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APPLICATION OF GUADALUPE VALLEY ELECTRIC COOPERATIVE, INC. FOR A CERTIFICATE OF CONVENIENCE AND NECESSITY FOR A 138 kV TRANSMISSION LINE IN GUADALUPE COUNTY, TEXAS

## PUBLIC UTILITY COMMISSION U2 JUL 15 PM 2:48 OF TEXAS ILLI COMMISSION FILING CLERK

## ORDER NO. 2 ADDRESSING SUFFICIENCY OF APPLICATION, NOTICE AND OTHER PROCEDURAL MATTERS

**Background.** On June 28, 2002, Guadalupe Valley Electric Cooperative, Inc. (GVEC) filed an application for a certificate of convenience and necessity for a proposed 138 kV transmission line in Guadalupe County, Texas. Order No. 1 was issued on July 3, 2002 requesting clarification from GVEC as to whether its application is seeking approval of a singlecircuit or a double-circuit line. On July 11, 2002, GVEC filed a response to Order No. 1 stating 3.31 miles of the line will be double circuit as it relates to the Hickory Forest – New Berlin Breakoff, for a total of 6.62 miles of conductor and 2.6 miles of one circuit on the 3.31 mile double circuit portion of the line was previously certified as part of the Capote to Hickory Forest project in *Application of Guadalupe Valley Electric Cooperative, Inc. for a Certificate of Convenience and Necessity for a 138 kV Transmission Line in Guadalupe County, Texas*, Docket No. 26185. GVEC stated that the New Berlin Breakoff to New Berlin portion of the proposed line, 11.29 miles will be single circuit.

**Project Description.** In the application, GVEC described the project as the proposed 138 kV transmission line (initially operated at 69 kV and approximately 15 miles in length) between the Hickory Forest Substation and the New Berlin Substation is needed to improve customer delivery point voltages, relieve anticipated line overloads, and enhance transmission system reliability. GVEC asserted that this project will satisfy the Lower Colorado River Authority (LCRA) and Association of Wholesale Customers (AWC) Transmission Planning Criteria which has the following requirements: (1) maintain 92 percent of nominal voltage for anticipated contingencies; (2) insure that planned transmission line loading will be such that National Electric Safety Code line-to-ground clearances will be maintained for anticipated contingencies; and (3) insure that no more than 20 MW of peak load shall be interrupted for anticipated contingencies.

Pursuant to P.U.C. SUBST. R. 25.101(c)(4), the Commission must render a decision approving or denying an application for a certificate within one year of the date of filing a complete application for such certificate.

*Notice*. GVEC shall give notice of its intent to secure a CCN as required by P.U.C. PROC. R. 22.52(a):

- 1. GVEC shall publish notice of its intent to secure a certificate of convenience and necessity in a newspaper having general circulation in the counties where a certificate of convenience and necessity is being requested, once a week for two consecutive weeks beginning with the week after the application is filed with the Commission;
- 2. GVEC shall have mailed notice upon filing the application to municipalities within five miles of the requested territory or facility, and neighboring utilities providing the same utility service within five miles of the requested territory or facility;
- 3. GVEC shall have mailed notice upon filing the application to the county government(s) of all counties, in which any portion of the proposed facility or requested territory is located;
- 4. GVEC shall have mailed notice on or before filing the application to the owners of land directly affected by the requested certificate. For the purposes of this paragraph, land is directly affected if an easement would be obtained over all or any portion of it, or if it contains a habitable structure that would be within 200 feet of the proposed facility; and
- 5. GVEC shall notify the Commission in the event that any directly affected landowner has not received actual notice at least three weeks prior to the deadline for intervention. GVEC will indicate in its filing the name and address of any such landowner and the date and manner by which notice was provided.

GVEC shall file proof of publication in the form of a publisher's affidavit submitted to the Commission, stating with specificity each county in which the newspaper is of general circulation. GVEC shall file proof of notice by mail by filing an affidavit setting forth the names and addresses of the entities notified by mail and the date the notice was mailed to these entities. A copy of the letter and map sent to the entities shall be included. GVEC shall file its proof of publication and proof of notice by mail by **July 18, 2002**.

Notice of this proceeding is being submitted to the Texas Register for publication.

Alternatives to Project. The Commission requests that the following issues be addressed in all CCN dockets:

- 1. Has the Electric Reliability Council of Texas (ERCOT) Independent System Operator (ISO) recommended the proposed transmission project is necessary to alleviate "existing and potential transmission and distribution constraints and system needs within ERCOT" in the annual report filed pursuant to PURA §39.155(b)? If not, is there a need for the proposed transmission project?
- 2. If such a need exists, is the proposed transmission project the best option to meet the need, based on an analysis taking into account considerations of efficiency, reliability, costs, and benefits?
- 3. For utilities subject to the unbundling requirements of PURA §39.051, is the proposed transmission project the best option when compared to employing distribution facilities to meet the specified need?
- 4. For utilities that are not subject to the unbundling requirements of PURA §39.051, is the proposed transmission project the best option when compared to employing distribution facilities, distributed generation, and/or energy efficiency to meet the specified need?

GVEC shall file information responsive to the above listed issues no later than July 18, 2002.

*Recommendation as to Deficiencies, Notice, and Deadline for Intervention.* On or before July 25, 2002, Commission Staff (Staff) shall review the application and notify the Commission through written pleadings, of the following:

- 1. Any deficiencies in the application;
- 2. Compliance of notice given with the requirements set out in this order; and
- 3. A proposed procedural schedule including a deadline for intervention.

Any other party may file recommendations on these issues subject to the same deadline. The applicant shall have until August 1, 2002 at 3:00 p.m. to file its reply to any alleged deficiencies or notice proposals.

Other Procedural Matters. Any proper motion for intervention will be granted unless an objection is filed within five (5) working days from the date of receipt of the motion to intervene. If a motion to intervene does not indicate that it has been served on all parties of record, the Commission will send copies of it to the parties, and the five-day period will run from the date of receipt of such copy. Responses to the objections to intervene must be filed within three (3) working days from the date of receipt of the objection. Rulings will be based upon the written pleadings unless it is determined that a prehearing conference is necessary.

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Movants for intervention shall immediately enjoy all rights and bear all the obligations of party status unless and until their motions to intervene are denied.

Discovery may proceed informally; however, objections to Requests for Information (RFIs) must be filed and served within 10 days of receipt of the RFI. The Objections shall include a statement that negotiations were conducted diligently and in good faith. If the parties are unable to resolve a discovery dispute, a motion to compel a response to an RFI must be filed and served within five working days of receipt of an objection. The motion to compel shall set forth the grounds for the motion.

P.U.C. PROC. R. 22.74 shall govern service of pleadings. Unless otherwise specified, responses or replies to any motion or other pleading shall be filed no later than five (5) working days after the date on which the motion or other pleading was received by the responding party. Failure to file a timely response will be considered acquiescence to the relief requested.

All parties shall provide their current telephone and facsimile numbers, if available, to all other parties and the Commission by filing and serving all parties with such numbers. Each party is responsible for providing the Commission and all parties with current address, telephone, and facsimile information if such information changes. The telephone and facsimile numbers will be placed on the service list for the convenience of the parties. Parties are responsible for updating their own service lists to reflect changed information and the addition of other parties, if any.

Unless otherwise specified, an original and ten copies of any document relating to this proceeding must be filed with the Commission filing clerk. A copy of any document filed with the Commission must also be served on each party of record as provided by P.U.C. PROC. R. 22.74.

Questions concerning the terms or conditions of this order or of any other subsequent order must be submitted in writing, filed with the Commission, and served on all parties of record. ORDER NO. 2

## PUBLIC UTILITY COMMISSION OF TEXAS

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MARK GENTLE ADMINISTRATIVE LAW JUDGE POLICY DEVELOPMENT DIVISION

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