



Control Number: 29705



Item Number: 394

Addendum StartPage: 0

BRICKFIELD BURCHETTE
RITTS & STONE, PC

AUSTIN, TEXAS
WASHINGTON, D.C.

2005 DEC -1 PM 2:46

December 1, 2005

James Galloway, Filing Clerk
Public Utility Commission of Texas
1701 North Congress Avenue
P.O. Box 13326
Austin, TX 78711-3326

RE: SOAH Docket No. 473-04-8361; Docket No. 29705; Application of Sam Houston Electric Cooperative's Inc. for a Certificate of Convenience and Necessity (CCN) for proposed Transmission Line in San Jacinto County; Texas

Dear Mr. Galloway:

On November 30, 2005, Sam Houston Electric Cooperative, Inc. filed an Affidavit of Notice to the Affected and Non-Affected landowners in the above-referenced proceeding. Upon reviewing the filing, we noted that a copy of the notice letters mailed were inadvertently omitted with the filing. Enclosed for filing, please find an original and twelve (12) copies of the notice letters.

If you have any questions, please feel free to contact me at the address and telephone number listed above.

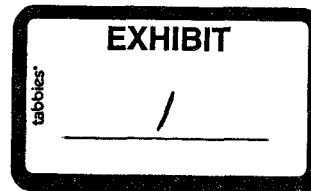
Sincerely yours,

John T. Wright
by permission
slp

John T. Wright
Attorney for Sam Houston Electric
Cooperative, Inc.

Enclosure

cc: All Parties of Record



November 28, 2005

Frankie Jean Bain
P.O. Box 297
Point Blank, Tx 77364

Re: **PUC Docket No. 29705; SOAH Docket No. 473-04-8361; *Application of Sam Houston Electric Cooperative, Inc. for a Certificate of Convenience and Necessity (CCN) for a Proposed Substation and Transmission Line in San***

Dear Landowner:

On August 23, 2005 the Public Utility Commission issued a final order in the above-captioned matter approving Sam Houston Electric Cooperative Inc.'s Certificate of Convenience and Necessity ("CCN") as amended. A copy of the final order is attached to this notice.

This letter is written to inform you that **your land will be directly affected by the approved route** that will either cross your property or be within 300' of a habitable structure located on your property.

If you have questions about this project, you should contact Bill Townley of Sam Houston Electric Cooperative, Inc., at (936) 328-1361.

Sincerely,

Bill Townley
Construction Manager

Enclosure

**PUC DOCKET NO. 29705
SOAH DOCKET NO. 473-04-8361**

APPLICATION OF SAM HOUSTON ELECTRIC COOPERATIVE, INC. FOR A CERTIFICATE OF CONVENIENCE AND NECESSITY FOR A PROPOSED TRANSMISSION LINE IN SAN JACINTO COUNTY, TEXAS	§ § § § § § §	PUBLIC UTILITY COMMISSION OF TEXAS
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ORDER

This Order grants the request of Sam Houston Electric Cooperative, Inc. to amend its certificate of convenience and necessity in order to construct a transmission line in San Jacinto County, Texas, as well as to construct a new Point Blank substation and to relocate and expand the existing Staley substation.

Accordingly, the Commission adopts the proposal for decision, including findings of fact and conclusions of law, issued in this docket by the administrative law judge of the State Office of Administrative Hearings.

I. Findings of Fact

A. Procedural History and General Project Description

1. Sam Houston Electric Cooperative, Inc. (SHECO) is a member-owned electric distribution utility providing services under Certificate of Convenience and Necessity (CCN) No. 30134.
2. SHECO is an electric utility as defined in §§ 11.003(a) and 31.002 of the Public Utility Regulatory Act (PURA), TEX. UTIL. CODE ANN. §§ 11.001-63.063 (Vernon 2000 & Supp. 2005).

3. On June 8, 2004, SHECO filed with the Public Utility Commission of Texas (Commission or PUC) an application to amend its CCN No. 30134 for the construction of a 138-kilovolt (kV) transmission line; SHECO's application was assigned PUC Docket No. 29705.
4. The project, known as Point Blank-Staley Project (Point Blank Project), will consist of the following:
 - a. construction of a new substation in Point Blank;
 - b. relocation and expansion of the existing Staley Substation; and
 - c. addition of a 7.64 mile segment of transmission line between the Point Blank and Staley substations.
5. On October 23, 2003, SHECO held one public open-house meeting at the Waterwood Country Club, Point Blank, Texas, to solicit comments from citizens, landowners, and public officials concerning the proposed project. A total of 41 people attended the open-house meeting, and 27 questionnaires were submitted. Of the questionnaires turned in, 70% of the respondents felt the need for the project had been adequately explained, 74% felt that the information presented was useful, and 33% of the respondents had a home near the potential route.
6. SHECO published notice of its application and of the opportunity to intervene once each week for two consecutive weeks in the *San Jacinto News-Times* newspaper, a newspaper having general circulation in San Jacinto County, where the project is proposed. On June 22, 2004, SHECO filed with the Commission an explanation of the delay of the published notice due to an error by the *San Jacinto News-Times*.
7. On June 8, 2004, SHECO provided notice to the one affected utility, Mr. Carl Olson, P.E., Entergy Services, Inc.
8. On June 8, 2004, SHECO sent written notice of the application by first class mail to all landowners directly affected by the Point Blank-Staley project; on July 19, 2004, SHECO provided additional written notice by first class mail to the Natural Area Preservation Association, Inc., which was omitted in the original notice.

9. SHECO mailed written notice of the application to the Honorable Fritz Faulkner, County Judge, San Jacinto County, on June 8, 2004.
10. On July 6, 2004, SHECO filed proof of publication and affidavit from the *San Jacinto News-Times*, publishing notice on June 24 and July 1, 2004.
11. The notice provided by SHECO was in accordance with and satisfied the notice requirements as set forth in the P.U.C. PROC. R. 22.52.
12. On July 20, 2004, SHECO provided a list of affected landowners to whom SHECO had attempted to provide notice but had not received actual notice, as of three weeks prior to the intervention date in this proceeding, July 9, 2004.
13. On July 23, 2004, SHECO filed an affidavit, confirming that notice was sent to the Natural Area Preservation Association.
14. The Commission referred this case to the State Office of Administrative Hearings (SOAH) on August 19, 2004. Presiding Administrative Law Judge (ALJ) Tommy L. Broyles convened a prehearing conference on September 16, 2004.
15. Intervenors in this matter included the Commission Staff, Craig Knoeller, the Natural Area Preservation Association, Patti Williams, Honorable Sollie Jackson, Jr., Robert Lane, Lillie Choate, Danny and Georgia Benois, Scott Tolar, Tracy and Stacy Huffman, Sherry Clinton, Peggy Pierce, the Waterwood Improvement Association, Inc., N.L. Williams, Walter & Edith Kellum, William Williams, Willie Johnson, Beverly McMurrey, Dean Cowart, Damita & Jessie White, and Joseph Nacito.
16. On October 20, 2004, the PUC scheduled a technical conference for November 1, 2004, at 9:00 a.m. at the William B. Travis building, Hearing Room G.
17. On March 3, 2005, an affidavit of Supplemental Notice to Ronessa R. Hill was filed with the Commission.
18. ALJ Tommy L. Broyles conducted the hearing on the merits on March 7-10, 2005, at which SHECO, Staff, and intervenors George H. Russell and the

Waterwood Improvement Association appeared. Walter Kellum appeared by telephone.

19. The jurisdictional deadline was extended to July 8, 2005, as set out in Order No. 34.

B. Adequacy of Existing Service: Need for Additional Service

20. The areas surrounding the Waterwood Development, the Cities of Point Blank and Oakhurst, and the area south of U.S. Highway 190 toward the City of Coldspring are served by the Staley Substation.
21. The Staley Substation is located along F.M. 980 approximately 8 miles north of F.M. 980's intersection with U.S. Highway 190, and serves approximately 4,200 consumers, who consume approximately 20,000 kW of electrical energy at the time of peak loading.
22. The radial distribution circuits providing service to these consumers are lengthy, with one circuit being 25 miles and another being 17 miles in length. Many outages in the area are due to trees and tree limbs which are outside the SHECO right-of-ways (ROW) falling onto the distribution lines.
23. Construction of the Staley-to-Point Blank 138-kV transmission line and Point Blank Substation will reduce the length of the distribution circuits and reduce the effects of outages for all consumers in the area by limiting the exposure created by long distribution lines.
24. The 138-kV transmission line is not as susceptible to falling trees and tree limbs as the radial distribution circuits due to the height of the transmission line and due to the fact that it will be located in the middle of a 100-ft. ROW as opposed to the radial distribution circuit being located in the middle of a 20-ft. ROW.
25. The proposed facilities will address load growth for the service territory, but the major concerns for the area are voltage and loading constraints on the distribution system and distribution-system outages.

26. Concerns over outages on the area's distribution system cannot be addressed by any modification or improvements to the distribution system or by increasing the transformer capacity at the Staley Substation.
27. The distribution systems and the outages are directly associated with the length of the distribution circuits themselves.
28. The construction of the proposed Point Blank Substation will reduce the lengths used to provide electrical service to the consumers in the area and reduce the effect of outages for the consumers in the area.
29. SHECO has performed maintenance of the distribution-system circuitry, which includes ROW clearing, maintained and upgraded facilities, and verified coordination and correct operation of sectionalizing devices to address outages.
30. Maintenance of the distribution system can reduce outage hours experienced by consumers in the area, but they cannot address the exposure to outages due to the length of the radial distribution circuits.
31. The proposed facilities have not been reviewed by a PURA § 39.151 organization since it does not involve material improvements to the bulk transmission system in the area.
32. The proposed transmission facilities are within the Entergy service territory of southeastern Texas, and the Commission has not approved a PURA § 39.151 organization for this area.
33. The proposed facilities are not needed to provide service to a new transmission-service customer.
34. The Staley Substation currently has a limited capacity due to the size of its substation transformer, which has a maximum capacity rating of 22.4 MVA.
35. The transformer size can be addressed by supplementing the present transformer with a second unit of similar capacity; however, the current substation can not be expanded at its current site and is proposed to be replaced with another substation nearby.

36. The new Staley Substation will be constructed to accommodate three 138-kV transmission terminals to facilitate service to the Staley-Point Blank transmission line and sectionalize the existing Entergy 138-kV transmission line.
37. The cost of the new Staley Substation is estimated to be \$3,223,000.
38. The proposed Point Blank Substation is expected to have a substation transformer with a maximum capacity rating of 22.4 MVA and is estimated to cost \$1,732,000.
39. The transfer of load from Staley Substation service to Point Blank Substation service will reduce the load on the Staley Substation.
40. The estimated cost to construct SHECO's Route 6 is \$2,779,711.
41. SHECO plans to finance the project with internally generated funds or loans from other entities, such as Cooperative Finance Corporation or CoBank.
42. In addition to the proposed facilities, SHECO evaluated a number of options for serving the load including: the proposed project; no action; construction of generating facilities; conservation and demand-side management programs; and accessing alternative transmission lines.
43. The "No Action" option would eventually lead to degradation of service to the consumers:
 - a. No additional facilities would be constructed under the "No Action" option;
 - b. Service capability and reliability would be solely dependent upon existing transmission, substation, and distribution facilities; and
 - c. This option would not immediately degrade existing service, but would also not improve the electrical service of the area, resulting in long-term degradation of service
44. Numerous options were investigated as a part of *Application of East Texas Electric Cooperative, Inc. to Amend its Certificate of Convenience and Necessity for a Proposed Transmission Line within Anderson, Cherokee, Houston, Smith, and Van Zandt Counties*, Docket No. 12456, Order (Apr. 19, 1995).

45. SHECO is a member/owner of Sam Rayburn G&T Electric Cooperative, Inc. (SRG&T).
46. SRG&T is, in turn, a member/owner of East Texas Electric Cooperative, Inc. (ETEC).
47. The initial study and analysis for the ETEC CCN was included in a project-feasibility study performed by GDS Associates, Inc. of Marietta, Georgia.
48. A recent evaluation of current small-scale generation facilities indicates that traditional electric-system improvements are more economical than available generation technologies.
49. SHECO, through its power supplier, ETEC, implemented a pilot demand-side-management project to control high-usage electrical appliances in member residences.
50. Analysis of resulting load-data studies concluded that the cost-benefits of full implementation of a demand-side-management project were not economically feasible, and the pilot project was discontinued.
51. The desired results of the proposed transmission/substation projects cannot be addressed by conservation or demand-side management of existing or future load.
52. Attaching to alternative transmission lines was dismissed as an alternative option as no alternative transmission lines exist in the area.
53. The proposed transmission line and substation projects are economically and technologically superior to the possible alternate improvements considered and investigated by SHECO.
54. SHECO assessed its transmission and distribution system in a reasonable manner.
55. SHECO conducted system planning and formulated a construction plan consistent with good utility practice.
56. SHECO's evaluation of the economics of this project is reasonable.
57. No party contested SHECO's need for the project.

58. SHECO has a valid transmission and distribution easement that parallels F.M. 980 for Segment D of Route 6.
59. Existing distribution facilities will be under-built on the new transmission facilities for portions of Route 6.

C. Transmission-Facilities Design

60. The project will use single-pole steel or concrete structures and will have upswept steel davit arms arranged so that the conductors will be in an appropriate delta configuration.
61. The conductors will be arranged on the structure in a delta configuration to minimize any electro-magnetic fields and aid in addressing any prudent-avoidance issues.
62. The conductor size for the entire line will be a single 795-kilocircular-mil (kcmil) aluminum conductor steel reinforced (ACSR) per phase.
63. A shield wire will be attached to the top of each structure and the typical distance between structures will be 400 to 600 feet.
64. The typical ROW will be 100 feet for the entire length of the line.
65. Transmission poles will be between 55 and 100 feet in height with an average installation height of 80 feet above ground.
66. SHECO has chosen a reasonable design for the proposed transmission line and substation. The structure types are standard designs of a national utility body, e.g., the Rural Utilities Service, previously the Rural Electrification Administration of the United States Government.

D. Routing the Proposed Project

67. SHECO contracted with PBS&J to perform an alternative-route analysis and to prepare an Environmental Assessment (EA) for the proposed transmission project.

68. The studies performed by PBS&J provide information on factors found in PURA § 37.056(c)(4).
69. The EA was prepared by evaluating the factors in PURA in order to select and evaluate several alternative transmission-line routes from an environmental/land-use perspective.
70. The EA was ultimately used to recommend a preferred route that was feasible from engineering, environmental, and economic standpoints.
71. Using aerial photographs, environmental and land-use constraints, existing transportation and utility ROW, and the location of existing facilities, PBS&J (with review and assistance from SHECO) delineated a network of links that combined to form numerous preliminary routes, which were examined in the field.
72. Additional environmental and engineering review of the links resulted in the adjustment of said links to further reduce potential environmental impacts.
73. Nine alternative routes (primary alternative routes) were selected for detailed analysis and ranked in the EA by PBS&J.
74. The EA provides a comparison of these routes based upon the measurement of 39 separate criteria and the consensus opinion of PBS&J evaluators.
75. PBS&J contacted and consulted with various federal, state, and local agencies/officials in preparing its recommendations.
76. Each PBS&J staff person independently analyzed the routes and data based on his or her field of expertise.
77. The analysis of each primary alternative route involved the inventory and tabulation of the number or quantity of each factor located along each route (e.g., length paralleling existing ROW, amount of forest crossed, etc.).
78. The primary alternative routes were presented to the public initially during a public open-house meeting held at the Waterwood Country Club on October 23, 2003.

79. Notices announcing the location, time, and purpose of the public meeting were mailed to approximately 3,100 landowners and SHECO customers within the study area.
80. Public involvement contributed both to the evaluation of issues and concerns by SHECO and PBS&J and to the selection of the preferred route.
81. As a result of the open-house public meeting, adjustments were made to Link J to further reduce impacts to habitable structures.
82. The information obtained from the individuals who attended the public open-house meeting was taken into account when evaluating alternative routes.
83. After independently reviewing the data, PBS&J evaluators then met to discuss their independent results and select a recommended preferred and several alternative routes.
84. Based on its environmental evaluation, PBS&J recommended Route No. 6 as the preferred route.
85. Route 6 is the best alternative weighing the factors set forth in PURA § 37.056(c) and P.U.C. SUBST. R. 25.101(3)(B).
86. Four routes were litigated during the evidentiary hearing; factors concerning those routes are outlined in the following chart:

Route Comparison Chart

Factors	Rte. 1	Rte. 3	Rte. 6	Rte. 9
Length of route (miles)	7.93	7.74	7.64	8.73
Number of habitable structures	0	14	4	11
Estimated cost	\$3,194,555	3,066,136	2,779,711	\$3,116,333
Length using partially cleared transmission or distribution line easement (feet)	3,300	19,925	19,325	24,475
Length parallel to other existing ROW (feet)	20,625	2,550	2,410	20,765
Total length parallel to property lines (feet)	4,400	7,325	29,210	33,000
Total forest acres to be cleared	81.6	60.5	45.0	44.2

E. Prudent Avoidance

87. P.U.C. SUBST. R. 25.101(a)(4) defines the term “prudent avoidance” as “the limiting of exposures to electric and magnetic fields that can be avoided with reasonable investments of money and effort.”
88. Route 6 adequately follows the Commission’s rule and policies on prudent avoidance in that the route reflects reasonable investments of money and effort in order to limit exposure to electric and magnetic fields.
89. Route 6 is reasonably routed along existing ROWs and parallels property lines where reasonable and possible.
90. There are less than two habitable structures within 300 feet per mile of transmission line, which is reasonable and common for a transmission line in a rural area.

F. Community Values, Parks and Recreational Areas

91. The Commission's requirement to address "community values" has been adequately addressed by the compilation of data by PBS&J, the Commission, and from public input received by SHECO.
92. Route 6 does come within 1,000 feet of a recreational or park area. However, such proximity will not interfere with any potential recreational activities.

G. Historical and Aesthetic Values

93. The cultural-resource site files at the Texas Archaeological Research Library at the University of Texas at Austin and the Texas Historical Commission were reviewed for sites located in the study area.
94. SHECO has committed to take necessary precautions for mitigation of any discovered cultural-resource sites.
95. SHECO has adequately addressed archaeological and historic values.

H. Environmental Integrity

96. No part of the study area is located within the boundaries of the coastal-management-program boundary.
97. SHECO's environmental consultant prepared an EA for the proposed project and contacted state and federal agencies for assistance in determining if endangered or threatened species were potentially located in the area surrounding the proposed project.
98. Route 6 does not cross any areas of unique ecological value or any currently known habitat of threatened or endangered species.
99. Construction of the proposed project is not expected to impact any threatened or endangered species, as much of Route 6 follows existing road ROW.
100. Construction of the proposed project will only cause minimal short-term impacts to soil, water, and ecological resources.

101. Route 6 will have fewer negative environmental impacts than any of the other routes.

I. Probable Improvement of Service or Lowering of Cost to Consumers

102. Improved service and reliability will result from the proposed project and will inure to the benefit of SHECO's member-consumers.
103. The proposed project provides the lowest overall cost for the needed improvements when compared to the alternatives, including future maintenance and operations costs.

J. General Findings

104. Route 6 is a superior alternative to the other three routes when weighing the different factors set forth and discussed above.
105. When comparing the same seven factors for each of the four routes discussed, Route 6 ranked highest in two of the factors, second highest in another of the two factors, and third in one factor; giving Route 6 an overall higher score among all of the routes.
106. Route 6 is the shortest in length and the least expensive to construct among all the routes.
107. Route 6 comes within 300 feet of only four habitable structures, second only to Route 1.
108. Because Route 6 parallels F.M. 980 for over half the route, SHECO and its consumers will benefit from the lower cost of future repairs and maintenance because of easy access.
109. Route 6 crosses the least amount of upland forest, and because of the amount of existing ROW and short length of the route, would require similar or less clearing of vegetation in comparison to all other routes.

II. Conclusions of Law

1. SHECO is an electric utility as defined in PURA §§ 11.004 and 31.002(6).
2. The Commission has jurisdiction over this matter pursuant to PURA §§ 14.001, 14.051, 37.053, and 37.056.
3. SOAH has jurisdiction over this proceeding, including authority for the preparation of this proposal for decision, pursuant to PURA § 14.053 and TEX. GOV'T CODE ANN. §§ 2001.058 and 2003.049.
4. Proper notice of the Application was provided in compliance with PURA § 37.054 and P.U.C. PROC. R. 22.41.
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. SHECO's Proposed Project complies with the Commission's prudent-avoidance policy.
7. The Proposed Project is necessary for the service, accommodation, convenience, or safety of the public within the meaning of PURA § 37.056, taking into consideration the factors set out in PURA § 37.056(c).
8. SHECO is not subject to the unbundling requirements of PURA § 39.051.
9. Route 6 is the best route in light of the factors in PURA § 37.056(c) and P.U.C. SUBST. R. 25.101(b)(3)(B).
10. SHECO's application complies with P.U.C. SUBST. R. 25.101, and the requested certificate of convenience and necessity should be issued.

III. Ordering Paragraphs

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

1. SHECO's application is approved and a certificate of convenience and necessity is granted to include the construction of Route 6 in San Jacinto County, Texas, subject to Ordering Provision No. 2 below.
2. The following measures to mitigate construction impacts are hereby ordered:
 - a. SHECO shall minimize the amount of flora and fauna disturbed during construction of the proposed transmission line and shall re-vegetate using native species and considering landowner preferences. To the maximum extent practicable, SHECO shall avoid adverse environmental impacts to sensitive wildlife and vegetative habitats as identified by the Texas Parks and Wildlife Department and the United States Fish and Wildlife Service.
 - b. SHECO shall implement erosion control measures as appropriate. Also, SHECO shall return the site to its original contours and grades unless otherwise agreed to by the landowners or the landowners' representatives.
 - c. SHECO shall exercise extreme care to avoid affecting non-targeted vegetation or animal life when using chemical herbicides to control vegetation within the right-of-way. Herbicide use shall comply with rules and guidelines established in the *Federal Insecticide, Fungicide and Rodenticide Act* and with the Texas Department of Agriculture regulations.
 - d. SHECO shall follow procedures for raptor protection as outlined in *Suggested Practices for Raptor Protection on Power Lines, the State of the Art in 1996*, Avian Power Line Interaction Committee, 1996.
3. Prior to construction, BEPC shall obtain a permit from the Texas Department of Transportation for roadway crossings.
4. SHECO shall comply with the reporting requirements of P.U.C. SUBST. R. 25.83.
5. SHECO shall comply with all lawful requests and instructions issued by the proper federal, state, and local agencies and officials concerning the project.
6. All other motions, requests for entry of specific fact findings and legal conclusions, and any other requests for general or specific relief, if not expressly granted, are denied.

SIGNED AT AUSTIN, TEXAS the 23rd day of August 2005.

PUBLIC UTILITY COMMISSION OF TEXAS

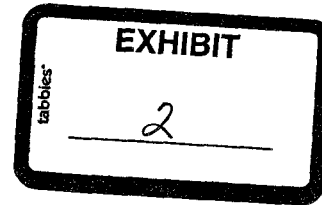


JULIE PARSLEY, COMMISSIONER

PAUL HUDSON, CHAIRMAN

BARRY T. SMITHERMAN, COMMISSIONER

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November 28, 2005

Isaac Williams, Jr Etux
180 Hanging Tree Trail
Point Blank, Tx 77364

Re: **PUC Docket No. 29705; SOAH Docket No. 473-04-8361; *Application of Sam Houston Electric Cooperative, Inc. for a Certificate of Convenience and Necessity (CCN) for a Proposed Substation and Transmission Line in San Jacinto County, Texas***

Dear Landowner:

On August 23, 2005 the Public Utility Commission issued a final order in the above-captioned matter approving Sam Houston Electric Cooperative, Inc.'s certificate of convenience and necessity ("CCN") as amended.

This letter is written to inform you that **your land is no longer directly affected by the approved route**, the approved route does not cross your property or come within 300' of a habitable structure located on your property. Therefore, your land is no longer a subject of the above referenced proceeding and will not be directly affected by the project.

If you have questions about this project, you should contact Bill Townley of Sam Houston Electric Cooperative, Inc., at (936) 328-1361.

Sincerely,

Bill Townley
Construction Manager