; and COG. Other intervenors granted party status—MMSmithfield Family Limited Partnership, Ltd.; Pettus Czar, Ltd.; Atmos Pipeline-Texas; Esther Dudley, MMEX Resources Corporation; Domingo A. Perez; Brockett & McNeel LLP; Kevin Wilson; and Dale and Dorothy Smith—only had an interest in the Bakersfield to Solstice Project. SOAH Order No. 3 also granted the City of Garland’s motion to withdraw as a party to this case.
12. On January 15, 2019, TPWD filed a letter regarding the proposed transmission facilities and made various comments and recommendations.

Oxy Reply Brief: Attachment A
Redline FoF/CoL Adopting Route 325, as Proposed

13. On January 18, 2019, Commission Staff filed an objection to and motion to strike portions of certain intervenors' direct testimony regarding: (1) electromagnetic fields and associated health concerns; (2) anticipated future uses of property or diminution in property values; and (3) construction-related transmission outages. Alternatively, Commission Staff requested that these portions of direct testimony be accorded appropriate evidentiary weight if found to be general statements of concern.
14. On January 18, 2019, the Applicants and LCRA TSC filed a joint letter, in compliance with SOAH Order No. 3, identifying the intervenors who did not file direct testimony or a statement of position as of the date of the letter.
15. On January 24, 2019, the SOAH ALJs issued Order No. 4 identifying intervenors who failed to file testimony or a statement of position by the January 10, 2019, deadline and proposing to remove these intervenors as parties to the proceeding.
16. On January 30, 2019, the SOAH ALJs issued Order No. 5, which overruled Commission Staff's objections and denied the motion to strike but granted its alternative request, determining that the challenged testimony would be considered intervenor statements of concern and given the appropriate evidentiary weight.
17. On January 30, 2019, Commission Staff filed the direct testimony of its witness, David Bautista, regarding the Sand Lake to Solstice Project.
18. On February 4, 2019, COG filed the cross-rebuttal testimony of Brent Lowery, and Oxy filed the cross-rebuttal testimony of Albert Mendoza.
19. On February 6, 2019, the Applicants filed the rebuttal testimony of Russell J. Marusak; Wilson P. Peppard; Thomas W. Reynolds, III; and Brenda J. Perkins.
20. On February 6, 2019, the Applicants and LCRA TSC moved to admit the direct testimony of Brent R. Kawakami into the evidentiary record because there was no challenge to project need.
21. On February 8, 2019, the SOAH ALJs issued Order No. 6, which cancelled the need phase of the hearing on the merits, scheduled a prehearing conference in its place, and admitted Brent R. Kawakami's testimony into evidence.

**Oxy Reply Brief: Attachment A
Redline FoF/CoL Adopting Route 325, as Proposed**

22. On February 19, 2019, the hearing on the merits concerning routing of the Bakersfield to Solstice Project was held, at which the parties introduced their pre-filed testimony and other materials into evidence. Applicants and LCRA TSC also filed a unanimous stipulation concerning need for both the Bakersfield – Solstice Project and the Sand Lake – Solstice Project, which was signed by all parties in the consolidated docket.
23. On February 20, 2019, the SOAH ALJs issued SOAH Order No. 9, dismissing the following parties from the consolidated docket for failure to file testimony or statements of position in accordance with the requirements of SOAH Order No. 2: Cross V. Ranch, L.P.; Domingo A. Perez; MMEX Resources Corporation; Ester Dudley; Kevin Wilson; and Brockett & McNeel LLP.
24. On February 21, 2019, the hearing on the merits concerning routing of the Sand Lake to Solstice Project was held, at which the parties introduced their pre-filed testimony and other materials into evidence, and live testimony was presented.
25. On February 22, 2019, the SOAH ALJs issued Order No. 10, severing the Bakersfield to Solstice Project from consolidated Docket No. 48785 and remanding the application for the Bakersfield to Solstice Project to the Commission to consider in light of the parties' settlement.

Description of the Transmission Line

26. The Sand Lake to Solstice Project consists of a new double-circuit 345-kV line to be generally built on lattice steel tower structures, extending from Oncor's Sand Lake Switch in Ward County to AEP Texas' Solstice Switch in Pecos County.
27. The Sand Lake to Solstice Project is approximately 44.5 to 58.7 miles in length, depending on the selected route.
28. The Sand Lake to Solstice Project also includes station work at Sand Lake and Solstice.
29. The Applicants will own, operate, and maintain their respective portions of the transmission line facilities including conductors, wires, structures, hardware, and easements.

**Oxy Reply Brief: Attachment A
Redline FoF/CoL Adopting Route 325, as Proposed**

30. The Application included one route that Applicants believe best meets the requirements of PURA and the Commission's rules (route 320) in addition to 28 other reasonable, feasible alternative routes, which the Applicants and Halff identified from among 408 preliminary alternative routes Halff developed in its EA filed with the Application.
31. The routes are based on a ROW width of approximately 160 feet. None of the necessary right-of-way has been acquired to date.
32. The new 345-kV transmission line is approximately 44.5 to 58.7 miles in length, depending on the selected route.
33. Route ~~320~~ 325 is approximately ~~44.5~~ 53.7 miles in length, which is five miles shorter than the longest and is the shortest alternative route.
34. The estimated construction costs of the alternative routes range from approximately \$98,220,000 to \$126,903,000, excluding station costs.
35. Route ~~320~~ 325 is the least expensive alternative route and is estimated to cost \$116,382,000, which is \$28,683 10,521,000 less expensive than the most expensive alternative route.
36. All 29 routes identified in the Application are viable, feasible, and reasonable from a land use, environmental, engineering, and cost perspective.
- ~~37. Applicants identified route 320 as the route that best addresses the Commission's routing criteria.~~

Notice and Sufficiency of Application

- ~~38~~ 37. On November 7, 2018, the Applicants provided written notice of the filing of the Application, including a link table, route descriptions, and maps: (1) to each county government in which any portion of the proposed facilities may be located; (2) to each municipality within five miles of the proposed facilities; (3) to each neighboring utility service within five miles of the proposed facilities; (4) to the Texas Office of Public Utility Counsel (OPUC); (5) to the United States Department of Defense Siting Clearinghouse (DOD); (6) to certain pipeline owners/operators; (7) by first-class mail to each owner of land as stated on current county tax roll(s) that the Sand Lake to Solstice Project will

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directly affect if the requested certificate is granted. Applicants also provided a copy of the EA to Texas Parks and Wildlife Department (TPWD).

39-38. On November 20, 2018, the Applicants filed an affidavit attesting to, among other things, their provision of a copy of the EA to the TPWD and notice of the application to OPUC, municipalities, counties, neighboring utilities, the DOD, and directly affected landowners.

40-39. On November 26, 2018, Commission Staff recommended that the Applicants' application be deemed sufficient.

41-40. On November 28, 2018, the Applicants filed an affidavit attesting to notice of the Application published on November 15, 2018, in newspapers having general circulation in the counties where the CCN is being requested, including the *Monahans News* (Ward County), the *Fort Stockton Pioneer* (Pecos County), and the *Pecos Enterprise* (Reeves County).

42-41. On December 6, 2018, Commission Staff recommended that Applicants' notice be deemed sufficient.

43-42. On December 10, 2018, in SOAH Order No. 2, the SOAH ALJs found the Application to be sufficient and materially complete.

44-43. On December 10, 2018, in SOAH Order No. 2, the SOAH ALJs approved of the Applicants' provision of notice of the Application in this proceeding.

45-44. On January 14, 2019, the Applicants filed a supplemental affidavit attesting to re-sent notices provided to certain directly affected landowners.

46-45. On January 24, 2019, SOAH Order No. 4 was issued approving the Applicants' supplemental notice affidavit as compliant with Commission rules.

47-46. No party challenged the sufficiency of the Application.

Route Adequacy

48-47. The Applicants, together with their routing consultant, Halff, developed, evaluated and filed 29 geographically diverse alternative routes with the Application.

49-48. No party raised a route adequacy challenge.

**Oxy Reply Brief: Attachment A
Redline FoF/CoL Adopting Route 325, as Proposed**

~~50-49.~~ The Application's 29 geographically diverse routes are an adequate number of reasonably differentiated alternative routes to conduct a proper evaluation.

Evidentiary Record

~~51-50.~~ On February 8, 2019, the SOAH ALJs issued Order No. 6, admitting the testimony of Brent R. Kawakami supporting the need for the Sand Lake to Solstice Project.

~~52-51.~~ On February 21, 2019, the hearing on the merits concerning routing of the Sand Lake to Solstice Project was held, at which the parties introduced their pre-filed testimony and other materials into evidence.

Public Input

~~53-52.~~ To develop information on community values for the transmission facilities, the Applicants held a public open house meeting for the Sand Lake to Solstice Project in Pecos, Texas on August 15, 2018, in accordance with 16 TAC § 22.52.

~~54-53.~~ The Applicants mailed a total of 775 individual written notices of the public open house meeting to all owners of property within 500 feet of the centerline of each preliminary alternative segment.

~~55-54.~~ Oncor, on behalf of the Applicants, provided the DOD with notice of the public meeting.

~~56-55.~~ On August 9, 2018, notice of the public open house meeting was published in the *Fort Stockton Pioneer*, a local newspaper of general circulation in Pecos County; the *Monahans News*, a local newspaper of general circulation in Ward County; and the *Pecos Enterprise*, a local newspaper of general circulation in Reeves County.

~~57-56.~~ A total of nine people signed in as attending the public open house meeting, including one member of the local media and one local official.

~~58-57.~~ Attendees of the public open house meeting were provided questionnaires. One person submitted a questionnaire at the public open house meeting, and electronic data was received from the local official attendee after the meeting.

~~59-58.~~ The public feedback the Applicants received from the public open house meeting and from local, state, and federal agencies was evaluated and considered in determining the routes to be included in the Application. Based on input, comments, information received at and

**Oxy Reply Brief: Attachment A
Redline FoF/CoL Adopting Route 325, as Proposed**

following the public open house meeting, and additional analyses conducted by the Applicants and Halff, revisions were made to the preliminary alternative route analysis.

~~60-59.~~ On September 17, 2018, the DOD informed the Applicants that its informal review concluded that the Sand Lake to Solstice Project would have minimal impact on military operations in the area.

~~61-60.~~ Based on information Halff received from the public involvement program, in consultation with the Applicants, and subsequent reconnaissance surveys, portions of thirty-six existing preliminary route links were modified, and several were divided for a net increase of five alternative links.

Adequacy of Existing Service and Need for the Transmission Line

~~62-61.~~ The Sand Lake to Solstice Project is needed to: (1) support load growth in the Far West Texas area; (2) address reliability violations under Electric Reliability Council of Texas (ERCOT) reliability criteria and North American Electric Reliability Corporation (NERC) reliability standards; and (3) provide the infrastructure necessary to facilitate future transmission system expansion to continue to support that load growth.

~~63-62.~~ The Far West Texas area is experiencing rapidly growing load due primarily to oil and natural gas production, processing, and transportation, as well as associated economic expansion. On the nearby Culberson Loop transmission lines, between 2012 and 2017 the load rose from 29.3 megawatts (MW) to 246.4 MW, a more than eight-fold increase.

~~64-63.~~ Based solely on actual load increases for Oncor substations and confirmed customer load increases (based on financially committed customer contracts), loads on the Culberson Loop lines are expected to increase significantly, with projected 2019 non-coincident summer peak load on these lines of 902 MW, and ultimately 1,549 MW of projected non-coincident summer peak load on these lines by 2022.

~~65-64.~~ If the load projection parameters are expanded to take into account pending requests that are currently being studied and contractually negotiated between Oncor and customers, there is a probable likelihood of even further growth for non-coincident summer peak loads; current projections estimate that, for 2020, the non-coincident summer peak load grows to 1,406 MW; for 2021, it grows to 1,563 MW; and for 2022, it grows to 1,639 MW.

Oxy Reply Brief: Attachment A
Redline FoF/CoL Adopting Route 325, as Proposed

- ~~66-65.~~ In April 2016, the Applicants submitted for review by ERCOT's Regional Planning Group (RPG), an independent organization under PURA § 39.151, a suite of projects known as the "Far West Texas Project."
- ~~67-66.~~ ERCOT performed steady state and dynamic stability power flow studies during its independent review of the Far West Texas Project and found multiple violations under NERC Reliability Standard TPL-001-4.
- ~~68-67.~~ ERCOT's steady state analysis when reviewing the Far West Texas Project identified the following violations: thermal violations on multiple lines in the Barilla Junction Area under single contingencies in both generation cases it studied; unsolvable contingencies; and various voltage violations and unacceptable voltage deviations in the Culberson Loop under one or both cases studied.
- ~~69-68.~~ ERCOT conducted detailed analyses and tests of four short-listed options and, in June 2017, ERCOT's Board of Directors endorsed construction of, among other things, a new 345-kV transmission line extending from Bakersfield to Solstice, to be built by LCRA TSC and AEP Texas on double-circuit-capable 345-kV structures with one 345-kV circuit initially installed, and expansion of Solstice to include the installation of a 345-kV ring-bus arrangement with two 600 MVA, 345/138-kV autotransformers.
- ~~70-69.~~ In February 2018, Oncor submitted a suite of projects known as the "Far West Texas Project 2" to the ERCOT RPG.
- ~~71-70.~~ ERCOT conducted an independent review of the Far West Texas Project 2, found multiple reliability violations under NERC Reliability Standard TPL-001-4, and conducted detailed analyses of three short-listed options. In June 2018, ERCOT's Board of Directors endorsed construction of, among other things, a variation of the proposed Far West Texas Project 2 to include the Sand Lake – Solstice double-circuit 345-kV line, expansion of Sand Lake Switch and additions at Solstice Switch, and a second circuit on the Bakersfield – Solstice line, and it endorsed them as Tier 1 transmission projects needed to support the reliability of the ERCOT transmission system. Further, ERCOT's Board of Directors endorsed the proposed transmission facilities as critical to the reliability of the ERCOT transmission system pursuant to 16 TAC § 25.101(b)(3)(D).

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- ~~72.~~71. The Commission's certification rule, 16 TAC § 25.101(b)(3)(A)(ii)(I), states that ERCOT's recommendation shall be given great weight in determining the need for a proposed transmission line project.
- ~~73.~~72. As approved by ERCOT, the Far West Texas Project 2 includes the following components relevant to the Sand Lake to Solstice Project: (i) expansion of the Sand Lake Switch Station to install two new 600 MVA, 345/138-kV autotransformers as well as additions at the Solstice Switch Station; and (ii) construction of an approximately 40-mile, 345-kV transmission line on double-circuit structures, with two circuits in place between Sand Lake and Solstice.
- ~~74.~~73. During the course of its independent reviews, ERCOT evaluated numerous alternatives based on variations of different transmission solutions before endorsing the proposed transmission facilities as components of ERCOT's overall recommended transmission solution.
- ~~75.~~74. ERCOT used cost and reliability performance comparisons to further narrow its analysis to several short-listed options to resolve the identified NERC violations, each of which included the Sand Lake to Solstice Project.
- ~~76.~~75. The Sand Lake to Solstice Project will facilitate robust wholesale competition by facilitating the delivery of economical electric power at 345-kV from existing and future generation resources located both inside and outside of the project study areas to existing and future electric customers in those areas.
- ~~77.~~76. The Sand Lake to Solstice Project is not proposed to interconnect new transmission service customers.
- ~~78.~~77. Electric customers within the area of the Sand Lake to Solstice Project and other customers in the ERCOT system will benefit from the improved transmission system reliability and capacity provided by the proposed transmission facilities.
- ~~79.~~78. Voltage upgrades, conductor bundling, and additional transformers were each considered and rejected as inadequate alternatives.

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- ~~80-79.~~ 79. Distribution alternatives to the Sand Lake to Solstice Project were considered and rejected because they would not improve the reliability and operational capability of the transmission system in the area.
- ~~81-80.~~ 80. All existing transmission facilities in the study areas were constructed and operate at 138-kV, and serve customers directly; thus, upgrading of voltage would require all customers and existing stations to be rebuilt in order to be served from 345-kV.
- ~~82-81.~~ 81. Conductor bundling would not address the reliability and operational issues under the contingencies of concern because any bundled circuits would necessarily be located on the same structures as the existing 138-kV lines in the area. Additionally, bundling conductors does not provide bi-directional looped service capability, which is needed to address the reliability and operational flexibility for existing and future customers.
- ~~83-82.~~ 82. Adding transformers would not address the reliability and operational issues under the contingency of concern since new 345/138-kV transformers within the Culberson Loop would still be served from the planned Odessa EHV – Riverton / Moss – Riverton 345-kV transmission line.
- ~~84-83.~~ 83. The Sand Lake to Solstice Project will address critical reliability issues resulting from rapid load growth in an area of oil and natural gas development and associated economic expansion; more specifically, the Sand Lake to Solstice Project will support load growth in the area, address reliability violations under ERCOT protocols and NERC reliability standards, and provide infrastructure necessary to facilitate future transmission system expansion, all of which will improve service for new and existing customers in the area.
- ~~85-84.~~ 84. The Sand Lake to Solstice Project will deliver 345-kV transmission to an area that is not currently served at this voltage.
- ~~86-85.~~ 85. The Sand Lake to Solstice Project is the best way to ensure adequate voltage in the Far West Texas area based on considerations of engineering, efficiency, reliability, costs, and benefits.
- ~~87-86.~~ 86. The Sand Lake to Solstice Project will improve transmission service in the Far West Texas area.

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~~88-87.~~ No party has challenged the need for the proposed transmission facilities, and a unanimous stipulation concerning the need for the facilities was admitted into evidence.

Effect of Granting Certificate on Other Utilities

~~89-88.~~ The Sand Lake to Solstice Project will not adversely affect service by other utilities in the area and will improve system reliability and capacity in the area.

Estimated Costs

~~90-89.~~ The estimated costs for the alternative routes range from \$98,220,000 to \$126,903,000, excluding station costs.

~~91-90.~~ Oncor estimates the project-related modifications at Sand Lake Switch will cost approximately \$17.6 million. AEP Texas estimates the project-related modifications to Solstice Switch will cost approximately \$10.1 million for upgrades to interconnect the transmission line from Sand Lake.

~~92-91.~~ Route ~~320-325~~ is estimated to cost ~~\$98,116,382,220,000~~, excluding station costs, which is ~~the least expensive of the alternative routes and \$28,683,10,521,000~~ less than the most expensive alternative route filed with the Application.

~~93-92.~~ Oncor intends to finance its portion of the transmission facilities with a combination of debt and equity in compliance with its authorized capital structure.

~~94-93.~~ AEP intends to finance its portion of the transmission facilities with a combination of debt and equity.

Prudent Avoidance

~~95-94.~~ Prudent avoidance is defined in 16 TAC § 25.101(a)(6) as the “limiting of exposures to electric and magnetic fields that can be avoided with reasonable investments of money and effort.”

~~96-95.~~ The greatest number of habitable structures within 500 feet of the centerline of any alternative route is 66, and the least number of habitable structures within 500 feet of the centerline of any alternative route is 2.

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~~97.~~96. ~~Route 320-325~~ has ~~38-37~~ habitable structures within 500 feet of the centerline, of which 34 are mobile living or office units that are temporarily in place and appear to have no permanent foundations or permanent utilities in place.

~~98.~~97. All of the alternative routes presented in the Application, including route ~~320~~325, conform to the Commission's policy of prudent avoidance in that they reflect reasonable investments of money and effort in order to limit exposure to electric and magnetic fields.

Community Values

98. The majority of the Sand Lake to Solstice Project area consists of rural, undeveloped land used primarily for oil and gas production, livestock grazing, and irrigated crop production.

99. The vast majority of the surface development in this study area is oil and gas related.

100. Oil and gas development is an important economic driver in this study area, and such development represents an important community value.

101. Oil and gas development in the study area is expanding rapidly, especially in the center of the study area along links F3/G4/G51/I2 and links J1/J7.

~~99.~~102. Route 325 uses the less developed "western corridor" to avoid the most dense and rapidly expanding oil and gas fields in this study area.

~~100.~~103. None of the identified routes traverse a heavily populated residential area. Whenever possible, the Applicants and Halff avoided identifying alternative route segments near habitable structures.

~~101.~~104. The Sand Lake to Solstice Project comports with the community values for the area it encompasses.

Using or Paralleling Compatible Rights-of-Way

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~~102-105.~~ In developing alternative routes, the Applicants took into account the use of the paralleling of existing ROWs (e.g., existing transmission lines, public roads and highways, railroads, and telephone utilities), apparent property boundaries, and natural or cultural features.

~~103-106.~~ The alternative routes are adjacent to and parallel existing transmission lines, other existing ROW (e.g., existing transmission lines, public roads and highways, railroads, and telephone utilities), and apparent property lines from 17.3% to 48.7% of the length of the route.

~~104-107.~~ Route 320-325 is parallel to existing compatible corridors, including existing transmission lines, public roads and highways, railroads, and apparent property boundaries, for approximately ~~27.2~~48.7% of its length, which is the most of any alternative route.

Engineering Constraints

108. The area encompassing the Sand Lake to Solstice Project is undergoing rapid development in energy infrastructure.

109. The timeline for developing energy infrastructure is generally much faster than the timeline for developing transmission line projects.

~~105-110.~~ Following the less developed western corridor used by route 325 will decrease the chance that the Applicants will encounter unexpected engineering constraints while constructing this line.

Radio Towers and Other Electronic Installations

~~106-111.~~ One known commercial AM radio transmitter was identified within 10,000 feet of the centerline of two alternative routes—routes 370 and 404.

~~107-112.~~ With the exception of routes 370 and 404, no known commercial AM radio transmitter was identified within 10,000 feet of the centerline of the alternative routes, including route ~~320~~325.

~~108-113.~~ The number of FM, microwave, and other electronic installations located within 2,000 feet of the centerline of any of the alternative routes ranges from zero to four.

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~~109.114.~~ There are ~~nois one~~ FM, microwave, ~~and-or~~ other electronic installations located within 2,000 feet of the centerline of route ~~320~~325.

Airstrips and Airports

~~110.115.~~ There are no FAA-registered airports with no runway greater than 3,200 feet in length within 10,000 feet of the centerline of any of the alternative routes.

~~111.116.~~ The number of FAA-registered airports with at least one runway more than 3,200 feet in length within 20,000 feet of the centerline of the alternative routes ranges from zero to two.

~~112.117.~~ There are ~~nois one~~ FAA-registered airports with at least one runway more than 3,200 feet in length within 20,000 feet of the centerline of route ~~320~~325.

~~113.118.~~ There are no private airstrips within 10,000 feet of the centerline of any of the alternative routes.

~~114.119.~~ There are no heliports within 5,000 feet of the centerline of any of the alternative routes.

Irrigation Systems

~~115.120.~~ Routes 370 and 404 traverse 3,043 feet of agricultural cropland with mobile irrigation systems.

~~116.121.~~ With the exception of routes 370 and 404, none of the alternative routes, including route ~~320~~325, impact any agricultural cropland with mobile irrigation systems.

Recreational and Park Areas

~~117.122.~~ None of the alternative routes, including route ~~320~~325, directly cross any park or recreational areas.

~~118.123.~~ No parks or recreational areas are located within 1,000 feet of the centerline of any of the alternative routes, including route ~~320~~5.

~~119.124.~~ No significant impacts to the use of parks or recreation facilities located within the study area are anticipated from any of the alternative routes, including route ~~320~~325.

Historical and Archaeological Values

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~~120-125.~~ _____ The number of previously recorded cultural resource sites crossed by an alternative route ranges from zero to two.

~~121-126.~~ _____ Route ~~320-325~~ crosses one ~~does not cross any~~ previously recorded cultural resource site.

~~122-127.~~ _____ No significant impacts to historical and archaeological values are anticipated from any of the alternative routes, including route ~~320-325~~.

Aesthetic Values

~~123-128.~~ _____ The length of the route within the foreground visual zone of U.S. and state highways of the alternative routes ranges from 14,222 to 32,979 feet.

~~124-129.~~ _____ Route ~~320-325~~ has ~~20,298~~32,979 feet within the foreground visual zone of U.S. and state highways.

Environmental Integrity

~~125-130.~~ _____ The EA analyzed the possible impacts of the Sand Lake to Solstice Project on numerous different environmental factors.

~~126-131.~~ _____ The Applicants and Halff appropriately performed an evaluation of the impacts of the Sand Lake to Solstice Project on the environment, including endangered and threatened species.

~~127-132.~~ _____ It is appropriate that the Applicants minimize the amount of flora and fauna disturbed during construction of the transmission facilities.

~~128-133.~~ _____ It is appropriate that the Applicants re-vegetate cleared and disturbed areas using native species and consider landowner preferences in doing so.

~~129-134.~~ _____ It is appropriate that the Applicants avoid, to the maximum extent reasonably possible, causing adverse environmental impacts to sensitive plant and animal species and their habitats as identified by TPWD and the United States Fish and Wildlife Service.

~~130-135.~~ _____ It is appropriate that the Applicants implement erosion control measures and return each affected landowner's property to its original contours and grades unless otherwise agreed to by the landowners. It is not appropriate that the Applicants restore original

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contours and grades where different contours and grades are necessary to ensure the safety or stability of any transmission line's structures or the safe operation and maintenance of the transmission lines.

~~131.~~136. It is appropriate that the Applicants exercise extreme care to avoid affecting non-targeted vegetation or animal life when using chemical herbicides to control vegetation within the ROW, and such herbicide use must comply with the rules and guidelines established in the Federal Insecticide, Fungicide, and Rodenticide Act and with Texas Department of Agriculture regulations.

~~132.~~137. It is appropriate that the Applicants use best management practices to minimize the potential impact to migratory birds and threatened or endangered species.

~~133.~~138. The Sand Lake to Solstice Project is not anticipated to significantly adversely impact populations of any federally-listed endangered or threatened species.

~~134.~~139. No significant impacts to geological resources, hydrological resources, wetland resources, ecological resources, endangered and threatened species, land use or environmental integrity are anticipated as a result of the construction of the Sand Lake to Solstice Project.

Probable Improvement of Service or Lowering of Consumer Cost

~~135.~~140. The Sand Lake to Solstice Project is needed to satisfy reliability and load growth issues in the project area, and it will result in improved service to electric customers for the reasons described in the findings of fact addressing the need for the Sand Lake to Solstice Project.

TPWD's Comments and Recommendations

~~136.~~141. On January 15, 2019, TPWD filed a letter making various comments and recommendations regarding the Sand Lake to Solstice Project.

~~137.~~142. TPWD's comment letter addressed issues relating to impacts on ecology and the environment, but did not consider the other factors the Commission and utilities must consider in CCN applications.

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- ~~138~~.143._____ The Applicants and Halff have taken into consideration the recommendations offered by TPWD.
- ~~139~~.144._____ Halff relied on habitat descriptions from various sources, including the Texas Natural Diversity Database and other sources provided by TPWD, along with observations from field reconnaissance, to determine whether habitat for some species is present in the area encompassing the transmission facilities.
- ~~140~~.145._____ Once a route is approved by the Commission, the Applicants can undertake on-the-ground measures to identify potential endangered or threatened species' habitats and respond appropriately.
- ~~141~~.146._____ The Applicants will use avoidance and mitigation procedures to comply with laws protecting federally listed species.
- ~~142~~.147._____ The Applicants will revegetate the new ROW as necessary and according to the Applicants' vegetation management practices, the Storm Water Pollution Prevention Plan (SWPPP) developed for construction of the Sand Lake to Solstice Project, and, in many instances, landowner preferences or requests.
- ~~143~~.148._____ The Applicants' standard vegetation removal, construction, and maintenance practices adequately mitigate concerns expressed by TPWD.
- ~~144~~.149._____ The Applicants will use appropriate avian protection procedures.
- ~~145~~.150._____ The Applicants will comply with all environmental laws and regulations, including those governing threatened and endangered species.
- ~~146~~.151._____ The Applicants will comply with all applicable regulatory requirements in constructing the Sand Lake to Solstice Project, including any applicable requirements under § 404 of the Clean Water Act.
- ~~147~~.152._____ The Applicants will coordinate with United States Fish and Wildlife Service and TPWD if threatened or endangered species' habitats are identified during field surveys.
- ~~148~~.153._____ Environmental permitting and mitigation measures are determined after a route is approved by the Commission and on-the-ground surveys are completed for the route. Should construction impact federally-listed species or their habitat or impact water under

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the jurisdiction of the United States Army Corps of Engineers or the Texas Commission on Environmental Quality (TCEQ), the Applicants will coordinate with the United States Fish and Wildlife Service, United States Army Corps of Engineers, and TCEQ as appropriate to coordinate permitting and any required mitigation.

~~149.~~154. _____ The standard mitigation requirements included in the ordering paragraphs in this Order, coupled with the Applicants' current practices, are reasonable measures for a transmission service provider to undertake when constructing a transmission line and are sufficient to address TPWD's comments and recommendations.

Permits

~~150.~~155. _____ Before beginning construction of the Sand Lake to Solstice Project, it is appropriate for the Applicants to conduct a field assessment of each utility's portion of the transmission line to identify water resources, cultural resources, potential migratory bird issues, and threatened and endangered-species' habitats impacted as a result of the transmission line. As a result of these assessments, the Applicants will identify any additional permits that are necessary, will consult any required agencies, will obtain all necessary permits, and will comply with the relevant permit conditions during construction and operation of their respective portions of the transmission line.

Coastal Management Program

~~151.~~156. _____ Commission rule 16 TAC § 25.102(a) states that the "commission may grant a certificate for the construction of generating or transmission facilities within the coastal boundary as defined in 31 TAC § 503.1 only when it finds that the proposed facilities are consistent with the applicable goals and policies of the Coastal Management Program specified in 31 TAC § 501.14(a), or that the proposed facilities will not have any direct and significant impacts on any of the applicable coastal natural resource areas specified in 31 TAC § 503.1(b)."

~~152.~~157. _____ No part of the Sand Lake to Solstice Project is located within the boundary of the Coastal Management Program as defined in 31 TAC § 501.3(b).

Effect on the State’s Renewable Energy Goal

~~153-158.~~_____ The Texas Legislature established a goal in PURA § 39.904(a) for 10,000 megawatts of renewable capacity to be installed in Texas by January 1, 2025. This goal has already been met.

~~154-159.~~_____ The Sand Lake to Solstice Project will not adversely affect the goal for renewable energy development established in PURA § 39.904(a).

Conditional Authority

~~155-160.~~_____ It is reasonable and appropriate for a CCN order not to be valid indefinitely because it is issued based on the facts known at the time of issuance.

~~156-161.~~_____ Seven years is a reasonable and appropriate limit to place on the authority granted in this Order to construct the transmission facilities.

II. PROPOSED CONCLUSIONS OF LAW

1. Oncor is a public utility as defined in PURA § 11.004 and an electric utility as defined in PURA § 31.002(6).
2. AEP Texas is a public utility as defined in PURA § 11.004 and an electric utility as defined in PURA § 31.002(6).
3. Oncor and AEP Texas must obtain the approval of the Commission to construct the proposed transmission facilities and provide service to the public using those facilities.
4. The Application is sufficient under 16 TAC § 22.75(d).
5. This docket was processed in accordance with the requirements of PURA, the Administrative Procedure Act (Texas Government Code Chapter 2001), and the Commission’s rules.
6. Oncor and AEP Texas provided proper notice of the Application in compliance with PURA § 37.054 and 16 TAC § 22.52(a).
7. Additional notice of the approved route is not required.
8. Oncor and AEP Texas provided notice of the public open house meeting in compliance with 16 TAC § 22.52(a)(4).

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9. The Sand Lake to Solstice transmission line project using route ~~320-325~~ is necessary for the service, accommodation, convenience, or safety of the public within the meaning of PURA § 37.056.
10. The Texas Coastal Management Program does not apply to any of the transmission facilities proposed in the Application, and the requirements of 16 TAC § 25.102 do not apply to the Application.
11. No modifications to the Sand Lake to Solstice Project are required as a result of the recommendations and comments made by TPWD.
12. The Commission has jurisdiction and authority over this matter under PURA §§ 14.001, 32.001, 37.051, 37.053, 37.054, and 37.056.
13. SOAH has jurisdiction to conduct a hearing on the merits and to prepare a proposal for decision under PURA § 14.053 and Texas Government Code §§ 2003.021 and 2003.049.
14. The hearing on the merits was set, and notice of the hearing was provided, in compliance with Texas Government Code §§ 2001.051 and 2001.052.
15. Route ~~320-325~~ complies with PURA § 37.056(c)(4) and 16 TAC § 25.101, including the Commission's policy of prudent avoidance, to the extent reasonable to moderate the impact on the affected community and landowners.

III. PROPOSED ORDERING PARAGRAPHS

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

1. The Commission approves the construction and operation of the Sand Lake to Solstice Project as specified in this Order on route ~~320325~~, comprised of the following segments: A-B2-B3-C2-D1 -E1-F1-I1-K11-K12-L2-ZA-B2-B3-C2-D2-F3-G4-G5-I2-J1-J7-L1-Z.
2. The Commission approves Oncor's and AEP Texas's application to build a new double-circuit 345-kV transmission line extending from Oncor's Sand Lake Switch in Ward County to AEP Texas's Solstice Switch in Pecos County. The approved route for the transmission facilities is route ~~320-325~~ as described in the EA.
3. The Commission amends Oncor's CCN number 30158 to include construction and operation of the transmission facilities requested from Sand Lake Switch up to, but not

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including, the structure at the node of Links ~~G4 and G51~~INFORMATION TO BE PROVIDED BY ONCOR/AEP.

4. The Commission amends AEP Texas' CCN number 30170 to include construction and operation of the transmission facilities requested from Solstice Switch up to, and including, the structure at the node of Links ~~G4 and G51~~INFORMATION TO BE PROVIDED BY ONCOR/AEP.
5. The authority granted by this Order is limited to a period of seven years from the date the order is signed unless, before that time, the transmission line is commercially energized.
6. If the Applicants or their contractors encounter any archaeological artifacts or other cultural resources during project construction, work must cease immediately in the vicinity of the artifact or resource and the discovery must be reported to the Texas Historical Commission (THC). In that situation, the Applicants must take action as directed by the THC.
7. The Applicants must follow the procedures to protect raptors and migratory birds as outlined in the following publications: *Reducing Avian Collisions with Power Lines: State of the Art in 2012*, Edison Electric Institute (EEI) and Avian Power Line Interaction Committee (APLIC); *Suggested Practices for Avian Protection on Power Lines, The State of the Art in 2006*, EEI, APLIC, and the California Energy Commission, Washington, DC and Sacramento, CA, 2006; and the *Avian Protection Plan Guidelines*, APLIC and USFWS, April 2005. The Applicants must take precautions to avoid disturbing occupied nests and take steps to minimize the impact of construction on migratory birds during the nesting season of the migratory bird species identified in the area of construction.
8. The Applicants must exercise extreme care to avoid affecting non-targeted vegetation or animal life when using chemical herbicides to control vegetation within the right-of-way (ROW). Herbicide use must comply with rules and guidelines established in the Federal Insecticide, Fungicide, and Rodenticide Act and with Texas Department of Agriculture regulations.
9. The Applicants must minimize the amount of flora and fauna disturbed during construction of the transmission line, except to the extent necessary to establish appropriate ROW clearance for the transmission line. In addition, the Applicants must re-vegetate using native species and must consider landowner preferences and wildlife needs in doing so. Furthermore, to the maximum extent practical, the Applicants must avoid adverse

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environmental impact to sensitive plant and animal species and their habitats, as identified by TPWD and the USFWS.

10. The Applicants must implement erosion control measures as appropriate. Erosion control measures may include inspection of the ROW before and during construction to identify erosion areas and implement special precautions as determined reasonable to minimize the impact of vehicular traffic over the areas. The Applicants must return each affected landowner's property to its original contours and grades unless otherwise agreed to by the landowner or the landowner's representative. The Applicants will not be required to restore original contours and grades where a different contour or grade is necessary to ensure the safety or stability of the structures or the safe operation and maintenance of the line.
11. The Applicants must use best management practices to minimize the potential impact to migratory birds and threatened or endangered species.
12. The Applicants must cooperate with directly affected landowners to implement minor deviations in the approved route to minimize the impact of the proposed transmission line project. Any minor deviations in the approved route must only directly affect landowners who were sent notice of the transmission line in accordance with 16 TAC § 22.52(a)(3) and landowners that have agreed to the minor deviation, excluding public ROW.
13. The Applicants are not permitted to deviate from the approved route in any instance in which the deviation would be more than a minor deviation, without further amending their CCNs.
14. The Applicants must conduct surveys, if not already completed, to identify metallic pipelines that could be affected by the transmission line and coordinate with pipeline owners in modeling and analyzing potential hazards because of alternating-current interference affecting pipelines being paralleled.
15. If possible, and subject to the other provisions of this Order, the Applicants must prudently implement appropriate final design for the transmission lines so as to avoid being subject to the Federal Aviation Administration (FAA)'s notification requirements. If required by federal law, the Applicants must notify and work with the FAA to ensure compliance with applicable federal laws and regulations. The Applicants are not authorized to deviate materially from this Order to meet the FAA's recommendations or requirements. If a

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- material change would be necessary to comply with the FAA's recommendations or requirements, the Applicants must file an application to amend their CCNs as necessary.
16. The Applicants must identify any additional permits that are necessary, must consult any required agencies (such as the United States Army Corps of Engineers and United States Fish and Wildlife Service), must obtain all necessary environmental permits, and must comply with the relevant conditions during construction and operation of the proposed transmission facilities.
 17. The Applicants must include the transmission facilities approved by this Order on their monthly construction progress report before the start of construction to reflect the final estimated cost and schedule in accordance with 16 TAC § 25.83(b). In addition, the Applicants must provide final construction costs, with any necessary explanation for cost variance, after completion of construction when all costs have been identified.
 18. 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 herein, are hereby denied.