



Control Number: 30617



Item Number: 64

Addendum StartPage: 0

SOAH DOCKET NO. 473-05-5029

P.U.C. DOCKET NO. 30617

RECEIVED  
MAY 31 PM 1:21

PUBLIC UTILITY COMMISSION  
FILING CLERK

|                                 |   |                           |
|---------------------------------|---|---------------------------|
| APPLICATION OF CENTERPOINT      | § | PUBLIC UTILITY COMMISSION |
| ENERGY HOUSTON ELECTRIC, LLC    | § | OF TEXAS                  |
| FOR A CERTIFICATE OF            | § |                           |
| CONVENIENCE AND NECESSITY (CCN) | § |                           |
| FOR A PROPOSED 69 KV            | § |                           |
| TRANSMISSION LINE WITHIN        | § |                           |
| BRAZORIA COUNTY                 | § |                           |

#### DIRECT TESTIMONY OF

JOHN R. KELLUM, JR.

(Direct Testimony of John R. Kellum, Jr.pdf)

#### TABLE OF CONTENTS

|       |  |    |
|-------|--|----|
| I.    | QUALIFICATIONS AND EXPERIENCE .....                                    | 2  |
| II.   | SUMMARY OF TESTIMONY .....   | 3  |
| III.  | PURPOSE AND SCOPE OF TESTIMONY .....                                   | 4  |
| IV.   | FREEPORT LNG PROJECT .....   | 5  |
| V.    | THE PREFERRED AND ALTERNATE ROUTES .....                               | 6  |
| VI.   | CERTIFICATION REQUIREMENTS FOR NEW ELECTRIC<br>TRANSMISSION LINES..... | 10 |
| VII.  | CONCLUSION.....  | 20 |
| VIII. | CERTIFICATE OF SERVICE .....   | 22 |

1                                   **DIRECT TESTIMONY OF**  
2                                   **JOHN R. KELLUM, JR.**

3  
4                                   **I. QUALIFICATIONS AND EXPERIENCE**

5  
6   **Q.    PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

7    A.    My name is John R. Kellum, Jr. My business mailing address is P.O. Box 1700,  
8           Houston, Texas 77251-1700.

9  
10   **Q.   BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?**

11   A.    I am employed by CenterPoint Energy Houston Electric, LLC ("CenterPoint  
12           Energy") as Manager of Transmission Operations.

13  
14   **Q.   PLEASE STATE YOUR EDUCATIONAL BACKGROUND AND**  
15           **PROFESSIONAL EXPERIENCE.**

16   A.    I received a Bachelor of Business Administration degree in Management from  
17           Texas A&M University in 1979. I also received a Master of Business  
18           Administration degree in Management from Texas A&M University in 1981. I  
19           started my career with CenterPoint Energy in June 1981 as a Power Consultant  
20           where I focused on providing electric service to residential and commercial  
21           customers. I was promoted to Senior Power Consultant in 1984 and was  
22           responsible for handling large commercial and industrial accounts. In 1985 I was  
23           assigned to the Rate Department as a Staff Research Analyst where I supported  
24           rate case filings and new rate designs. I was promoted to Supervisor of  
25           Conservation Activities in 1986 where I directed energy efficiency program  
26           activities. In 1992 I was promoted to Manager in the Business Development group  
27           responsible for retaining and attracting business to the Houston area. In 1993 I  
28           assumed the responsibilities of Manager of Rate Design where I directed rate case  
29           and rate design activities. I was promoted to Service Area Manager in 1996 and  
30           held that position in the Cypress district until December 1999 at which time I was

1 transferred to the Humble District Office where I worked until November 2004. In  
2 that capacity, I was responsible for managing the design, engineering and  
3 construction of distribution facilities, and customer and community relations for  
4 the district office. I also served as a Board of Directors member for various  
5 chambers of commerce and education foundations. In my current position as  
6 Manager of Transmission Operations, which I have held since November 2004, I  
7 am responsible for the design, construction, and maintenance of the electric  
8 transmission facilities for CenterPoint Energy.

9  
10 **Q. HAVE YOU PREVIOUSLY TESTIFIED BEFORE THE PUBLIC UTILITY**  
11 **COMMISSION OF TEXAS?**

12 **A.** Yes. I have testified in the following proceedings: Docket No. 11999, *Application*  
13 *of Houston Lighting & Power Co. for Approval of Tariff for Economic*  
14 *Improvement Service – Rate Schedule EIS*; Docket No. 12065, *Complaint of*  
15 *Kenneth D. Williams against Houston Lighting & Power Company*; and Docket  
16 *No. 12957, Application of Houston Lighting & Power Co. for Approval of*  
17 *Experimental Tariff for Special Contract Pricing – Rate Schedule SCP.*

18  
19 **II. SUMMARY OF TESTIMONY**

20  
21 **Q. PLEASE SUMMARIZE YOUR TESTIMONY.**

22 **A.** On January 28, 2005, CenterPoint Energy filed an Application for a Certificate of  
23 Convenience and Necessity (“the Application”) in order to provide transmission  
24 level service to Quintana (“QNTANA”) Substation, a proposed customer-owned  
25 substation to be built by Freeport LNG Development, L.P. (“Freeport LNG”).  
26 Freeport LNG is constructing a liquefied natural gas (“LNG”) terminal and  
27 regasification facility on Quintana Island, near Freeport, in Brazoria County,  
28 Texas, and requested transmission level service to that facility. CenterPoint  
29 Energy hired Burns & McDonnell Engineering Company, Inc. (“Burns &

McDonnell”) to perform a Routing Study and Environmental Assessment (“the Study”) for the project.

Based on a balanced consideration of regulatory requirements, engineering constraints, public input, and construction costs, the Preferred Route presented in the Application is the best routing alternative for this project. CenterPoint Energy has complied with the requirements contained in the Public Utility Regulatory Act (“PURA”) and the Substantive and Procedural Rules of the Public Utility Commission of Texas (“the Commission”).

### **III. PURPOSE AND SCOPE OF TESTIMONY**

**Q. WHAT IS THE PURPOSE AND SCOPE OF YOUR TESTIMONY?**

A. The purpose of my testimony is to address the following issues:

- The request for service from Freeport LNG;
- The process for determining the preferred and alternate routes;
- The role of Burns & McDonnell in performing the Study for the project; and
- Compliance with the requirements of PURA and the Substantive and Procedural Rules of the Commission for a Certificate of Convenience and Necessity (“CCN”).

**Q. WHAT PORTION OF THE CENTERPOINT ENERGY APPLICATION FOR A CCN ARE YOU SPONSORING IN THIS PROCEEDING?**

A. I am sponsoring the responses to questions 1, 2, 7, 8, 9, 10, 11, and 24. These responses were prepared by me or under my direct supervision and control.

1   **Q.   PLEASE IDENTIFY THE OTHER WITNESSES WHO WILL BE**  
2   **PRESENTING TESTIMONY ON BEHALF OF CENTERPOINT ENERGY,**  
3   **THE PORTIONS OF THE APPLICATION WITHIN THE**  
4   **RESPONSIBILITY OF EACH WITNESS, AND THE SCOPE OF THEIR**  
5   **TESTIMONY.**

6   **A.   Mr. Wesley D. Woitt from Transmission Planning of CenterPoint Energy will**  
7   **address Transmission Planning's role in responding to Freeport LNG's request for**  
8   **service, including determination of system impacts, and the service alternatives.**  
9   **Mr. Woitt will sponsor the responses to Questions 13 and 14 of the Application.**

10

11       Mr. Christopher T. Catania from Transmission Design & Project Engineering,  
12       which is a part of Transmission Operations, will address the process used to  
13       determine the type of structures and conductors to be used in construction of the  
14       facilities, the estimated costs of construction, the right-of-way requirements for the  
15       project, and engineering issues related to electric and magnetic fields. Mr. Catania  
16       will sponsor the responses to Questions 3, 4, 5, 6, 12, and 15 of the Application.

17

18       Finally, Ms. Lisa M. Barko with Burns & McDonnell will address the Study, the  
19       public meeting, the determination of the preferred and alternate routes, routing  
20       issues related to electric and magnetic fields, and the Coastal Management  
21       Program. Ms. Barko will sponsor the responses to Questions 16, 17, 18, 19, 20,  
22       21, 22, 23, 25, 26, 27, and 28 of the Application.

23

24                               **IV. FREEPORT LNG PROJECT**

25

26   **Q.   HOW AND WHEN DID CENTERPOINT ENERGY LEARN ABOUT THE**  
27   **REQUEST FOR SERVICE FROM FREEPORT LNG?**

28   **A.   In August 2002, Freeport LNG contacted CenterPoint Energy's Industrial & Large**  
29   **Commercial Accounts ("ILCA") department. ILCA then began discussions with**  
30   **Freeport LNG regarding the need for new transmission service for the proposed**

1 LNG facility. In December 2004, Freeport LNG sent a letter to CenterPoint  
2 Energy confirming the earlier verbal request for transmission service to their  
3 regasification terminal on Quintana Island. This letter is Attachment 3 to the  
4 Application.

5  
6 **Q. WHAT IS THE PROPOSED IN-SERVICE DATE SPECIFIED BY**  
7 **FREEPORT LNG?**

8 A. Although Freeport LNG has not specified a date for having the transmission  
9 facilities in service, in the December 2004 letter, it is stated that "Freeport LNG  
10 would need to establish a transmission service agreement with CenterPoint Energy  
11 by the beginning of 2007 to secure electricity needed for testing and  
12 commissioning of the terminal." In response to Question 7 of the Application,  
13 CenterPoint Energy estimated the date for energization of the transmission  
14 facilities to be November 30, 2006.

15  
16 **Q. WHAT ELECTRIC SERVICE REQUIREMENTS DID FREEPORT LNG**  
17 **PROVIDE FOR THE PROJECT?**

18 A. Freeport LNG stated that its initial average demand will be 31 megawatts ("MW")  
19 and its initial peak demand will be 37 MW.

20  
21 **V. THE PREFERRED AND ALTERNATE ROUTES**

22  
23 **Q. DID CENTERPOINT ENERGY PERFORM A ROUTING STUDY AND**  
24 **ENVIRONMENTAL ASSESSMENT FOR THIS APPLICATION?**

25 A. Yes, CenterPoint Energy contracted with Burns & McDonnell in August 2004 to  
26 perform the Study, prepare the Application, and assist in acquisition of other  
27 necessary permits required to construct the proposed transmission facilities.

1   **Q.   DESCRIBE WHAT CENTERPOINT ENERGY INSTRUCTED THE**  
2   **CONSULTANT TO DO WITH REGARD TO THE STUDY.**

3   A.   CenterPoint Energy instructed the consultant to identify and assess potential  
4   alternative routes based on Commission rules and sound routing principles and to  
5   identify alternate routes that were geographically diverse.  
6

7   **Q.   DID CENTERPOINT ENERGY OBTAIN INPUT FROM THE PUBLIC**  
8   **AND FEDERAL, STATE AND LOCAL AGENCIES ON THE PROPOSED**  
9   **ROUTES FOR THE NEW TRANSMISSION FACILITIES?**

10  A.   Yes. Ms. Barko in her testimony will address the input received from the public at  
11   the public meeting and from contacts with federal, state and local agencies.  
12

13  **Q.   PLEASE DESCRIBE THE STEPS INVOLVED IN A ROUTING STUDY.**

14  A.   In general, a routing study starts with the identification of a Study Area, an area  
15   that encompasses all potential terminal locations for the proposed electric  
16   transmission facility as well as being large enough to evaluate several routing  
17   alternatives that are geographically diverse to avoid affecting the same landowners  
18   with alternative routes. Following establishment of the Study Area, the routing  
19   consultant identifies environmental constraint areas, including, but not limited to  
20   such areas as wetlands, known threatened or endangered species habitat, hazardous  
21   waste disposal areas, etc.  
22

23   The consultant then selects a number of preliminary route segments, keeping in  
24   mind the constraint areas and the routing criteria listed in P.U.C. Subst. R.  
25   25.101(b)(3)(B)(i-iv), and making sure that the segments are geographically  
26   dispersed within the Study Area. A list of preliminary routing criteria, including  
27   those in the Commission's Substantive Rule, is selected for evaluating and making  
28   comparisons between the various preliminary route segments.  
29



1 The next step is to present the preliminary route segments at a public meeting to  
2 which all potentially-affected landowners, public officials from the county and  
3 municipalities near the Study Area, regulatory agencies, and the public at large are  
4 invited. At the public meeting, attendees are able to view maps, photographs,  
5 charts, and drawings depicting the preliminary route segments, planned  
6 transmission structures to be used, the need for the new transmission facility, the  
7 proposed schedule for regulatory filings, right-of-way acquisition, construction,  
8 and information on electric and magnetic fields. Input from the public is solicited  
9 concerning planned development projects, environmental constraint areas that are  
10 not shown on the maps, or any other information that will be helpful in selecting  
11 the preliminary route segments that should be further evaluated. A questionnaire  
12 form is provided for the attendees to express their preferences as to what types of  
13 existing rights-of-way should be paralleled by the proposed transmission facility,  
14 what types of community values areas should be avoided, the location along one or  
15 more of the preliminary route segments where the attendee has an interest in real  
16 property that would be directly affected by the proposed transmission facility, and  
17 any comments the attendees would like to make regarding the project. Following  
18 the public meeting, the consultant evaluates each questionnaire and tabulates the  
19 responses to the various questions in order to gain an understanding of the  
20 surrounding community's preferences with regard to where the proposed  
21 transmission facility should or should not be located.

22  
23 The preliminary routing criteria are re-evaluated after the public meeting to see if  
24 additional criteria are needed or if some criteria can be eliminated based on public  
25 input received. This information is utilized by the consultant to aid in the selection  
26 of a preferred and one or more alternate routes that will be presented to the  
27 Commission in the CCN application. Ms. Barko will present details of the process  
28 Burns & McDonnell followed in the selection of the preferred and alternate routes  
29 for this project.  
30

1   **Q.   DID THE STUDY RECOMMEND PREFERRED AND ALTERNATE**  
2   **ROUTES FOR THE PROPOSED TRANSMISSION PROJECT?**

3   A.   Yes. The Study evaluated six potential alternate routes. Burns & McDonnell  
4   recommends the use of Route 4 as the preferred route ("Preferred Route"). The  
5   Study identifies an additional three alternate routes in order of preference.  
6

7   **Q.   DOES CENTERPOINT ENERGY AGREE WITH THE**  
8   **RECOMMENDATION OF BURNS & MCDONNELL REGARDING THE**  
9   **PREFERRED ROUTE FOR THE PROPOSED TRANSMISSION**  
10  **PROJECT?**

11  A.   Yes, CenterPoint Energy evaluated the recommendation of Burns & McDonnell in  
12  the Study, and determined that considering regulatory requirements, engineering  
13  constraints, public input, and construction costs, the Preferred Route is the best  
14  routing alternative for this project.  
15

16  **Q.   WHAT IS THE ESTIMATED COST OF THE PREFERRED ROUTE?**

17  A.   The total project cost is estimated to be \$6,585,000, with \$6,395,000 of that being  
18  for transmission construction and \$190,000 for the relaying and Supervisory  
19  Control and Data Acquisition ("SCADA") at the new QNTANA Substation.  
20

21  **Q.   HOW WILL THE PROPOSED TRANSMISSION PROJECT BE**  
22  **FINANCED?**

23  A.   Although terms of the service agreement with Freeport LNG have not been  
24  finalized, the customer has agreed to pay for the actual costs of the transmission  
25  facilities and the relaying and SCADA equipment. The customer may be  
26  requested to make advanced payments for certain materials ordered specifically for  
27  this project. To date, the customer has paid CenterPoint Energy \$250,000 to  
28  initiate the project.  
29  
30

1 **VI. CERTIFICATION REQUIREMENTS FOR NEW**  
2 **ELECTRIC TRANSMISSION LINES**  
3

4 **Q. WHAT ARE THE STATUTORY AND REGULATORY REQUIREMENTS**  
5 **ASSOCIATED WITH PROVIDING TRANSMISSION SERVICE TO**  
6 **FREEPORT LNG?**

7 A. PURA and the Commission's Substantive and Procedural Rules specify the  
8 requirements to be considered and the procedures to be used in obtaining a CCN  
9 for the construction of transmission facilities.  
10

11 ***Public Utility Regulatory Act***  
12

13 **Q. WHAT ARE THE REQUIREMENTS CONTAINED IN PURA FOR**  
14 **CERTIFYING NEW ELECTRIC TRANSMISSION LINES?**

15 A. Chapter 37 of PURA addresses the requirements for obtaining a CCN. Section  
16 37.056 of PURA requires that the Commission find that the certificate is necessary  
17 for the service, accommodation, convenience, or safety of the public. PURA states  
18 that the Commission may consider the following factors: the adequacy of existing  
19 service; the need for additional service; the effect of granting the certificate on the  
20 recipient of the certificate and any electric utility serving the proximate area; and  
21 other factors, such as: community values; recreational and park areas; historical  
22 and aesthetic values; environmental integrity; the probable improvement of service  
23 or lowering of cost to consumers in the area if the certificate is granted; and to the  
24 extent applicable, the effect of granting the certificate on the ability of this state to  
25 meet the renewable energy goal.  
26

1    **Q.    DID CENTERPOINT ENERGY ADDRESS THE FACTORS CONTAINED**  
2       **IN PURA IN THE SELECTION OF THE PREFERRED ROUTE AND**  
3       **ALTERNATE ROUTES?**

4    A.    Yes. Mr. Woitt is providing testimony on the following factors: the adequacy of  
5       existing service; the need for additional service; and the effect of granting the  
6       certificate on the recipient of the certificate and any electric utility serving the  
7       proximate area. Ms. Barko is providing testimony on the following factors:  
8       community values; recreational and park areas; historical and aesthetic values; and  
9       environmental integrity.

10

11   **Q.    WILL THE SERVICE BE IMPROVED OR THE COSTS LOWERED TO**  
12       **CONSUMERS IN THE AREA IF THE COMMISSION GRANTS A CCN**  
13       **TO CENTERPOINT ENERGY FOR THIS TRANSMISSION PROJECT?**

14   A.    This is a customer interconnection project and is not designed to improve service  
15       or to lower cost to consumers in the area.

16

17   **Q.    DOES THIS PROJECT HAVE AN EFFECT ON THE ABILITY OF THE**  
18       **STATE TO MEET THE RENEWABLE ENERGY GOAL?**

19   A.    No.

20

21   **Q.    IN YOUR OPINION, DOES THE PROPOSED TRANSMISSION PROJECT**  
22       **COMPLY WITH THE REQUIREMENTS OF PURA?**

23   A.    Yes.

24

25

*Commission Substantive Rules*

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

**Q. WHAT ARE THE REQUIREMENTS UNDER P.U.C. SUBST. R. 25.101 FOR CERTIFYING NEW ELECTRIC TRANSMISSION LINES?**

A. P.U.C. Subst. R. 25.101(b)(3) addresses the requirements to submit and obtain a CCN for a new electric transmission line. The rule requires that all new transmission lines be reported to the Commission in accordance with P.U.C. Subst. R. 25.83. The rule also establishes the factors that the Commission shall consider in determining whether there is a need for the proposed transmission lines. The rule sets forth specific issues to be considered in routing a proposed transmission line in addition to the statutory considerations contained in Section 37.056 of PURA.

**Q. HAS CENTERPOINT ENERGY COMPLIED WITH THE REQUIREMENTS OF P.U.C. SUBST. R. 25.83 FOR REPORTING THE PROJECT?**

A. Yes. P.U.C. Subst. R. 25.83 requires that if a project must receive a CCN pursuant to P.U.C. Subst. R. 25.101(b)(3) the project shall be included on the next scheduled monthly construction progress report following the filing of a CCN application and in all subsequent construction progress reports until the final project costs have been reported. In compliance with the rule, CenterPoint Energy included the Freeport LNG transmission project on the monthly construction report submitted on February 20, 2005, and each monthly report since February 2005.

1    **Q.    PLEASE DISCUSS THE REQUIREMENTS TO ESTABLISH THE NEED**  
2    **FOR A NEW TRANSMISSION LINE CONTAINED IN P.U.C. SUBST. R.**  
3    **25.101(b)(3)(A).**

4    A.    The Commission's Substantive Rule requires that the Commission consider,  
5    among other factors, the needs of the interconnected transmission systems to  
6    support a reliable and adequate network and to facilitate robust wholesale  
7    competition. The rule also states that "the Commission shall give great weight to  
8    . . . written documentation that the proposed facility is needed for the purpose of  
9    interconnecting a new transmission service customer."  
10

11   **Q.    DID CENTERPOINT ENERGY CONSIDER THE NEEDS OF THE**  
12   **INTERCONNECTED TRANSMISSION SYSTEMS TO SUPPORT A**  
13   **RELIABLE AND ADEQUATE NETWORK?**

14   A.    Yes, Mr. Woitt is providing testimony concerning the reliability and adequacy of  
15   the transmission system.  
16

17   **Q.    DID CENTERPOINT ENERGY CONSIDER WHETHER THE**  
18   **TRANSMISSION PROJECT FACILITATES ROBUST WHOLESALE**  
19   **COMPETITION?**

20   A.    As previously discussed, the transmission project was developed in response to a  
21   request for service by a new transmission service customer; therefore, this issue is  
22   not specifically applicable to this project. Yet, to the extent that the addition of a  
23   new, large retail customer to the competitive retail electric market facilitates robust  
24   wholesale competition, this project clearly accomplishes that goal.  
25

26   **Q.    PLEASE DISCUSS THE FACTORS CONTAINED IN P.U.C. SUBST. R.**  
27   **25.101(b)(3)(B) TO BE CONSIDERED IN ROUTING A NEW**  
28   **TRANSMISSION LINE.**

29   A.    The Commission's Substantive Rule requires that the application for a new  
30   transmission line address the criteria contained in PURA §37.056(c). These issues

1 have previously been discussed. The applicant must also consider engineering  
2 constraints and costs. In addition, the rule requires that the line be routed to the  
3 extent reasonable to moderate the impact on the affected community and  
4 landowners unless grid reliability and security dictate otherwise. The rule further  
5 requires that the utility consider the following factors: whether the routes utilize  
6 existing compatible rights-of-way, including the use of vacant positions on  
7 existing multiple-circuit transmission lines; whether the routes parallel existing  
8 compatible rights-of-way; whether the routes parallel property lines or other  
9 natural or cultural features; and whether the routes conform with the policy of  
10 prudent avoidance.

11  
12 **Q. DID CENTERPOINT ENERGY CONSIDER ENGINEERING**  
13 **CONSTRAINTS AND COSTS?**

14 A. Yes, Mr. Catania is providing testimony concerning these issues. The issues are  
15 also discussed within the Study sponsored by Ms. Barko.

16  
17 **Q. IN CONSIDERING THE VARIOUS ROUTES, DID CENTERPOINT**  
18 **ENERGY CONSIDER THE EXTENT TO WHICH THE TRANSMISSION**  
19 **PROJECT WILL IMPACT THE AFFECTED COMMUNITY AND**  
20 **LANDOWNERS WHILE ALSO CONSIDERING GRID RELIABILITY**  
21 **AND SECURITY?**

22 A. Yes. Ms. Barko is addressing the affect on the community and landowners, while  
23 Mr. Woitt is discussing the issues of grid reliability and security.

24  
25 **Q. DID CENTERPOINT ENERGY CONSIDER THE REMAINING FACTORS**  
26 **REQUIRED PURSUANT TO P.U.C. SUBST. R. 25.101(b)(3)(B)?**

27 A. Yes. CenterPoint Energy considered whether the routes utilize existing compatible  
28 rights-of-way, including the use of vacant positions on existing multiple-circuit  
29 transmission lines. This factor was important in CenterPoint Energy's decision to  
30 recommend construction of the Preferred Route, because it utilizes the same route

1 as an existing distribution facility. CenterPoint Energy also considered whether  
2 the routes parallel existing compatible rights-of-way. This consideration was  
3 significant in determining the Preferred Route, because the route will follow the  
4 road that connects Quintana Island to the mainland. CenterPoint Energy  
5 considered whether the routes parallel property lines or other natural or cultural  
6 features. Consideration of this criterion is evidenced by the fact that the Preferred  
7 Route does not bisect any property other than Freeport LNG's. Instead, the  
8 Preferred Route follows existing road right-of-way, which means it also follows  
9 property lines. In addition, the sole route that would bisect property owned by one  
10 entity, the Port of Freeport, was determined to be the fourth choice for  
11 construction. Another issue considered by CenterPoint Energy in the routing  
12 process was whether the routes conform with the Commission's policy of prudent  
13 avoidance. Mr. Catania and Ms. Barko will address this issue in greater detail.  
14

15 **Q. WHAT ARE THE REQUIREMENTS UNDER P.U.C. SUBST. R. 25.102**  
16 **FOR CERTIFYING NEW ELECTRIC TRANSMISSION LINES?**

17 A. P.U.C. Subst. R. 25.102(a) and (b) address the requirements an applicant for a  
18 CCN must meet if the proposed transmission facilities, in part or in whole, fall  
19 within the Coastal Management Program ("CMP") boundary as it is defined in 31  
20 T.A.C. §503.1. Because the project is located within the CMP boundary as stated  
21 in response to Question 27 of the Application, CenterPoint Energy is required to  
22 comply with these provisions of the Commission's Substantive Rules.  
23

24 **Q. PLEASE DISCUSS THE REQUIREMENTS OF P.U.C. SUBST. R. 25.102(a).**

25 A. If the proposed transmission line is within the CMP, P.U.C. Subst. R. 25.102(a)  
26 requires that the applicant must state whether any part of the proposed facilities  
27 will be seaward of the Coastal Facility Designation Line as defined in T.A.C.  
28 Section 19.2(a)(21). If any part of the proposed transmission facilities is seaward  
29 of the Coastal Facility Designation Line, the applicant must identify the types of



1 Coastal Natural Resource Areas that will be impacted by any part of the proposed  
2 facilities.

3  
4 **Q. PLEASE DISCUSS THE REQUIREMENTS OF P.U.C. SUBST. R. 25.102(b).**

5 A. If the proposed facilities exceed the thresholds for referral to the Coastal  
6 Coordination Council, then the Commission must describe the proposed facilities  
7 and their probable impact on the applicable coastal resources in the findings of fact  
8 and conclusions of law. The findings also must identify "the goals and policies  
9 applied and an explanation of the basis for the Commission's determination that  
10 the proposed facilities are consistent with the goals and policies of the Coastal  
11 Management Program or why the action does not adversely affect any applicable  
12 coastal natural resource specified in 31 T.A.C. §501.14(a)." The specified 31  
13 T.A.C. §501.14(a) no longer exists, because it was repealed by the Coastal  
14 Coordination Council effective October 6, 2004. The goals and policies of the  
15 CMP as they relate to electric transmission lines are now located in §501.12 and  
16 §501.16, respectively. Ms. Barko is providing testimony on the issues related to  
17 the Coastal Management Program.

18  
19 **Q. IN YOUR OPINION, DOES THE PROPOSED TRANSMISSION PROJECT**  
20 **COMPLY WITH THE REQUIREMENTS OF THE COMMISSION'S**  
21 **SUBSTANTIVE RULES?**

22 A. Yes.

23  
24 *Commission Procedural Rules*

25  
26 **Q. WHAT ARE THE NOTICE REQUIREMENTS UNDER THE**  
27 **COMMISSION'S PROCEDURAL RULES FOR CERTIFYING NEW**  
28 **ELECTRIC TRANSMISSION LINES?**

29 A. P.U.C. Proc. R. 22.52 establishes the requirements for notice in licensing  
30 proceedings. P.U.C. Proc. R. 22.52 (a)(1) requires that notice be published in a

1 newspaper having general circulation in the county where the CCN is being  
2 requested. P.U.C. Proc. R. 22.52(a)(2) requires that notice of the application be  
3 mailed to municipalities and neighboring utilities within five miles and to county  
4 governments where the proposed facilities are located. P.U.C. Proc. R. 22.52(a)(3)  
5 requires that direct notice be mailed to owners of land, as stated on the current  
6 county tax rolls, that are directly affected by the application.

7  
8 **Q. DID CENTERPOINT ENERGY PROVIDE NOTICE OF THE FILING OF**  
9 **THIS APPLICATION AS REQUIRED BY THE COMMISSION'S**  
10 **PROCEDURAL RULES?**

11 A. Yes.

12  
13 **Q. PLEASE DISCUSS THE PUBLICATION OF NEWSPAPER NOTICE.**

14 A. Pursuant to P.U.C. Proc. R. 22.52(a)(1), CenterPoint Energy had public notice  
15 published on February 2 and 9, 2005, in *The Facts*, which is a newspaper of  
16 general circulation within Brazoria County, Texas. Publisher's affidavits were  
17 filed with the Commission on February 24, 2005, showing proof of published  
18 notice. The Publisher's affidavit included copies of the published notice.

19  
20 **Q. PLEASE DISCUSS THE NOTICE PROVIDED TO MUNICIPALITIES**  
21 **AND THE COUNTY OF BRAZORIA.**

22 A. In addition to the County of Brazoria, there are seven municipalities within five  
23 miles of the proposed project. Pursuant to P.U.C. Proc. R. 22.52(a)(2),  
24 CenterPoint Energy mailed notice of the application to the cities of Freeport and  
25 Quintana and to the County of Brazoria on January 28, 2005. Notices were mailed  
26 to the cities of Lake Jackson, Clute, Oyster Creek and the villages of Surfside  
27 Beach and Jones Creek on February 3, 2005. An affidavit was filed with the  
28 Commission on February 24, 2005, showing proof of notice to the municipalities  
29 within five miles of the project and the County of Brazoria. The affidavit included  
30 a representative copy of the notice provided to the municipalities and county.

1   **Q.    WAS ADDITIONAL NOTICE PROVIDED TO THE MUNICIPALITIES**  
2   **AND BRAZORIA COUNTY?**

3   A.    Yes, CenterPoint Energy provided additional notice to the municipalities and  
4   Brazoria County by hand delivery on March 8 and 9, 2005. An affidavit was filed  
5   with the Commission on March 29, 2005, showing proof of the additional notice.  
6   The affidavit included a representative copy of the additional notice provided to  
7   the municipalities and County.

8

9   **Q.    ARE THERE ANY NEIGHBORING UTILITIES WITHIN FIVE MILES OF**  
10   **THIS PROJECT?**

11   A.    No.

12

13   **Q.    PLEASE DISCUSS THE NOTICE PROVIDED TO OWNERS OF LAND**  
14   **THAT ARE DIRECTLY AFFECTED BY THE APPLICATION.**

15   A.    Pursuant to P.U.C. Proc. R. 22.52(a)(3), on January 28, 2005, CenterPoint Energy  
16   mailed direct notice to the owners of land, as stated on the current county tax rolls,  
17   who would be directly affected by the application. The notice was sent to a total  
18   of 20 owners of land on the Preferred Route and the three alternate routes. An  
19   affidavit was filed with the Commission on February 24, 2005, showing proof of  
20   notice to owners of land directly affected by the application. The affidavit  
21   included a representative copy of the notice.

22

23   **Q.    WAS ADDITIONAL NOTICE PROVIDED TO ANY OWNERS OF LAND**  
24   **THAT ARE DIRECTLY AFFECTED BY THE APPLICATION?**

25   A.    Yes. On April 14, 2005, CenterPoint Energy discovered that a landowner of a  
26   habitable structure within 300 feet of the centerline of the Preferred Route was  
27   inadvertently not provided direct notice of the Application. Notice was sent by  
28   overnight delivery to the landowner listed on the county tax rolls. The notice was  
29   returned as undeliverable. Personnel of CenterPoint Energy researched the current  
30   ownership further and determined that the property had been sold. Notice was

1 hand delivered to the new landowner of the residence on April 18, 2005. An  
2 affidavit supporting the additional notice was filed on April 21, 2005.

3  
4 **Q. WHAT ARE THE REQUIREMENTS UNDER THE COMMISSION'S**  
5 **PROCEDURAL RULES FOR HOLDING A PUBLIC MEETING?**

6 A. P.U.C. Proc. R. 22.52(a)(4) requires that the utility hold at least one public meeting  
7 prior to filing a CCN application if more than 25 persons would be entitled to  
8 receive direct notice. The rule also requires that direct mail notice of the public  
9 meeting shall be sent by first-class mail to each of the persons listed on the current  
10 county tax rolls as an owner of land within 300 feet of the centerline of a  
11 transmission project of 230 kV or less.

12  
13 **Q. DID CENTERPOINT ENERGY HOST A PUBLIC MEETING?**

14 A. Yes, CenterPoint Energy hosted a public meeting on September 30, 2004, at  
15 Freeport Community House, 1300 W. Second Street, in Freeport, Texas, to  
16 provide the public with information about the proposed project and to obtain  
17 public input on the preliminary alternate route segments. Ms. Barko is providing  
18 additional information concerning the public meeting and how input received was  
19 used in the selection of the preferred and alternate routes.

20  
21 **Q. DID CENTERPOINT ENERGY PROVIDE DIRECT NOTICE OF THE**  
22 **PUBLIC MEETING?**

23 A. Yes, CenterPoint Energy mailed direct notice to 83 owners of land within 300 feet  
24 of the centerline of all preliminary alternate route segments of the transmission  
25 project on September 16, 2004.

26  
27 **Q. WAS ANY OTHER FORM OF NOTICE USED TO ADVERTISE THE**  
28 **PUBLIC MEETING?**

29 A. Yes, notice of the public meeting was published in *The Facts*, a newspaper of  
30 general circulation within Brazoria County, Texas, on September 16 and 23, 2004.

1 In addition, the Company mailed direct notice to 23 local elected and non-elected  
2 officials.

3  
4 **Q. HAS CENTERPOINT ENERGY COMPLIED WITH P.U.C. PROC. R. 22.52**  
5 **REGARDING PROVIDING NOTICE OF THIS APPLICATION?**

6 **A. Yes.**

7  
8 **VII. CONCLUSION**

9  
10 **Q. DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?**

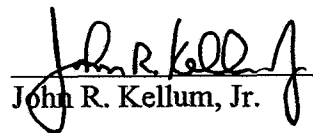
11 **A. Yes.**

AFFIDAVIT

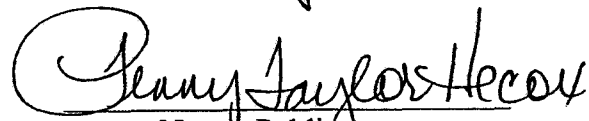
STATE OF TEXAS  
COUNTY OF HARRIS

Before me the undersigned notary public, on this day personally appeared John R. Kellum, Jr., to me known, who being duly sworn according to the law, deposes and says:

"My name is John R. Kellum, Jr. I am of legal age and a resident of the State of Texas. The foregoing testimony and the opinions stated therein offered on behalf of CenterPoint Energy Houston Electric, LLC, are in my judgment and based upon my professional experience, true and correct."

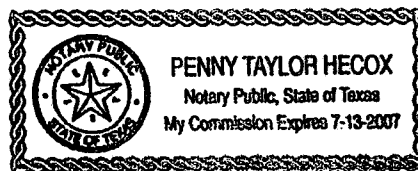
  
John R. Kellum, Jr.

Subscribed and sworn before me on this 24<sup>th</sup> day of May, 2005

  
Notary Public  
State of Texas

My commission expires:

07-13-2007



**CERTIFICATE OF SERVICE  
SOAH Docket 473-05-5029  
PUC Docket 30617**

I hereby certify that a true and correct copy of the foregoing document was hand delivered, electronic mail or sent by overnight delivery or United States first class mail to all parties this 31<sup>st</sup> of May, 2005.

Bunny Browning