



Control Number: 29705



Item Number: 3

Addendum StartPage: 0

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APPLICATION OF SAM HOUSTON
ELECTRIC COOPERATIVE, INC. FOR
A CERTIFICATE OF CONVENIENCE
AND NECESSITY (CCN) FOR A
PROPOSED TRANSMISSION LINE IN
SAN JACINTO COUNTY, TEXAS

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PUBLIC UTILITY COMMISSION
FILING CLERK
OF TEXAS

**ORDER NO. 1
REQUIRING INFORMATION FROM APPLICANT AND RECOMMENDATION
FROM STAFF ON SUFFICIENCY OF APPLICATION AND NOTICE; ADDRESSING
OTHER PROCEDURAL MATTERS**

Application. On June 8, 2004, Sam Houston Electric Cooperative, Inc. (Sam Houston) filed an application for a certificate of convenience and necessity (CCN) for a proposed 138-kV transmission line in San Jacinto County, Texas. The proposed project is designated as the Staley - Point Blank 138 kV Transmission Line Project

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

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

1. Sam Houston 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. Sam Houston 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. Sam Houston 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. Sam Houston 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 300 feet of the proposed facility; and
5. Sam Houston 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. Sam Houston will indicate in its filing the name and address of any such landowner and the date and manner by which notice was provided.

In accordance with P.U.C. PROC. R. 22.52(a)(1)(A), the notice shall state the date established for the deadline for intervention in the proceeding (45-days after the date the formal application was filed with the Commission). In this proceeding the intervention deadline is July 23, 2004. Sam Houston 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. Sam Houston 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. Sam Houston shall file its proof of publication and proof of notice by mail by **July 6, 2004**.

Notice of this proceeding will be 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 as 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?

Sam Houston shall file information responsive to the above listed issues no later than **June 29, 2004**.

Recommendation as to Deficiencies, Notice, and Procedural Schedule. On or before **July 13, 2004**, 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.

Any other party may file recommendations on these issues subject to the same deadline. The applicant shall have until **July 20, 2004** 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.

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.

SIGNED AT AUSTIN, TEXAS the 9th day of June 2004.

PUBLIC UTILITY COMMISSION OF TEXAS



MICHAEL E. FIELD
DIRECTOR, DOCKET MANAGEMENT
POLICY DEVELOPMENT DIVISION