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**SOAH DOCKET NO. 473-10-1097
PUC DOCKET NO. 37448**

APPLICATION OF LCRA	§	BEFORE THE STATE OFFICE
TRANSMISSION SERVICES	§	
CORPORATION TO AMEND ITS	§	
CERTIFICATE OF CONVENIENCE	§	
AND NECESSITY FOR THE	§	OF
GILLESPIE TO NEWTON 345-KV	§	
CREZ TRANSMISSION LINE IN	§	
GILLESPIE, LLANO, SAN SABA,	§	
BURNET AND LAMPASAS	§	
COUNTIES, TEXAS	§	ADMINISTRATIVE HEARINGS

CROSS REBUTTAL TESTIMONY OF

WILLIAM J. MADDUX

**ON BEHALF OF
LANDOWNERS' PRESERVATION GROUP**

JANUARY 22, 2010

777

**SOAH DOCKET NO. 473-10-1097
PUC DOCKET NO. 37448**

APPLICATION OF LCRA TRANSMISSION SERVICES CORPORATION TO AMEND ITS CERTIFICATE OF CONVENIENCE AND NECESSITY FOR THE GILLESPIE TO NEWTON 345-KV CREZ TRANSMISSION LINE IN GILLESPIE, LLANO, SAN SABA, BURNET AND LAMPASAS COUNTIES, TEXAS	§ § § § § § § § § §	BEFORE THE STATE OFFICE OF ADMINISTRATIVE HEARINGS
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CROSS REBUTTAL TESTIMONY OF

WILLIAM J. MADDUX

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CROSS REBUTTAL TESTIMONY OF

WILLIAM J. MADDUX

I. INTRODUCTION

Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

**A. My name is William Jeffrey Maddux and my business address is 13200 Bee Cave
Parkway, Austin, Texas 78738.**

Q. WHAT HAS BEEN YOUR EXPERIENCE AS A BUSINESS PERSON?

**A. Since 1973 I have been a real estate broker, selling ranch properties in Central Texas.
Since 1990 I have specialized in the sale and assisted in the development of over 12,000
acres of land in and around the Highland Lakes area.**

**Q. ARE YOU FAMILIAR WITH THE 345 kV LINE THAT LCRA TSC HAS
PROPOSED TO CONSTRUCT FROM FREDERICKSBURG TO KEMPNER?**

**A. Yes, but only to the extent of Link C17 and to some extent Link C14 in the vicinity of
Buchanan Dam. I believe the line is referred to as the Gillespie-Newton Line. I have**

1 also read Volume I of the Environmental Assessment, as well as several testimonies filed
2 in this proceeding, including the testimonies of Ms. Barbara Rae Barron and Mr. Robert
3 Payne.

4 **Q. DO YOU OWN PROPERTY NEAR BUCHANAN DAM?**

5 A. Yes. The Driftwood Land Company Ltd. owns tract C17-088, which is within 500 feet of
6 the centerline of the proposed 345 kV power line on Link C17. The general partner for
7 the Driftwood Land Company is Angel Land, LLC, of which I am the manager. Lake
8 West Land Co., LLC, a partnership that I am also a manager of, owns an adjacent 200
9 acres north of the Driftwood property. This tract is also be impacted by Link C 17 as
10 well.

11 **Q. CAN YOU LOCATE TRACT C17-088 ON A MAP?**

12 A. Yes. On an aerial map provided by LCRA TSC as part of Attachment 4 to its
13 Application, the tract can be located. I have appended such a map to this testimony as
14 Attachment WJM-1. As you can see, the tract has frontage on Inks Lake. I have also
15 attached an aerial photograph of my tract, showing a portion of the Willows Subdivision
16 just to the right of my tract. The picture is designated Attachment WJM-2.

17 **Q. HAVE YOU TAKEN ANY PHOTOGRAPHS OF INKS LAKE NEAR YOUR**
18 **PROPERTY?**

19 A. I have attached several photographs in the vicinity of my property on Inks Lake. After
20 studying the LCRA maps regarding the location of C17 as it crosses Inks Lake I have
21 taken a picture looking toward Buchanan Dam. On that picture I have superimposed the
22 lattice steel towers for demonstrative purposes. The height of the towers was based upon
23 the diagram in the Environmental Assessment at page 1-9. We tried to make is as close

1 to scale as we could. For demonstrative purposes it is a fair representation of the lattice
2 towers and their location as the line crosses Inks Lake. The picture is designated
3 Attachment WJM-3.

4 In order to get a more detailed view of how the line crosses Inks Lake I am appending
5 Attachment WJM-4. This is a true and accurate view of C17 as it approaches Inks Lake
6 and exits Inks Lake in a northeasterly direction. The Grand Sabana subdivision is on the
7 lefthand side of this photograph. Each of the photographs attached to my testimony are
8 true and accurate depictions of the areas seen in the photographs. The photographs were
9 all taken within the last two weeks. I have intimate personal knowledge of the areas or
10 scenes represented by these photographs.

11 **Q. EARLIER IN YOUR TESTIMONY YOU MENTIONED THAT YOU ARE NOT**
12 **ONLY A REAL ESTATE BROKER BUT THAT YOU ARE A DEVELOPER AS**
13 **WELL. DOES THAT MEAN YOU TAKE RAW LAND AND PUT IN THE**
14 **INFRASTRUCTURE SO THAT THE PROPERTY MAY BE SOLD AS**
15 **RESIDENTIAL LOTS OR MAY BE SOLD TO COMMERCIAL ENTERPRISES?**

16 **A.** Yes. I invest, broker and assist in the development of property. I assist in hiring
17 engineers, planners and the necessary contractors to put in the streets, water and, in some
18 instances, sewer utilities in order to be able to market the property to prospective buyers.

19 **Q. IN THE PROCESS OF PURCHASING PROPERTY FOR DEVELOPMENT OR**
20 **RESALE IS IT IMPORTANT TO HAVE AN UNDERSTANDING OF THE**
21 **GENERAL NATURE AND CONDITION OF THE SUBSURFACE OF THE**
22 **PROPERTY?**

23 **A.** It is extremely important to have understanding of potential difficulties in attempting to
24 develop the property especially with regard to any difficulties that might be encountered
25 in putting in the necessary infrastructure.

1 **II. NEWLY AFFECTED**

2 **Q. WHAT IS THE PURPOSE OF YOUR REBUTTAL TESTIMONY?**

3 A. To rebut several assertions and impressions given by the testimony of Barbara Barron
4 and Robert Payne.

5 **Q. BOTH PAYNE AND BARRON POINT OUT THAT THERE ARE MANY**
6 **HABITABLE STRUCTURES THAT ARE NEAR AN EXISTING 69 kV LINE**
7 **AND THAT FOR THOSE LANDOWNERS HAVING THE 345 kV LINE WITHIN**
8 **500 FEET OF CENTERLINE MEANS THAT THEY ARE NOT NEWLY**
9 **AFFECTED. DO YOU AGREE WITH THAT?**

10 A. This contention by Payne and Barron is absolutely false and it stems from the fact that
11 they have not compared the impact of a 345 kV line with a Wood H-Frame 69 kV line.

12 **Q. WHAT DO YOU MEAN BY THAT?**

13 A. There is a huge difference in the impact of a Wood H-Frame 69 kV line and a 345 kV
14 line with lattice steel towers. There is no comparison between the structures and the
15 visual impact for the two types of lines.

16 **Q. WHAT IS THE DIFFERENCE BETWEEN THE STRUCTURES FOR THE TWO**
17 **LINES?**

18 A. As a developer, over the years I have gained an appreciation for the difference in the 69
19 kV H-Frame structures and the 345 kV steel lattice structures. They can affect my
20 projects aesthetically and monetarily. The H-Frame 69 kV line structures with their dark
21 brown color, like the ones in the Buchanan Dam area, tend to blend in with surroundings
22 but the 345 kV steel lattice structures stick out like a sore thumb. In my line of work I
23 come in contact with dozens of buyers and I believe they are of a similar opinion.

1 **Q. DO YOU BELIEVE THAT PAYNE AND BARRON UNDERSTAND THE**
2 **RELATIVE DIFFERENCE IN SIZE BETWEEN THE STRUCTURES?**

3 A. I see no indication in their testimony that they have any appreciation for the differences
4 in size, shape and color between the structures. The structures are not similar. The H-
5 Frame is up to 80 feet tall and the lattice towers are up to 185 feet in height, according to
6 the information provided by LCRA. This is like comparing an eight story building with
7 an eighteen story building.

8 **Q. WOULD THE 345 kV LINE SERIOUSLY DAMAGE ANY DEVELOPMENTS IN**
9 **THE COMMUNITY OF BUCHANAN DAM WHERE THERE IS ALREADY AN**
10 **EXISTING 69 kV LINE**

11 A. One development immediately comes to mind. The development is known as the Cliffs
12 at Water Ridge. It is a beautiful development. Most of the lots have views of Lake
13 Buchanan. Many of the lots are located on a hillside. The development is a project of the
14 Signor Development Group. There is an existing 69 kV line that traverses the
15 development below the hillside lots. There is no doubt, given the height of the 345 kV
16 line, that many of the hillside lots would lose their uninterrupted Lake Buchanan views.
17 As a developer and a real estate broker, I am totally confident in saying that it would be
18 difficult, if not impossible, to sell lots in the development with the addition of the 345 kV
19 line. What make the lots marketable are the lake views. In addition, I believe it is highly
20 unlikely that anyone who has already purchased a lot would build a home if their view of
21 Lake Buchanan is interrupted by the 345 kV line. It is not just the lots within 500 feet of
22 the centerline of Link C17 that are directly affected but it is also those lots whose views
23 of Lake Buchanan are interrupted by the 345 kV line as well. I believe there are several
24 dozen lots that fall into that category.

1 **Q. DOES THE 69 kV LINE HAVE THE SAME IMPACT ON THE**
2 **DEVELOPMENT?**

3 A. Not at all. As I discussed previously, the H-Frame structures, especially in this
4 development, tend to blend into the surroundings and the H-Frame structures are
5 somewhere between 80 to 100 feet shorter than the 345 kV line lattice steel towers.
6 Many of the lots with views of Lake Buchanan, which were uninterrupted with the 69 kV
7 line, would become interrupted with the installation of a 345 kV line. In order to
8 illustrate what the relative effect of a lattice tower on the Cliffs at Water Ridge. I have
9 appended Attachment WJM-5. This photograph has a lattice tower superimposed for
10 demonstrative purposes. In the photograph the 69 kV line is shown just to the right of the
11 tower. As you can see, it blends in with the surroundings. The views from the lots at
12 higher elevations are spectacular. Based on the drawings in the Environmental
13 Assessment it is my opinion that the lattice tower superimposed on the photograph is an
14 accurate representation for demonstrative purposes.

15 **Q. IS THERE ANY OTHER NEGATIVE EFFECT TO PUTTING THE 345 kV LINE**
16 **IN THE CLIFFS AT WATER RIDGE?**

17 A. Based on my experience as a real estate broker and developer, many purchasers of
18 residential lots are afraid to be anywhere near a 345 kV line. Views are also a prime
19 consideration in the appraisal of the value of property.

20 **Q. WHY IS THAT?**

21 A. Many purchasers believe that they will be harmed by the electromagnetic radiation from
22 these lines. This is a very common belief and even buyers who are personally not
23 concerned by extremely high voltage power lines avoid them because of the potential
24 effect on their ability to resell the property in the future.

1 **Q. ISN'T THERE THAT SAME WORRY WITH REGARD TO THE 69 kV LINE?**

2 **A. I have not noticed that sort of concern about power lines of that size.**

3 **III. GRAND SABANA**

4 **Q. MS. BARRON MAKES THE COMMENT THAT THERE IS A**
5 **MISCONCEPTION THAT THERE ARE MILLION DOLLAR HOMES ALONG**
6 **LINKS C14 AND C17. ARE YOU AWARE OF ANYONE MAKING THE CLAIM**
7 **THAT THE HOMES ALONG C14 AND C17 ARE MILLION DOLLAR HOMES?**

8 **A. No, I am not. It seems to me that the comment was made to underscore the fact that**
9 many of the residents of the Buchanan Dam Community live in houses associated with
10 wage earners of modest means. Contrary to the impression left by Ms. Barron, the
11 Buchanan Dam Community has a diversity of housing stock, including some housing for
12 individuals with substantial incomes. In fact the Grand Sabana Subdivision owned by the
13 HFE Development Corporation is one such subdivision. The Grand Sabana is located
14 across Inks Lake from tract C17-088 which is owned by one of the limited partnerships
15 that I manage.

16 **Q. DOES MS. BARRON'S RECOMMENDATION TO ADOPT ROUTE GN6**
17 **AFFECT THE GRAND SABANA SUBDIVISION?**

18 **A. The developer of that subdivision, in my opinion, would have an exceptionally difficult**
19 time finding purchasers for the remaining lots.

20 **Q. WHY IS THAT?**

21 **A. As you can tell from the attached aerial map, the map having been supplied by LCRA,**
22 many of the unsold lots are within 500 feet of Centerline of Link C17. The attached map
23 is designated as Attachment WJM-6. An upscale subdivision like Gran Sabana would not
24 be attractive to purchasers with a 345 kV line in such close proximity to the development.
25 On the other hand, if a 69 kV line with wooden H-Frame structures were in the same

1 location, while that would be a negative consideration for the subdivision, it would not be
2 so nearly to the same extent as a 345 kV line with steel lattice structures of the sort
3 recommended by LCRA TSC for the Gillespie-Newton Line. While the 69 kV line might
4 make it more difficult to make sales it would not kill the project which is what I believe
5 the effect would be with the 345kV line with lattice steel towers.

6 **IV. CONCLUSION**

7 **Q. WOULD YOU PLEASE SUMMARIZE YOUR CRITICISM ABOUT THE**
8 **TESTIMONY OF MR. PAYNE AND MS. BARRON?**

9 A. It is my opinion that Mr. Payne and Ms. Barron do not appreciate the devastating impact
10 the routing of the 345 kV line on Links C14 and C17 would have on the growth and
11 development of the Buchanan Dam community that is not nearly as evident with the
12 existing 69 kV line. The differences between the two are like night and day.

13 **Q. DOES THIS CONCLUDE YOUR CROSS REBUTTAL TESTIMONY?**

14 A. Yes.

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GILLESPIE TO NEWTON 345-KV
CREZ TRANSMISSION LINE IN
GILLEPIE, LLANO, SAN SABA,
BURNET AND LAMPASAS
COUNTIES, TEXAS**

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BEFORE THE STATE OFFICE

OF

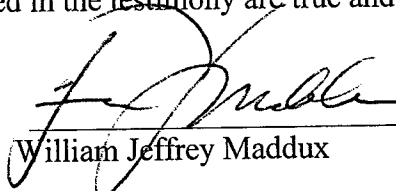
ADMINISTRATIVE HEARINGS

AFFIDAVIT OF WILLIAM JEFFREY MADDUX

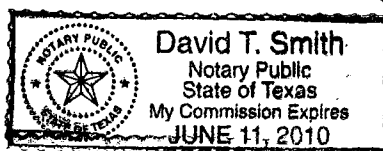
STATE OF TEXAS §
 §
COUNTY OF TRAVIS §

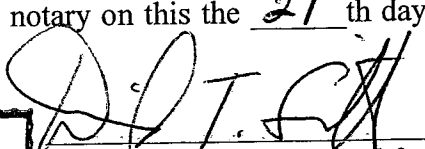
Before me, the undersigned authority on this day personally appeared the person known by me to be William Jeffrey Maddux, who, after being sworn by me, stated as follows:

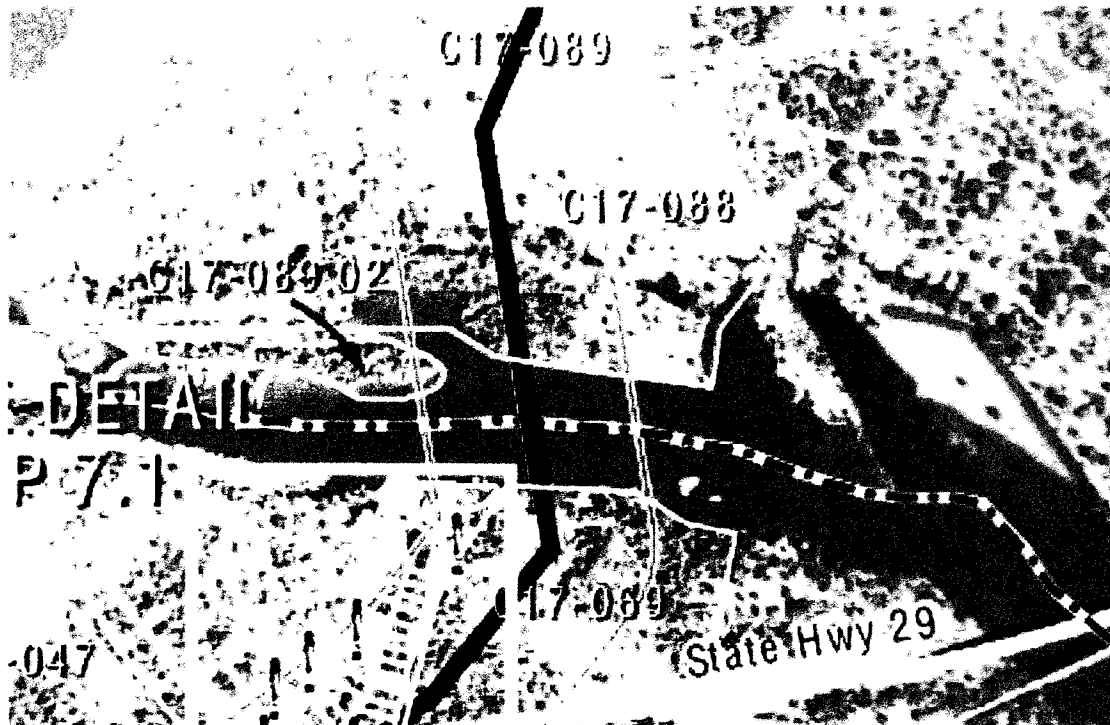
1. My name is William Jeffrey Maddux. I am over eighteen years of age, am of sound mind and competent to make this Affidavit. I have personal knowledge of every statement contained in this Affidavit, and every statement contained herein is true and correct and based on my personal knowledge.
2. I make this Affidavit in support of my cross-rebuttal testimony in the above-captioned proceeding. Attached hereto and made a part hereof for all purposes is my Cross-Rebuttal Testimony and Exhibits, which have been prepared in written form for introduction into evidence in SOAH Docket No. 473-10-1097 and Public Utility Commission of Texas Docket No. 37448.
3. I hereby swear and affirm that my answers contained in the testimony are true and correct.


William Jeffrey Maddux

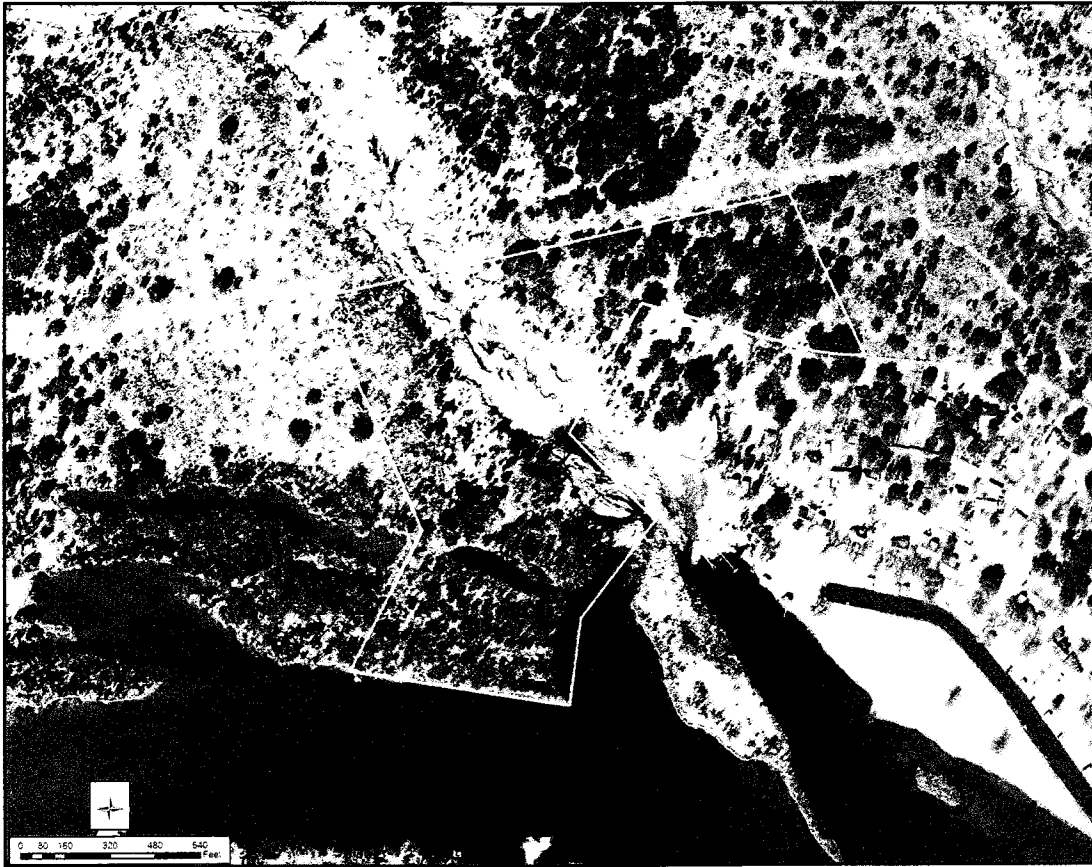
SUBSCRIBED AND SWORN BEFORE ME, the undersigned notary on this the 21th day of January 2010.




Notary Public in and for
The State of Texas



The above aerial map is of segment C17 of the proposed 345-kV transmission line where it crosses Inks Lake. Tract C17-088, which has frontage on Inks Lake, is owned by Driftwood Land Company Ltd. and is managed by William J. Maddux. This tract is also across Inks Lake from the Grand Sabana subdivision.

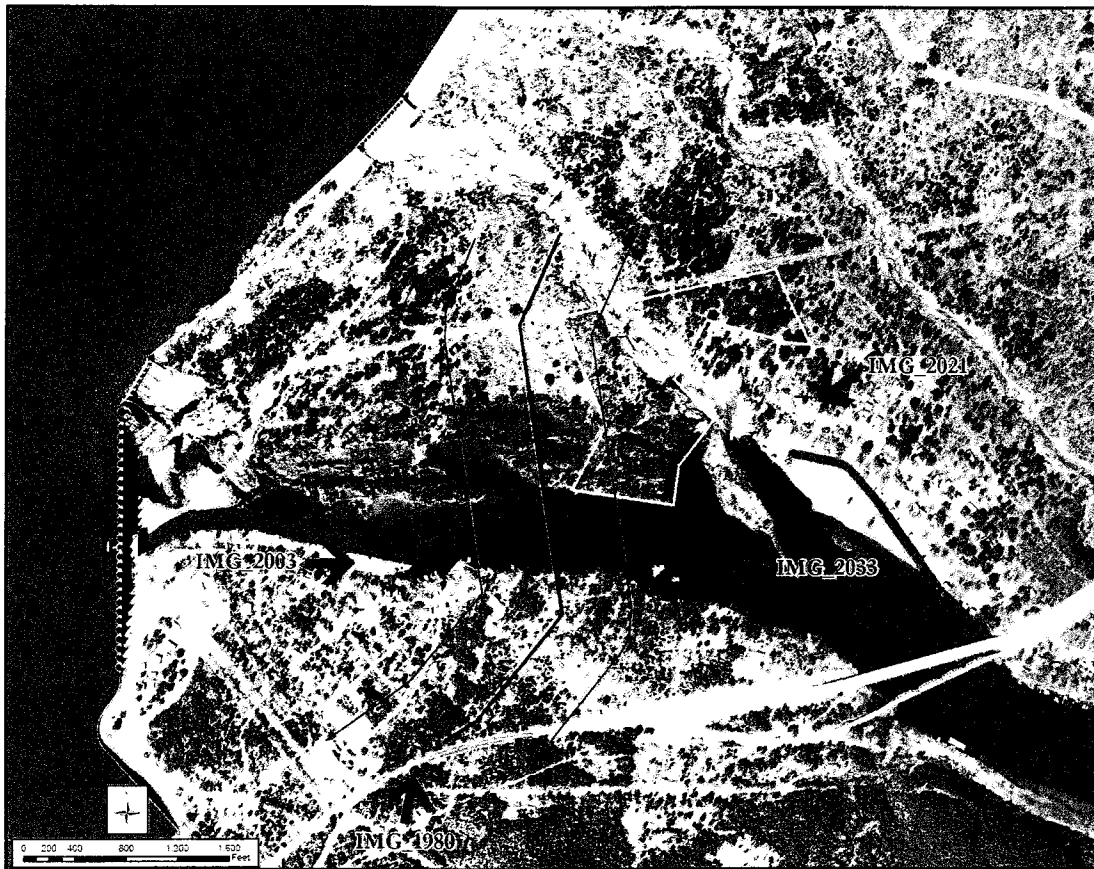


The above photograph was taken from a helicopter flying over the Buchanan Dam community. The area outlined in yellow is Tract C17-088 owned by The Driftwood Land Company, which has frontage on Inks Lake and currently uninterrupted views of the lake. A portion of The Willows subdivision is to the right of the outlines tract.

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Cross Rebuttal Testimony
William J. Maddux
Attachment WJM-2

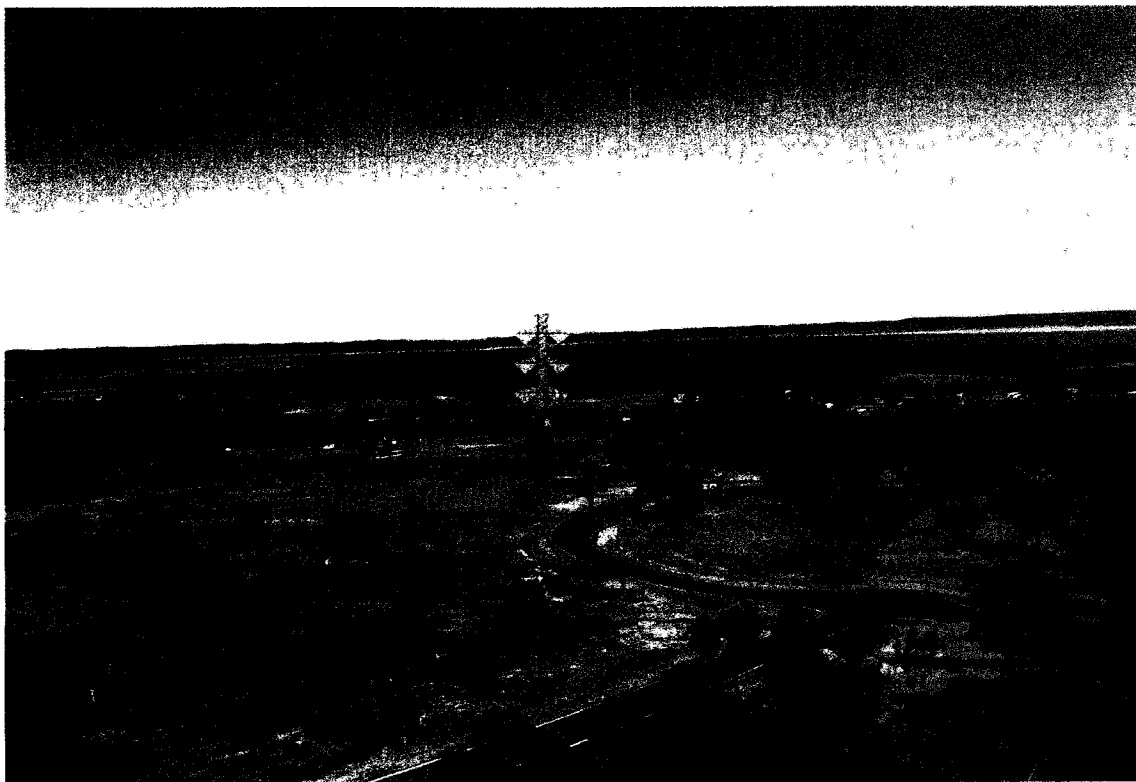


The above photograph is of Inks Lake where segment C17 of the proposed 345 kV transmission line will cross the lake. Lattice towers that would reach to approximately 185 feet in height have been superimposed to demonstrate the line's impact on the aesthetics of Inks Lake. The picture was taken from The Willows subdivision to show the view the property owners would have.



The above photograph was taken from a helicopter flying over the Buchanan Dam community. Segment C17 of the proposed 345-kV transmission line was superimposed on the photograph to show how segment C17 approaches and exits Inks Lake in a Northeasterly direction.

SOAH Dkt. No. 473-10-1097
PUC Dkt. No. 37448
Cross Rebuttal Testimony
William J. Maddux
Attachment WJM-4



The above photograph is a view from the upper lots of The Cliffs at Water Ridge development. A lattice tower that would reach to approximately 185 feet in height has been superimposed to demonstrate how the proposed 345-kV transmission line would interrupt the view of Lake Buchanan from the upper lots.

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Cross Rebuttal Testimony
William J. Maddux
Attachment WJM-5



The aerial map is of the Grand Sabana subdivision, which faces Inks Lake. The map was provided by LCRA TSC as part of Attachment 4 to its Application.

SOAH Dkt. No. 473-10-1097
PUC Dkt. No. 37448
Cross Rebuttal Testimony
William J. Maddux
Attachment WJM-6