



Control Number: 37778



Item Number: 507

Addendum StartPage: 0

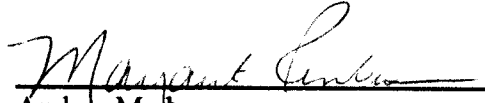
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COMES NOW Staff of the Public Utility Commission of Texas (“Staff”) along with Intervenor Galen Akin; William Freeman Pickett III; Tony Jones; Jay Dickens; Louise M. Tweedy, Sandra M. Tweedy, Barbara V. Tweedy, Patricia D. Tweedy, The Andrew Tweedy Family Trust, and the Louise Tweedy Marital Trust (collectively “Tweedy Ranch”); Stephen C. Helbing, Sr., acting as managing general partner for Schelro, Ltd. (collectively “Schelro, Ltd.”); Dove Creek Partners, Chapoton, LLC (General Partners of SC Dove Creek LP), Ruth E. Flournoy, Mary E. King, and Sarah Chapoton; Robert E. Helmers; Double M. Ranch, LP; David E. Steen Estate (Janise R. Simmons and Myrta Rathbone, Co-administrators); J. Stanley Mayfield and Deanna G. Mayfield; McGregor Ranch; Walter Scott McGregor; Michael Gene McGregor; Andrew C. Allen; M.D. Bryant Family Trust; Wardlaw Brothers Ranch, Ltd. and Knickerbocker Ranch (collectively the “Parties”), as signatories to the Non-Unanimous Settlement (NUS) filed in this proceeding on April 20, 2010, file this Proposed Order as attached. To the extent other signatories to the NUS are not listed here, this should not be construed as opposition or disagreement of any kind.

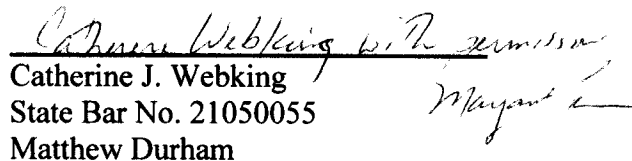
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Respectfully submitted,

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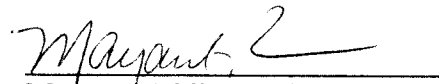
Robert E. Helmers w/ permission

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Pro Se

CERTIFICATE OF SERVICE

I certify that a copy of the above has been sent via electronic mail or via facsimile as designated by all parties of record in this proceeding on this 17th day of May, 2010.


Margaret Uhlig Pemberton

**SOAH DOCKET NO. 473-10-2461
PUC DOCKET NO. 37778**

**APPLICATION OF LCRA
TRANSMISSION SERVICES
CORPORATION TO AMEND ITS
CERTIFICATE OF CONVENIENCE
AND NECESSITY FOR THE
PROPOSED TWIN BUTTES TO
McCAMEY D CREZ 345 kV
TRANSMISSION LINE IN TOM
GREEN, IRION, AND SCHLEICHER
COUNTIES, TEXAS**

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**BEFORE THE STATE OFFICE

OF

ADMINISTRATIVE HEARINGS**

ORDER (PROPOSED)

This Order addresses LCRA Transmission Services Corporation (LCRA TSC) Application to Amend its Certificate of Convenience and Necessity for the Proposed Twin Buttes to McCamey D CREZ 345 kV Transmission Line in Tom Green, Irion and Schleicher Counties. The Commission finds that this docket was processed in accordance with applicable statutes and Commission rules. The Intervenor and Staff entered into a non-unanimous settlement (NUS) agreeing that LCRA TSC construct the proposed line on Route TM9, a route that modified LCRA TSC's Route TM6 through six (6) modifications requested by landowner intervenors. LCRA TSC's Application, as modified by Staff and the Intervenor in the NUS, is hereby approved.

**PROPOSED FINDINGS OF FACT, CONCLUSIONS OF LAW
AND ORDERING PARAGRAPHS**

PROPOSED FINDINGS OF FACT

Procedural History

1. LCRA Transmission Services Corporation ("LCRA TSC") is a non-profit corporation providing service under Certificate of Convenience and Necessity ("CCN") No. 30110.
2. On January 15, 2010, LCRA TSC (also referred to as "Applicant") filed an application with the Commission to amend its CCN ("Application" or "CREZ CCN Application") to include the Twin Buttes to McCamey D Competitive Renewable Energy Zone ("CREZ") 345-kV transmission line project Tom Green, Schleicher and Irion County. P.U.C. Docket No. 37778 was assigned to the proceeding.

3. LCRA TSC's filed application presented eight (8) route options.
4. As described further below, an additional route was presented in a "non-unanimous settlement" ("NUS") by all participating intervenors and PUC Staff. This additional route was based on LCRA TSC's Route TM6, with a series of six modifications of various configurations, costs, and modified impacts. The NUS is attached hereto as Exhibit A and incorporated herein by reference. The route described in the NUS is identified as Route TM9.
5. On January 15, 2010, LCRA TSC filed the direct testimony of five witnesses: Sara Morgenroth, J. Wayne Hicks, P.E., Brad Woods, P.E., David K. Turner, P.E. and Rob R. Reid.
6. Written direct notice of the Application was mailed on January 15, 2010 to each owner of land on the current Tom Green, Irion, and Schleicher counties tax appraisal district listings whose property would be "directly affected" (under the PUC's definition) by the proposed transmission line. Notice was re-mailed to certain landowners for which the original notice was returned to LCRA TSC on or before February 4, 2010. Additionally, written direct notice was mailed to several directly affected landowners whose names had not appeared on LCRA TSC's original list.
7. Written notice was mailed on January 15, 2010 to the municipalities of San Angelo and Mertzon, and to Tom Green, Irion, and Schleicher counties. LCRA TSC also sent direct mail notices of the Application to certain other state and federal elected officials, other organizations, and wind developers, beyond the express requirements of the Commission's rules governing such applications.
8. Written notice was mailed to three neighboring utilities providing electric service, specifically American Electric Power Texas North Company (AEP TNC), Southwest Texas Electric Cooperative, Inc., and Concho Valley Electric Cooperative, Inc.
9. On January 21, 2010, LCRA TSC supplemented its Application with the alternate route description that was attached to the notice to landowners and the alternate route description and map that was attached to the notice letter to county, municipal authorities and utilities.
10. LCRA TSC published notice of its Application in the *Eldorado Success* on January 21, 2010 and the *Standard-Times* on January 21, 2010. These newspapers are newspapers of general circulation within the counties where the CCN is being requested.

11. On January 29, 2010, LCRA TSC filed its Affidavit Pursuant to Question No. 27 of the CCN Application, attesting to the provision of a copy of the Environmental Assessment and Routing Study to the Texas Parks and Wildlife Department ("TPWD").
12. On February 1, 2010, the Application was referred to the State Office of Administrative Hearings ("SOAH").
13. On February 4, 2010, Order No. 1 was issued, requiring LCRA TSC to provide notice and file proof of notice and publication by February 5, 2010. Order No. 1 also ordered Staff to file comments regarding any material deficiencies in the Application, compliance of LCRA TSC with the notice requirements set forth in Order No. 1 and a proposed procedural schedule. Order No. 1 established an intervention deadline of February 16, 2010.
14. On February 5, 2010, LCRA TSC filed its Affidavit Attesting to the Provision of Notice to Cities, Counties, Neighboring Utilities, and Landowners.
15. On February 8, 2010, Staff recommended that LCRA TSC's Application be deemed sufficient, that LCRA TSC's notice and proof of notice be found sufficient and compliant with P.U.C. Proc. R. 22.52(a) and Order No. 1.
16. On February 9, 2010, Staff filed supplemental comments on notice pointing out an omission in one of LCRA TSC's Publisher's Affidavit, although noting that the actual publication was correct.
17. On February 10, 2010, LCRA TSC filed an amended Publisher's Affidavit correcting the omission.
18. In Order No. 2, issued on February 11, 2010, the ALJ provided notice of the second prehearing conference, established a procedural schedule and addressed prehearing matters such as filing and service.
19. In Order No. 3, issued on February 17, 2010, the ALJ found LCRA TSC's provision of notice adequate and its Application materially sufficient.
Sufficiency of notice was not contested.
20. On February 23, 2010, the Commission issued a supplemental preliminary order requiring additional issues to be addressed in this proceeding.
21. Intervenor testimony was filed on or before the due date of March 17, 2010.
22. On March 22, 2010, TPWD's letter containing comments and recommendations regarding the Proposed Transmission Line Project was filed.

23. On March 23, 2010, Staff filed errata to TPWD's letter filed on March 22, 2010.
24. On March 29, 2010, Staff filed the Direct Testimony of Mohammed Ally, P.E.
25. A brief Errata to Staff's testimony was filed on March 31, 2010.
26. Order No. 8, which issued on March 31, 2010, provided notice that a number of intervenors would be struck from the proceeding, granted L. David and Larilyn Winston's, and Andy Allen's late-filed motion to intervene, granted James F. Ridge's request for his statement of position to be considered testimony and granted Double M ranch, LTD's motion to late-file a page missing from the testimony of John Mark McLaughlin.
27. On April 5, 2010, LCRA TSC filed the rebuttal testimony of David K. Turner, P.E., Rob Reid, Sara Morgenroth, Nancy C. Lee, M.D., William G. Griffin, P.E., Jim Shotwell and J. Michael Silva, P.E. Intervenor rebuttal testimony was also filed on or before the due date of April 5, 2010.
28. On April 12, 2010, PUC Staff filed a motion for leave to file supplemental testimony of its witness, to address three routing modifications to Route TM6 proposed by various intervenor landowners (McGregor Ranch, Slaughter Interests, and Pickett), which modifications Staff supported.
29. On April 13, 2010, prior to the commencement of the hearing on the merits, ALJ Pomerleau convened a final prehearing conference on procedural matters. At that time, PUC Staff presented a draft NUS negotiated and prepared among PUC Staff and all of the intervenor parties, which proposed a series of routing modifications based on LCRA TSC's Route TM6. Based on the agreement of the parties, the ALJ determined that the hearing on the merits would commence after LCRA TSC had the opportunity for analysis and response to the NUS, and the hearing was recessed until April 15th.
30. On April 14, 2010, PUC Staff filed a second supplemental testimony of its witness, to address two additional routing modifications to Route TM6 proposed by various intervenor landowners (Collins and Dickens), which modifications were to be included in the NUS.
31. On April 15, 2010, LCRA TSC filed the supplemental rebuttal testimony of two of its expert witnesses, addressing the routing modifications set out in the NUS.
32. On April 15, 2010, proceedings in the docket reconvened, with the remainder of the final pre-hearing conference. PUC Staff presented the final version of the NUS (with a proposed route referred to as "TM9"), executed by Staff and all intervenors. LCRA TSC stated that it

would not oppose the NUS, but would present live testimony addressing the NUS-proposed route. LCRA TSC's supplemental rebuttal testimony provided evidentiary support for the NUS, particularly specifics related to the route adjustments proposed in the NUS and their respective estimated costs.

33. On April 15, 2010, the ALJ also denied the petition for late-filed intervention (filed April 13, 2010) of Jay K. Weatherby, who was not present.
34. The hearing on the merits was convened on April 15, 2010, following the prehearing conference. ALJ Pomerleau presided over the hearing, which was concluded on April 15th. LCRA TSC presented five witnesses (none of whom were cross examined), their Direct Testimony, and its Application as its direct case. The testimony of some 31 intervenor witnesses (25 landowners and six experts or other witnesses) was offered during the presentation by intervenors, none of whom were cross examined. Commission Staff presented one witness (also not cross examined), and additional exhibits comprising the NUS. LCRA TSC presented seven rebuttal witnesses, two of whom were cross-examined on the limited basis of their supplemental, informational rebuttal testimony addressing and facilitating the NUS. At the conclusion of the hearing, the ALJ reiterated the established (Order No. 6) post-hearing briefing schedule, to provide for proposed findings of fact and conclusions of law by May 7, 2010, and any limited replies thereto by May 17, 2010.

Application/Project Description

35. LCRA TSC's Preferred Route and each of the other seven (7) LCRA TSC-proposed alternative routes extend from LCRA TSC's existing Twin Buttes Station, located in northwestern Tom Green County to the designated McCamey D Station (to be renamed Big Hill Station at some point in the future), located in northern Schleicher County. The alternative routes proceed generally north to south and then southeasterly, in three roughly parallel corridors.
36. LCRA TSC formulated its eight proposed routes through a series of "links" or "segments" that may be combined to form as many as 18 different forward progressing routes. Of the eight routes formulated, studied, and compared in detail, LCRA TSC chose one (Route TM5) as its Preferred Route. LCRA TSC determined that all eight alternative routes (and all 18 possible routes) are viable, feasible, and acceptable from the environmental, engineering, and cost perspectives.

37. LCRA TSC proposes to construct the new double-circuit-capable, bundled conductor, 345-kV transmission line primarily on steel lattice tower structures (after also considering steel poles, tower poles, and spun concrete poles). While LCRA TSC has proposed to construct the project primarily with double-circuit steel lattice tower structures, some special structures, such as single-pole, multi-pole, H-frames and lattice towers may be required at certain locations such as crossings with other transmission lines.
38. Initially, LCRA TSC will install one 345-kV circuit on the transmission line, but the proposed structures will accommodate a second 345-kV circuit. The new 345 kV single-circuit line is approximately 35-45 miles in length, depending upon the route selected.
39. Typical structure heights are expected to be approximately 105 to 185 feet above the ground surface, depending upon the type of structures used. Typical right-of-way ("ROW") widths will vary from an estimated minimum easement width of 100 feet to an estimated maximum easement width of 160 feet or more; wider ROW widths are necessary for some longer spans.
40. LCRA TSC will build the new McCamey D (Big Hill) Station for the project, which Station will accommodate both the project proposed in this docket and another of LCRA TSC's CREZ priority projects (McCamey D to Kendall to Gillespie 345-kV line), as well as another CREZ project of South Texas Electric Cooperative, Inc. (McCamey C to McCamey D 345-kV line) and future wind generation interconnect facilities to be constructed and owned by Electric Transmission Texas at the collection station associated with the McCamey D Station. LCRA TSC will own, operate and maintain all transmission line facilities for this Twin Buttes to McCamey D project.
41. The Proposed Transmission Line Project is a CREZ priority-project.
42. The Proposed Transmission Line Project will accomplish the intended results for the CREZ priority-project designated in the CREZ Transmission Optimization Study ("CTO") and ordered by the Commission in Docket Nos. 33672, 35665 and 36801 (assignment affirmed in No. 37928).

Routing of the Proposed Transmission Line Project

43. The eight primary alternative routes proposed by LCRA TSC in its Application exit the Twin Buttes Station and progress generally north to south, utilizing (as can be seen on maps in the record) three main routing corridors. Potentially affected landowners along all of the links were notified of the Proposed Project.

44. Route TM9 is very similar to LCRA TSC's Route TM6, except the Route TM9 follows significantly more actual property boundaries, reduces the number of habitable structures to 4 and crosses property in a way requested and agreed to by the landowners.
45. The Proposed Transmission Line Project will be constructed on Route TM9 as described in the NUS.
46. Route TM9 is supported by all landowner intervenors and Commission Staff. Route TM9 is unopposed by LCRA TSC. There are no alternative routes or facility configurations that would have a less negative impact on landowners than TM9.
47. The projected in-service date for the Proposed Project is December 2012.
48. The NUS is consistent with the transmission system improvements ordered by the Commission in Docket No. 35665 (assignment affirmed in Docket No. 37928). Further, Route TM9 as described in the NUS is reasonable from a system planning perspective and takes into consideration the Commission's requirements for cost-effectiveness and ERCOT's concerns on grid reliability.
49. Route TM9 is electrically efficient, cost-effective, and will provide a reliable and beneficial path for the transmission of renewable energy from the CREZs to the load centers in ERCOT.
50. Route TM9 represents an agreement of all intervenor parties and PUC Staff to resolve all routing issues raised by the intervenors. Structure type (special structures, or the use of monopoles on portions of the line as it relates to certain intervenor modifications) is only addressed by the agreement for three modifications, but other parties have reserved the right to seek Commission approval of monopoles for some or all portions of the project. LCRA TSC undertook to study Route TM9 and provide certain information regarding this route so that it could be compared to the eight primary alternative routes proposed in LCRA TSC's CREZ CCN Application.
51. Route TM9 is the most desirable route because the use of the portion that deviates from Route TM6 along the landowner approved modifications was not contested in this proceeding; it reduces the number of habitable structures affected from 17 to 4; it is along the eastern corridor which has a lesser impact on ecological resources as a result; and it follows a significant amount of right-of-way and existing property lines.

Community Values

52. In order to solicit public input and involvement in its process, LCRA TSC held a series of open house meetings in May of 2009 at locations in San Angelo, Christoval, Junction, Harper, Comfort, and Kerrville, Texas (on May 4, 5, 7, 11, 12, and 14, 2009, respectively). LCRA TSC sent direct mail notices informing people about the project and the scheduled public open house meetings to 2,109 potentially-affected landowners, 349 public officials, 11 electric utilities, and a variety of statewide organizations and wind developers. LCRA TSC also published notices of the open houses in nine area newspapers showing the location, time, and purpose of the meetings.
53. In addition to the open houses, LCRA personnel also met with various landowners, public officials, and interested organizations prior to filing the CREZ CCN Application for the project. LCRA also utilized a special section on its main website to convey information to the public about this project and to collect public input. LCRA TSC received numerous letters, phone calls, and emails from landowners either requesting information or expressing their opinions about the project. LCRA TSC also received resolutions, letters, or petitions from several local governmental entities and other organizations, which were also considered in the process of finalizing the eight primary alternative routes to be subjected to detailed analysis.
54. Hundreds of persons attended the six open houses, at which a walk-through "information station" format was utilized to allow citizens to visit and obtain information about CREZ projects and the entire routing process. Additional exhibits were included at the San Angelo and Christoval open houses to familiarize the public with LCRA, LCRA TSC, and its mission. Attendees were asked to fill out questionnaires provided at the open house, and such questionnaires were also made available via mail and through the internet to persons other than attendees at the public meetings. Approximately 784 completed questionnaires were received by LCRA TSC, either at the open houses or later, by fax, mail, or e-mail.

55. Common concerns most frequently expressed by the public at all the open houses and in the questionnaires included:
 - a. Use of existing ROW;
 - b. Impact on property values;
 - c. Health concerns for humans and animals from EMF;
 - d. Impacts to endangered species, waterways and other environmental impacts;
 - e. Impacts to hunting and ranching;
 - f. Visual/aesthetics disruption of landscape;
 - g. Impacts to historical and archeological sites.
56. Questionnaire respondents were also asked about other routing features, including preferences for structure types (and reasons for those preferences) as well as being asked to indicate depicted routing links favored and disfavored and the reasons for those preferences. Information provided by this process – the open houses, the questionnaires, the additional written submissions and calls received, and the additional meetings – resulted in the ability of LCRA TSC and PBS&J to delete, modify, and/or make adjustments in routing links that improved routing links and decreased certain types of impacts.
57. Route TM9 reflects a clear expression of protection of community values because all Intervenor, who are members of the affected community, have signed the settlement (NUS) supporting Route TM9.
58. Staff recommends that LCRA TSC cooperate with directly affected landowners to implement minor deviations in the approved route to minimize the impact of the Proposed Transmission Line Project.
59. Route TM9 is located within 500 feet of four (4) habitable structures, which was achieved mainly as the result of the Bryant Family Trust intervenor modification. Route TM9 reduces the impact to 15 habitable structures on Route TM6 (on which it is based) but brought two additional habitable structures within 500 feet. One of the additional habitable structures is located on the Bryant property, whose owners support Route TM9. A second additional habitable structure is an operations building for Langford Wind Power, located on property owned by McGregor Ranch, another supporter of TM9. The two other structures are owned by non-intervenors who are not impacted significantly differently by Route TM9 than they

would be by Route TM6. The Slaughter modification avoided one habitable structure located on the original route TM6 (link A13).

60. Route TM9 lessens the impacts to the Federal Aviation Administration (FAA) registered airstrips of intervenors Jay Dickens and W. Freeman Pickett III. There are no significant impacts to any other airports, airstrips or heliports anticipated from construction of Route TM9.

Recreational and Park Areas

61. Route TM9 crosses only one public or private park or recreation area (approximately 0.40 mile of the San Angelo Claybird Association property, who did not intervene), thus there will be few direct impacts to any of the parks or recreational facilities within the project area. Because Route TM9 does not cross directly through the shooting areas, interference with any potential recreational activities and any potential impact to this facility would be indirect. The characteristics of Route TM9 with regard to parks and recreation areas are identical to the characteristics of LCRA TSC's Route TM6 except that TM9 is not, like TM6, within 1000 feet of the right of way of Foster Park.

Historical Values

61. Route TM9 crosses two recorded and prehistoric sites within 1,000 feet of the centerline. Information as to length of HPA for the Route TM9 is not available.
62. Staff recommends that, in the event LCRA TSC or its contractors encounter any artifacts or other cultural resources during project construction, work shall cease immediately in the vicinity of the resource and the discovery shall be reported to the Texas Historical Commission ("THC"). The utility will take action as directed by the THC.

Aesthetic Values

63. Based upon the consideration of topographic, natural, and developmental features, PBS&J found that the study area in which the Twin Buttes to McCamey D alternative routes were identified exhibits a moderate level of aesthetic quality overall. The presence of creeks, O.C. Fisher Lake, Twin Buttes Reservoir and the Middle and South Concho Rivers present some viewsapes of high aesthetic value. The level of human impact to the study area is relatively high, mainly due to the extensive agricultural and oil and gas operations and the development of the City of San Angelo, Christoval, and areas west of Twin Buttes Reservoir.

64. Information as to length within the foreground visual zone of the Route TM9 is not available for major highways, but is the same for Route TM6 with respect to recreational areas. Route TM6 is within the foreground visual zone of parks and recreation areas (*i.e.*, The San Angelo Claybird Association and Foster Park) for an estimated length of 2.62 miles.
65. Moving the route approximately 500 to 1000 feet to the west along the Bryant Modification along Segment a13A mitigates the aesthetic impacts along FM 2335. Moving the route approximately 500 to 1000 feet to the west more closely parallels Bryant Trust's property than the Preferred Route or the western route.
66. The use of monopole structures along the Collins Modification and the Pickett Modification mitigates the aesthetic impacts of this transmission line along those links.

Environmental Integrity

67. Each of LCRA TSC's eight alternative routes was evaluated, considering a variety of criteria and environmental conditions present along each route. As a result of this process, all routes presented in the Application (and all links that form those routes, since all links are used in at least one route) provide environmentally acceptable alternatives. Route TM9, similar to Route TM6, is also an environmentally acceptable alternative.
68. The Texas Parks and Wildlife Department recommended the construction of LCRA TSC's proposed transmission line along the eastern corridor of the study area, which included Routes TM6 and TM8. Route TM9 is similar to TM6 and is located in the eastern portion of the study area.
69. Creek and river crossings can be spanned in a manner minimally disruptive of natural resources in the surrounding area.
70. The project is not expected to adversely impact known populations of any federally-listed endangered or threatened wildlife species and it is unlikely that the Proposed Project will result in adverse impacts to federal and state listed threatened species.
71. For Route TM9, specific measurements for the woodlands and stream vicinity criteria were not available. However, as discussed below, Route TM9 parallels existing transmission line right of way for 17% of its length and parallels other existing right of way or property lines for 21 miles, or approximately 55% of its length. Route TM9 also crosses no known habitat of federally endangered or threatened species.

Engineering Constraints

72. LCRA TSC proposed to construct the project predominantly with double-circuit-capable steel lattice tower structures. LCRA TSC's initially installed 345-kV circuit will consist of bundled (two wires per phase) 1926.9 kcmil "Cumberland" ACSS/TW (Aluminum Conductor Steel Supported) conductors with a normal peak operating current rating at 5,000 amperes (2988 MVA at 345-kV), based on geographic, topographic, and weather conditions in the project area. Typical spans are estimated to range from 1,000 to 1,500 feet in length, with larger spans in some locations depending upon terrain and other engineering constraints.
73. The new transmission facilities will be constructed mostly on new rights-of-way (ROW) and on LCRA TSC's existing Twin Buttes Station property and the property LCRA TSC has acquired for the designated McCamey D Station. New easements will vary from an estimated minimum easement width of 100 feet to an estimated maximum easement width of 160 feet, and these widths are sufficient for all LCRA TSC structure types. Larger easements may be necessary in limited areas, for example if longer spans are required across rivers, as identified during the detail design for the project, based on an alignment developed from the route approved by the Commission.
74. LCRA TSC will design and construct the proposed transmission line to meet or exceed nationally recognized guidelines and specifications, including the applicable version of the National Electrical Safety Code ("NESC"), as well as established regional (ERCOT) electric system planning criteria to address various categories of contingency conditions and applicable PUC rules, in order to operate the proposed transmission line in a safe and reliable manner.
75. From an engineering perspective, any of LCRA TSC's eight proposed alternative routes are feasible for overhead construction. Underground construction was not considered for this project, due to substantially higher costs and determinations reflected in ERCOT's CTO Study.
76. Route TM9 has been examined by LCRA TSC and because it is based on Route TM6, LCRA TSC has determined that Route TM9 can be built in a reasonable, feasible, safe and reliable manner, provided that LCRA TSC remains able to adjust alignments to go around engineering constraints and obstructions that may be encountered, just as it would in building

any transmission line. In some instances, LCRA TSC will adjust alignments by going around, spanning, removing and relocating engineering constraints and obstructions.

77. LCRA TSC's engineering assessment also considered construction in relation to the various types of conditions and environments that LCRA TSC will encounter in the study area and along these particular routes. LCRA TSC was able to assess the constructability of the Twin Buttes to McCamey D project in relation to such features as river crossings and both alluvial and limestone formation terrain because of LCRA TSC's extensive experience in constructing transmission facilities in relation to such features
78. Route TM9 makes adjustments to Route TM6 to accommodate Mr. Dickens' position that line route and configuration adjustments are needed to maintain certain clearances for his airstrip. The route proposed in the NUS would move link a16 east onto the property labeled Tract ID a16-007, to a distance about 1,500 feet from the end of his designated primary runway. Additionally, structures would be lowered to 75 feet or lower in the immediate vicinity of the projection of that runway. LCRA TSC could also place marker balls on the top-most small diameter wires in proximity to Mr. Dickens' primary airstrip. The secondary runway is unaffected by this route.
79. In its supplemental rebuttal testimony, LCRA TSC determined that to provide for a feasible crossing of Dove Creek related to the Dickens adjustment it would need to relocate that adjustment away from a meandering portion of Dove Creek (where it was originally proposed). LCRA TSC's determination was based on the need to avoid channelization (*i.e.*, concreting) of Dove Creek, which would have been necessary as part of the original adjustment. This revision was necessary in order to avoid a series of environmental and construction impacts as well as introducing potential delays related to U.S. Army Corps of Engineers permitting.

Compatible Corridors

80. Routes range in length from 35.79 miles to 44.09 miles, with Preferred Route TM5 being 39.05 miles long. Route TM9 is 38.26 miles long.
81. Route TM9 reflects consideration of each of the three paralleling criteria in P.U.C. SUBST. R. § 25.101(6)(3)(B)(i)-(iii) in the NUS for the Twin Buttes to McCamey D project, consistent with the importance placed on these factors by the Intervenor. Route TM9 does not utilize any existing ROW. However, it parallels the same amount of existing transmission line

ROW as Route TM6. Route TM9, through the Bryant modification, moves the route inside the Bryant property line such that only one habitable structure on the east side of FM 2355 would be closer than 550 feet to the route's centerline on modified link 13a. The portion of the route parallels the eastern property boundary of the Bryant Trust Property and the western side of FM 2355, although the line is not adjacent to FM 2355. The transmission line will be approximately 500 to 1000 feet west of FM 2355 in a straight line, which actually reduces the cost of the original link by \$700,000.

82. Route TM9 parallels apparent property lines in a way requested by the Intervenor affected by the transmission line for over 21 miles (approximately 55% of its total length). Route TM9 also parallels 6.68 miles of existing transmission line. Route TM9 parallels 27.78 miles of compatible right-of-way and property lines, for a total of approximately 77.6% of its total length.

Prudent Avoidance

83. Route TM9 affects only 4 habitable structures, which reduced LCRA TSC's original TM6 by 13 habitable structures. Two of the directly affected habitable structures are located on property owned by Intervenor who, by joining the NUS, reflected their consent to the location of the line. The other two structures are owned by non-intervenor who are not impacted significantly differently by Route TM9 than they would be by Route TM6.

Alternative Configurations with Less Negative Impact on Landowners

84. Route TM9 utilizes as its basis Route TM6 with six modifications, as depicted graphically in Exh. DKT-2SR attached to the supplemental rebuttal testimony of LCRA TSC witness David K. Turner. The intervenors and PUC Staff believe that this alternative lessens impact on intervenors in the case by either avoiding their property, routing the line in an acceptable location where impacts are mitigated, and (in some instances) providing for a particular structure type.

Financial Commitments

85. Pursuant to P.U.C. SUBST. R. 25.174(d)(10), the level of financial commitment by generators is sufficient to approve LCRA TSC's Application for these CREZ priority projects.

Proposed Modifications to the Scope of Work Contained in the CTO

85. LCRA TSC proposes to construct the Twin Buttes to McCamey D 345-kV transmission line with a different type of conductor and to construct the McCamey D Station in a different location from the general location that was assumed with planning level information in ERCOT's CTO Study. However, ERCOT has concluded that these two changes are cost-effective and consistent with the CTO Study.
86. LCRA TSC's first proposed modification is to use bundled 1926.9 kcmil "Cumberland" ACSS/TW (instead of bundled 1433.6 kcmil "Merrimack" ACSS/TW) as the conductor. LCRA TSC's proposed "Cumberland" conductor meets the capability of the CTO Study conductor. With these larger "Cumberland" conductors, LCRA TSC can rate bundled "Cumberland" conductors under the conditions to be experienced in this project area at the 5,000 ampere CTO Study rating, higher than the rating (4,000 amperes) possible for the smaller "Merrimack" conductors given the conditions in this project area, and thus enable more power to be pushed across the line compared to smaller "Merrimack" conductors. This will also increase construction flexibility and simplify material procurement, because structures and some hardware can be used for either Cumberland or Falcon conductors, in other CREZ projects assigned to LCRA TSC.
87. LCRA TSC's second proposed modification is the adjustment of the actual location of the designated McCamey D Station site, selected from three alternative sites for this southern endpoint for the Proposed Project. LCRA TSC's criteria and process for station site selection appropriately involved consideration of access (public roadways and utility infrastructure) issues, the availability of adequate buildable land, proximity to existing ERCOT transmission equipment for future planning flexibility, transmission line engineering issues, civil engineering and construction issues, environmental and cultural resource issues, land use and other real estate considerations, and existing encumbrances such as pipelines or wind generation easements. This station location adjustment was done with ERCOT approval, and was also analyzed to achieve general compliance with ERCOT's designation of the station as a wind generation collector station.

Estimated Costs

88. The estimated costs for Route TM9 are reasonable.

89. Station facility improvements are estimated to cost an additional \$4.6 million, no matter which route is selected.
90. Route TM9 is estimated by LCRA TSC to cost approximately \$68.0 million, including the cost associated with the use of poles on certain intervenors' properties, as proposed by the NUS.
91. The cost of route TM9 is within the range of costs originally proposed by LCRA TSC in its application.
92. The additional installed costs for the use of other structure types vary, due to foundation (and embedment, for spun concrete poles) costs in each of the two soil types to be encountered in this project (*i.e.*, limestone in the southern half and alluvial deposits in the northern half). For tangents (straight-line structures) in the limestone located in the southern half of this project, the cost differences among tangents vary by structure type. A typical mile of lattice tangent towers, hardware, and foundations is estimated to cost about \$400,000 per mile. Spun concrete tangent poles would add more than \$50,000 per mile or about \$200,000 per mile, depending upon the type of such structure available. Tower pole tangents would add more than \$200,000 per mile. Tubular steel tangent poles would add more than \$300,000 per mile. In the alluvial deposits located in the northern half of this project, the cost differences among tangents also vary by structure type. A typical mile of lattice tangent towers, hardware, and foundations is estimated to cost about \$500,000 per mile. Spun concrete tangent poles would add more than \$50,000 per mile or about \$200,000 per mile, depending upon the type of such structure available. Tower pole tangents would add more than \$100,000 per mile. Tubular steel tangent poles would add more than \$200,000 per mile. For small to medium angle structures, the cost differences vary by structure type, for construction in each of the two soil types. In the limestone (southern area), a typical mile (based on approximately 0.3 angles per mile) of lattice angle towers, hardware, and foundations is estimated to cost about \$50,000 per mile. In the alluvial deposits (northern area), a typical mile (again, with approximately 0.3 angles per mile) is estimated to cost about \$60,000 per mile. Whether in limestone or alluvial deposits, tubular steel angle poles would add more than \$50,000 per mile (*i.e.*, twice the cost of lattice angle structures). For dead-end structures (larger angles and terminal structures), the cost differences vary by structure type, for construction in each of the two soil types. In the limestone (southern area), a typical mile

(approximately 0.3 dead-ends per mile) of lattice dead-end towers, hardware, and foundations is estimated to cost about \$100,000 per mile. In the alluvial deposits (northern area), a typical mile (approximately 0.3 dead-ends per mile) is estimated to cost about \$150,000 per mile. Whether in limestone or alluvial deposits, twin tubular steel dead-end poles would add more than \$100,000 per mile (*i.e.*, twice the cost of lattice dead-end structures).

93. Generally costs of constructing single pole configurations for routes are more expensive than the use of lattice towers. The exclusive use of poles would require tubular steel angle structures, tubular steel dead-end structures, and some tubular steel tangent structures. Due to rugged terrain, crossings of creeks and rivers, and the desire to minimize clearing of riparian vegetation, spun concrete tangent poles would not be used at all locations.
94. Compared to the steel lattice tower structures that LCRA TSC proposes as the primary structure type for this project, spun concrete poles would somewhat increase costs (including additional per pole costs for out-of-state shipping), would be limited to tangent structures, and would not be feasible for angles and dead-ends. Tower tangent poles would significantly increase costs, would increase steel material weights, would be limited to use as tangent structures, and would not be feasible for angles and dead-ends. Tubular steel poles would even more significantly increase both costs and steel material weights.
95. The F-series 345-kV lattice towers that LCRA TSC proposes to use for the Twin Buttes to McCamey D CREZ project are more cost-effective and efficient, than many other lattice towers as well as tubular steel poles, because the novel and efficient design of these F-series towers reduces the overall width of the towers, resulting in reduced required ROW, reduced steel weight and costs.
96. It is LCRA TSC's position that certain characteristics of routes in the Twin Buttes to McCamey D project area enhance the economics of using lattice towers, including open areas with relatively level or rolling terrain, that allow LCRA TSC better ability to minimize the number of structures and reduce construction costs compared to other projects in less favorable terrain.

97. A brief description and costs for the routing adjustments contained in Route TM9 are:

a. Slaughter

The Slaughter adjustment involves changing how segments a7 and a13 connect, by running the line down the eastern side of the Slaughter properties. The Slaughter adjustment is estimated to add approximately \$1.3 million, primarily for additional dead-end structures and approximately 0.2 miles of additional length.

b. Collins

The Collins adjustment involves changing segment a13 on the Collins property by running the line southeast from the northwest corner of Collins property toward US Hwy 67, stopping several hundred feet from the highway, and turning southwest to reconnect to the existing segment. Mr. Collins also proposes poles on this adjustment on Collins property. The Collins adjustment is estimated to add approximately \$1.3 million, primarily for additional dead-end structures and approximately 0.4 miles of additional length. Using poles for the Collins adjustment would add an additional estimated cost of \$2.1 million, including \$0.6 million for tangents and \$1.5 million for dead-ends. Thus, the total estimated cost for the adjustment (\$1.3 million) and poles (\$2.1 million) adds to \$3.4 million.

c. Bryant Segment a13A

The Bryant Segment a13A adjustment involves changing how segment a13 runs on the Bryant and Winston properties, moving the segment further from a parallel roadway into the interior of the Bryant property. The Bryant Segment a13A adjustment has the potential to reduce estimated construction costs by \$0.7 million, primarily for reduced numbers of angle structures; however, this would place the transmission line further interior to Bryant properties which could affect ROW acquisition costs.

d. Dickens

The Dickens adjustment changes how segment a16 runs on the Green and Cauble properties, crossing Dove Creek from the Green property to the Cauble property, moving segment a16 further east onto the Cauble property as it runs south, crossing Guinn Road, and following that road to the southwest along the Tweedy property to reconnect with a16. Additionally, LCRA TSC would lower a small portion of the line on the Cauble property to a height of 75 feet or less, which would require a ROW 200 feet in width for the lowered portion. LCRA TSC necessarily modified the north end of the proposed Dickens adjustment on the Green property to account for a feasible crossing of Dove Creek. The LCRA TSC-modified Dickens adjustment is estimated to increase costs by \$2.6 million, primarily for additional dead-end structures, very few low-profile structures in only the immediate vicinity of the projection of his primary runway, and approximately 0.5 miles of additional length. Extending low profile structures further would result in even higher costs.

e. Pickett

The Pickett adjustment involves changing how segment a18 runs on the Pickett property, moving it north and east to follow a property line, rather than cutting across the property. Mr. Pickett also proposes that poles be used along a portion of adjusted segment a18 from the corner of the Pickett property to the corner of the Mayfield property. The Pickett adjustment is estimated to increase costs by \$0.8 million, primarily for additional more expensive dead-end structures and approximately 0.3 miles of additional length. Using poles from the corner of Pickett's property to the corner of Mayfield's property would add an additional estimated cost of \$4.8 million, including \$1.7 million for tangents, \$0.5 million for angles, and \$2.6 million for dead-ends. Thus, the total estimated cost for the adjustment (\$0.8 million) and poles (\$4.8 million) equals \$5.6 million.

f. McGregor Compromise

The McGregor Compromise adjustment involves changing how segments a18, a28, a29, a32, a37, and a40 run on or along the Double M Ranch, McGregor Ranch, Akin, Kuykendahl, Helmers, Steen Estate, Marth, and E. Wilson Jones properties, terminating at the designated McCamey D Station. The McGregor Compromise adjustment is estimated to increase costs by \$1.2 million, primarily for additional tangent and angle structures and approximately 1 mile of additional length. No part of Route TM9 will be placed on the Double M Ranch or the Steen Estate Ranch

Need for the Proposed Transmission Line

98. The Proposed Transmission Line Project was specifically listed as a CREZ priority-project in the Commission's final orders in Docket Nos. 33672, 35665, and 36801.
99. As a CREZ transmission project identified in Docket Nos. 33672, 35665, and 36801, the Proposed Transmission Line Project is exempt under the PURA §§ 39.203(e) and 39.904(h) and P.U.C. SUBST. R. 25.174(d)(2) from the requirement to consider the factors in PURA § 37.056(c)(1)-(3) and (4)(E).

Alternative Options to the Project

100. Because the Proposed Transmission Line Project was specifically identified in the CTO as a CREZ priority-project, no alternatives to the Proposed Transmission Line Project have been considered.

TPWD's Written Comments and Recommendations

101. TPWD's letter containing comments and recommendations was filed in this docket on March 22, 2010. On March 23, 2010, an errata to TPWD's letter was filed.
102. Route TM9 is consistent with TPWD's recommendation because it retains characteristics of Route TM6, even with the modifications.

- 103.No modifications to the Proposed Transmission Line Project are required as the result of the recommendations and comments made by TPWD in its letter.
- 104.The only conditions or limitations to be included in the final order as the result of the recommendations and comments made by TPWD in its letter are the mitigation measures described on pages 13-15 of Staff witness Mohammad Ally's testimony (items 2-5) and included in paragraphs 4-6 in the Ordering Paragraphs of this Order.

PROPOSED CONCLUSIONS OF LAW

1. LCRA TSC is an electric utility as defined in the Public Utility Regulatory Act ("PURA"), TEX. UTIL. CODE §§ 11.004 and 31.002(6).
2. The Commission has jurisdiction to adjudicate this case pursuant to PURA §§ 14.001, 32.001, 37.001, 37.051, 37.053, 37.054, 37.056, 37.057, 39.203, and 39.904, and PUC SUBST. R. §§ 25.101, 25.174, and 25.216.
3. SOAH has jurisdiction to conduct a hearing on the merits and to prepare a proposal for decision pursuant to PURA § 14.053 and certain portions of the Administrative Procedure Act, TEX. GOV'T. CODE §§ 2003.021(b)(2) and 2003.049.
4. Proper notice of the Application was provided in compliance with PURA § 37.054 and P.U.C. PROC. R. 22.52(a).
5. Proper notice of the hearing on the Application was provided in accordance with the Administrative Procedure Act, TEX. GOV'T CODE § 2001.051.
6. LCRA TSC filed its CREZ CCN Application in this docket on January 15, 2010 in conformance with the Commission's standard CREZ CCN Application form. LCRA TSC's Application has met the filing requirements set forth in P.U.C. SUBST. R. § 25.216(g)(2) and (3).
7. PURA § 39.203(e) directs the Commission to act on such a CREZ CCN Application within 181 days of the filing of the Application, or by July 14, 2010.
8. In Docket No. 37928 Order on Remand, issued February 25, 2010, Ordering Paragraph No 1, the Commission ordered LCRA TSC to construct the Twin Buttes – McCamey D project.
9. LCRA TSC submitted its Application in conformance with the Commission's Orders in PUC Docket Nos. 33672, 35665, and 37928.
10. The Proposed Project, as a CREZ transmission project identified in Docket Nos. 35665 and 37928, is exempt under PURA §§ 39.203(e) and 39.904(h) and P.U.C. SUBST. R. 25.174(d)(2) from the requirement of proving that the construction ordered is necessary for the service, accommodation, convenience, or safety of the public and need not address the adequacy of existing service, the need for additional service, the effect of granting the certificate on the recipient of the certificate and any electric utility serving the proximate

area, and the probable improvement of service or lowering of cost to consumers in the area if the certificate is granted.

11. The Proposed Project is consistent with the Commission's goals for the CREZ program and PUC Substantive Rule § 25.174 in that it provides (1) long-term cost effective solutions consistent with the Order on Remand in Docket Nos. 35665 and 37928, and (2) transmission facilities consistent with ERCOT's recommendations to be constructed as soon as possible to relieve existing and growing constraints in delivering wind generation and placed in service.
12. The Application does not raise an issue under P.U.C. SUBST. R. 25.102 (the Coastal Management Program).
13. The proposed transmission line is necessary for the service, accommodation, convenience, or safety of the public within the meaning of PURA § 37.056, as modified by PURA § 39.904(h), in light of the Commission's action pursuant to PURA § 39.203(e) and the findings made in Docket Nos. 33672, 35665, and 37928.
14. The Proposed Transmission Line Project, as a CREZ transmission project identified in Docket Nos. 33672, 35665, and 36801, is exempt under PURA §§ 39.203(e) and 39.904(h) and P.U.C. SUBST. R. 25.174(d)(2) from the requirement of proving that the construction ordered is necessary for the service, accommodation, convenience, or safety of the public and need not address the adequacy of existing service, the need for additional service, the effect of granting the certificate on the recipient of the certificate and any electric utility serving the proximate area, and the probable improvement of service or lowering of cost to consumers in the area if the certificate is granted.
15. Pursuant to P.U.C. SUBST. R. 25.174(d)(10), the level of financial commitment by generators is sufficient under PURA § 39.904(g)(3) to grant LCRA TSC's application for a CCN in this docket.
16. Route TM9 complies with all aspects of PURA § 37.056 and P.U.C. SUBST. R. 25.101, including the Commission's policy of prudent avoidance.
17. LCRA TSC's Application, as modified by the settlement (NUS), is approved.

ORDERING PARAGRAPHS

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

1. LCRA TSC's CCN No. 30110 is amended and LCRA TSC's Application to build a new double-circuit 345 kV transmission line extending from LCRA TSC's Twin Buttes Switching Station to LCRA TSC's McCamey D Switching Station, as modified by the NUS, is approved. The Proposed Transmission Line Project will follow the route described in the NUS as Route TM9.
2. LCRA TSC shall implement erosion control measures as appropriate and return the site to its original contours and grades unless otherwise agreed to by the landowners or landowners' representatives.
3. In the event LCRA TSC or its contractors encounter any artifacts or other cultural resources during construction of the Proposed Transmission Line Project, LCRA TSC shall cease work immediately in the vicinity of the resource and report the discovery to the Texas Historical Commission ("THC") and take action as directed by the THC.
4. LCRA TSC shall follow the procedures outlined in the following publication for protecting raptors: *Suggested Practices for Avian Protection on Power Lines, The State of the Art in 2006*, Avian Power Line Interaction Committee ("APLIC"), 2006 and the *Avian Protection Plan Guidelines* published by APLIC in April, 2005.
5. LCRA TSC shall minimize the amount of flora and fauna disturbed during construction of the Proposed Transmission Line Project, except to the extent necessary to establish appropriate right-of-way clearance for the transmission line. LCRA TSC shall revegetate using native species considering landowner preferences in doing so. To the maximum extent practicable, LCRA TSC shall avoid adverse environmental impacts to sensitive plant and animal species and their habitats as identified by TPWD and USFWS.
6. LCRA TSC shall exercise extreme care to avoid affecting non-targeted vegetation or animal life when using chemical herbicides for controlling vegetation within the right-of-way and

that such herbicide use comply with rules and guidelines established in the *Federal Insecticide, Fungicide and Rodenticide Act* and with the Texas Department of Agriculture regulations.

7. LCRA TSC shall provide a copy of this order to the Railroad Commission of Texas (RRC) along with a topographical map(s) of the selected route in electronic form no later than 10 days from the date this order becomes final. LCRA TSC shall supplement the map(s) provided to RRC in a reasonable time upon the discovery of any previously unidentified oil and gas wells. LCRA TSC shall coordinate its planning and construction schedules for the selected route, to the extent practicable, with the RRC to allow the RRC to inspect any wells identified by LCRA TSC in the right of way of the transmission project and to take appropriate action in regards to such wells as the RRC determines necessary.
8. LCRA TSC shall cooperate with directly affected landowners to implement minor deviations in the approved route to minimize the impact of the Proposed Transmission Line Project. Any minor deviations in the approved route shall only directly affect landowners who received notice of the transmission line in accordance with P.U.C. PROC. Rule 22.52(a)(3) and shall directly affect only those landowners that have agreed to the minor deviation.
9. LCRA TSC shall update the reporting of this project on their monthly construction progress report prior to the start of construction to reflect final estimated cost and schedule in accordance with P.U.C. SUBST. R. 25.83(b). In addition, LCRA TSC shall provide final construction costs, with any necessary explanation for cost variance, after completion of construction and when all charges have been identified.
10. All other motions, requests for entry of specific findings of fact or conclusions of law, and any other requests for general or specific relief, if not expressly granted herein, are hereby denied.

SIGNED AT AUSTIN, TEXAS the ____ day of _____, 2010.

**P.U.C. DOCKET NO. 37778
SOAH DOCKET NO. 473-10-2461**

APPLICATION OF LCRA TRANSMISSION SERVICES CORPORATION TO AMEND ITS CERTIFICATE OF CONVENIENCE AND NECESSITY FOR THE PROPOSED TWIN BUTTES TO McCAMEY D CREZ 345-KV TRANSMISSION LINE IN TOM GREEN, IRION, AND SCHLEICHER COUNTIES, TEXAS	§ § § § § § § § §	BEFORE THE PUBLIC UTILITY COMMISSION OF TEXAS
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SETTLEMENT AGREEMENT

Staff of the Public Utility Commission of Texas ("Staff"); Galen Akin; William Freeman Pickett III; Tony Jones; Joseph Lee Collins, *et al.*; Jay Dickens; Blake L. Duncan; James and Preston Hallman ("The Duff Ranch"); Schelro, Ltd.; Robert E. Helmers; Double M. Ranch, LP; David E. Steen Estate (Janise R. Simmons and Myrta Rathbone Co-Administrators); James F. Ridge; Knickerbocker Ranch I, L.P.; Sarah B. Collins Roach; Jackie Robison; J. Stanley Mayfield and Deanna G. Mayfield; McGregor Ranch; Walter Scott McGregor; Michael Gene McGregor; Robert and Julia Maier Living Trust Agreement 1; Angie Jo Plemons; Catherine Ann Pickett; Andrew L. Allen; Tweedy Ranch (Louise M. Tweedy, Sandra M. Tweedy, Barbara V. Tweedy, Patricia D. Tweedy, The Andrew Tweedy Family Trust, The Louis Tweedy Marital Trust); Dove Creek Ranch (Dove Creek Partners, Chapoton LLC, Ruth E. Flournoy, Mary E. King, and Sarah Chapoton); Kepler Creek Ranch (Elizabeth and O. Strother Simpson); Slaughter Interests, Ltd.; M.D. Bryant Family Trust; Wardlaw Brothers Ranch, Ltd.; Lewis Ranch (Andrea Lyn Lewis Whitcomb, Patricia Lee Lewis, and M. Susan Lewis); and L. David and Larilyn Winston enter into this Agreement as of this 14th day of April, 2010. The above-listed parties are sometimes referred to individually as "Party" and collectively as "Parties".

Whereas LCRA has filed before the Public Utility Commission of Texas ("Commission") in Docket No. 37778 an Application to Amend a Certificate of Convenience and Necessity for the Proposed Twin Buttes to McCamey D CREZ 345 kV Transmission Line ("Proposed Transmission Line Project") in Tom Green, Irion, and Schleicher Counties, Texas ("Application");

Whereas Galen Akin; William Freeman Pickett III; Tony Jones; Joseph Lee Collins, *et al.*; Jay Dickens; Blake L. Duncan; James and Preston Hallman (The Duff Ranch); Schelro, Ltd.; Robert E. Helmers; Double M. Ranch, LP; David E. Steen Estate (Janise R. Simmons and Myrta

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"A"

Rathbone Co-Administrators); James F. Ridge; Knickerbocker Ranch I, L.P.; Sarah B. Collins Roach; Jackie Robison; J. Stanley Mayfield and Deanna G. Mayfield; McGregor Ranch; Walter Scott McGregor; Michael Gene McGregor; Robert and Julia Maier Living Trust Agreement 1; Angie Jo Plemons; Catherine Ann Pickett; Andrew L. Allen; Tweedy Ranch (Louise M. Tweedy, Sandra M. Tweedy, Barbara V. Tweedy, Patricia D. Tweedy, The Andrew Tweedy Family Trust, The Louis Tweedy Marital Trust); Dove Creek Ranch (Dove Creek Partners, Chapoton LLC, Ruth E. Flournoy, Mary E. King, and Sarah Chapoton) and Kepler Creek Ranch (Elizabeth and O. Strother Simpson); Slaughter Interests, Ltd.; M.D. Bryant Family Trust; Wardlaw Brothers Ranch, Ltd.; Lewis Ranch (Andrea Lyn Lewis Whitcomb, Patricia Lee Lewis, and M. Susan Lewis); and L. David and Larilyn Winston have participated as Intervenor in Docket No. 37778, and there are no other intervenors in the docket;

Whereas the Parties have conducted discussions and negotiations with each other and with counsel for LCRA TSC with a view of settling the issues in this docket;

Whereas the Parties have been unable to reach a settlement agreement with LCRA TSC;

Whereas the Parties include every party in this case, with the exception of LCRA TSC;

Whereas the Parties agree to support the selection of Route TM9 as the route approved by the Commission in this docket;

Whereas LCRA TSC's application reflects that all properties affected by Route TM9 were noticed in this proceeding;

Whereas Route TM9 follows LCRA TSC's proposed Route TM6 with the following modifications:

MODIFICATION 1

The transmission line shall enter Slaughter's property along original link A7 from the northeast into tract A7-007. At a point fifty (50) to eighty (80) feet inside Slaughter's property, the transmission line will turn left approximately 60 degrees so as to travel due south following Slaughter's easternmost property line. The eastern edge of the transmission-line easement must abut Slaughter's easternmost property line. The transmission line shall continue south across the Middle Concho River along and abutting Slaughter's easternmost property line. South of the Middle Concho River, the unnumbered tract south of tract A7-007, which is owned by Slaughter, is described in the M. Keller Survey No. 830, Abstract 1592. The transmission line shall continue south along and abutting Slaughter's easternmost property line until a point approximately 450 feet from the northern boundary of tract A13-003, at which point the transmission line shall turn right at an angle of approximately 80 degrees so as to travel to the west-southwest and so as to traverse to a point fifty (50) to eighty (80) feet north of the boundary of tracts A13-002 and A13-003 and connect with the current location of original link A13. The west-southwest traversing line described in the prior sentence must be oriented such that the southern border of the transmission-line easement will be as far south as possible and also must run as nearly due west as

possible without the transmission-line easement crossing into tract A13-003. Upon reaching link A13 at a point fifty (50) to eighty (80) feet north of the boundary of tracts A13-002 and A13-003, the transmission-line easement shall turn due south and exit the Slaughter's property along link A13. ~~Slaughter will accept an easement as wide as 160 feet, but if monopoles are ordered on Slaughter's property, then the easement on Slaughter's property must be no wider than necessary to accommodate the monopoles.~~ *applicable structures.* C.O.S.

MODIFICATION 2

As drawn on the Intervenor Maps provided by LCRA TSC and subscribed to by the parties' initials or signatures, the modified Link A13 on Joseph Lee Collins' property starts at the northwest corner of Tract A13-008 and will traverse between 40-60 degrees southeast for about 5,000 feet to a point to be determined based on constraints and the next connection point to Link A13. The transmission line shall bypass an existing windmill, water tank, water trough and dirt tank.

or span
From this point, the transmission line will traverse at an approximate 85-90 degree angle southwest for about 4,750 feet to reconnect to the original Link A13. This point depends on the earlier starting point. This portion of the link will bypass an existing windmill. LCRA TSC shall work with the landowner to accommodate minor deviations on the landowner's property.

The transmission structures for both portions of the link will be single monopole structures. The transmission line will cross over an existing 3-inch above ground pressurized flow line, an existing 2-inch non-pressurized flow line, an electrical distribution line and a communication line.

MODIFICATION 3

As drawn on the Intervenor Maps provided by LCRA TSC and subscribed to by the parties' initials or signatures, after proposed link A13 crosses Highway 67, and at the point link A13 enters the northeast corner of Tract A13-025 owned by the M.D. Bryant Family Trust, new link A13a would angle approximately 25 degrees to the southwest and run for approximately 2,400 feet to the southern boundary of "Lee Farm," (approximately 2,500 feet south of Highway 67) at which point link A13a would turn south and continue on a straight line to connect to the northern end of proposed link A16 directly from Tract A13-079 to adjoining Tract A13-080. From the point at which link A13a turns south on Tract A13-025 until it connects to link A16, the distances between link A13a and proposed link A13 would vary as the links run south; however link A13a would be positioned so that it is no closer than 550 feet to a habitable structure on the east side of FM 2355.

MODIFICATION 4

From its beginning point at the southern end of Link A13a on LCRA TSC-labeled Tract No. A13-080, Link A16 proceeds south until it meets the southwest corner of LCRA TSC-labeled Tract No. A16-004 where Link A16 will take a right-angle turn to the east parallel to the southern boundary of Tract No. A16-004 across Dove Creek to the eastern boundary of Tract No. A16-007. At that point, Link A16 takes a turn in a southerly direction and parallels the eastern boundary of the tract shown on the LCRA TSC maps as Tract No. A16-007. As the line proceeds on the boundary of A16-007, the line will be lowered to a height of approximately 75 feet for a stretch of approximately 1000 feet to meet the 1:20 slope guidelines for the Dickens primary airstrip. These lower structures will be H-frame structures or any technology of LCRA TSC's to lower the line to the 1:20 height. Then the line will continue to proceed on the eastern boundary of Tract No. A16-007 until it crosses Guinn Road. Where the southeastern most corner of Tract No. A16-007 meets Guinn Road, the route crosses Guinn Road and turn to the west-southwest and follow parallel to and along the southern boundary of Guinn Road on the LCRA-TSC-labeled Tract No. A16-012, which is part of the Tweedy Ranch, until it meets A16 as originally proposed by LCRA TSC. Although the map shows a small portion of Tract No. A16-007 south of Guinn Road, that property is actually owned by the owners of the Tweedy Ranch.

MODIFICATION 5

From the point at which Link A16 and Link A18 join at the northern boundary of parcel A16-016 ("Pickett Modifications Beginning Point"), go east along the northern property line of A16-016 until the eastern boundary of A16-016 where it meets parcel A18-001. Go south along the property line between A16-016 and A18-001 until the modification meets the existing point where proposed Link A18 meets the property line between A16-016 and A18-001. From that point, continue following proposed Link A18 to the point where parcels A18-003, A18-002, A18-005, and A18-006 meet ("Pickett Modifications End Point"). From that point, follow the modifications through parcel A18-006 south as proposed in the McGregor Ranch Compromise. The entire segment of Link A18 from the Pickett Modifications Beginning Point to the Pickett Modifications End Point shall be constructed using monopoles as the supporting structure for the line.

MODIFICATION 6

As drawn on the Intervenor Maps provided by LCRA TSC and subscribed to by the parties' initials or signatures, the McGregor Compromise Route (which includes both the line and all associated right-of-way) begins as follows: (1) at the northwest corner of Block A18-006 (Kuykendall ranch) turning clockwise to the middle of the southern boundary of that block; (2) cross Allen Road before entering the McGregor Ranch on the east side of Block A24-002; (3) proceed south along McGregor Ranch's eastern fence, staying on the McGregor Ranch and not on Double M Ranch, for two miles;

(4) turn counter-clockwise slightly towards McGregor Ranch's southeast corner for about three more miles; (5) turn due east, cross into Galen Akin's south pasture at Block A26-012; (6) proceed east paralleling Galen Akin's south fence line for about one mile, staying on Akin's property and not on the Steen Estate ranch; (7) upon entering Karen Marth's ranch at Block A26-013, turn due south again paralleling her west fence, staying on the Marth ranch and not on the Steen Estate ranch, until entering Bob Helmers's ranch; (8) continue proceeding due south paralleling Bob Helmers's west fence, staying on the Helmers ranch and not on the Steen Estate ranch, in Blocks A37-001 and most of A35-010; (9) keep proceeding south across Bob Helmers's south pasture in Block A35-010; and (10) proceed due south into Wilson Jones's ranch until the line meets up with the road on his ranch that leads eastward to the proposed McCamey D substation on his ranch. At no place will the McGregor Compromise Route cross any portion of the Double M Ranch or the Steen Estate ranch.

Whereas, no Party desires to have a transmission line on or near their property; however, all Parties agree to this compromise settlement agreement in order to reach resolution of the routing issues before the Public Utility Commission in consideration of the values of the community;

Whereas, pursuant to Order No. 5 in this docket, the Hearing on the Merits is scheduled for April 13-16, 2010;

Whereas, following the execution of this Agreement, the Parties agree to seek abatement of the Hearing on the Merits;

Whereas, the Parties agree to file this Joint Non-Unanimous Settlement and to seek the Commission's approval of Route TM9;

Whereas, the Parties agree that by signing this Agreement, no party is bound by the Agreement's positions, theories, or principles on any issue in any future proceeding unrelated to this docket; and

Whereas this Agreement will constitute a binding memorialization of the settlement terms.

NOW, THEREFORE, IT IS HEREBY AGREED:

This Agreement provides for a settlement of the routing portions of Commission Docket No. 37778 and provides for the use of specified structure types on certain portions of the proposed transmission line as stated in the description of the modifications to Link A13, Link A16, and Link A18. Each Party agrees to cooperatively pursue with diligence and good faith the commitments set forth herein.

Parties' Commitments

1. In addition to the other commitments described herein, Parties who are directly affected landowners with property affected by Route TM9 agree to and will support the Commission's approval of Route TM9, but retain the right to: (a) seek adequate compensation for the right-of-way (ROW) on their property and to challenge the estimated cost to obtain the necessary ROW for such construction on their property, and (b) seek Commission approval of monopoles for all or some portions of the project.
2. If the Commission does not adopt an appropriate order consistent with the material terms of this Agreement, then (a) the Parties will have the right to withdraw from this Agreement and to assume any position they deem appropriate with respect to any issue in this proceeding; and (b) consistent with Texas Rule of Evidence 408, the terms of this Agreement may not be used as evidence in any regulatory or judicial proceeding.

Staff Commitments

3. Staff agrees to and will support the Commission's approval of Route TM9.

This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, but all of which shall together constitute one and the same agreement. Facsimile or other electronic versions of signatures are valid for purposes of evidencing such execution. Each person executing this Agreement represents that he or she is authorized to sign on behalf of the party represented.

In consideration of the mutual promises and benefits contained herein the Parties have executed and entered into this Agreement as of the date first written above.

Public Utility Commission Staff

By: Margaret Lumber
Name: Margaret Uhlig Lumber
Title: Attorney

Galen Akin

By: Don Payne
Name: Don Payne
Title: Attorney for Galen Akin

William Freeman Pickett III

By: _____
Name: Bradford W. Bayliff
Title: Attorney

Tony Jones

By: _____
Name: Bradford W. Bayliff
Title: Attorney

Joseph Lee Collins, et al.

By: _____
Name: _____
Title: _____

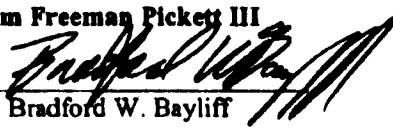
Public Utility Commission Staff

By: _____
Name:
Title:


Galen Akin

By: _____
Name:
Title:

William Freeman Pickett III

By: 
Name: Bradford W. Bayliff
Title: Attorney

Tony Jones

By: 
Name: Bradford W. Bayliff
Title: Attorney

Joseph Lee Collins, et al.

By: 
Name:
Title:

Jay Dickens

By: Catherine J. Wehring
Name: CATHERINE J. WEHRING
Title: ATTORNEY

Blake L. Duncan

By: _____
Name: _____
Title: _____

James & Preston Hallman

By: _____
Name: _____
Title: _____

Shelro LTD.

By: _____
Name: _____
Title: _____

Robert E. Helmers

By: _____
Name: _____
Title: _____

Carolyn B. Collins McCrea

By: Carolyn B. Collins McCrea
Name: by Sarah B. Collins Roach
Title: _____

Jay Dickens

By: _____
Name: _____
Title: _____

Blake L. Duncan

By: Blake L. Duncan
Name: BLAKE L. DUNCAN
Title: OWNER

James & Preston Hallman

By: _____
Name: _____
Title: _____

Shelro LTD.

By: _____
Name: _____
Title: _____

Robert E. Helmers

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Name: _____
Title: _____

Carolyn B. Collins McCrea

By: _____
Name: _____
Title: _____

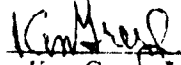
Jay Dickens

By: _____
Name:
Title:

Blake L. Duncan

By: _____
Name:
Title:

James & Preston Hallman

By:  _____
Name: Ken Greek, Jr.
Title: Attorney

Shelro LTD.

By: _____
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Robert E. Helmers

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James & Preston Hallman

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Title:

Shelro LTD.

By: Lynn Sherman
Name: Lynn Sherman
Title: legal counsel

Robert E. Helmers

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Name:
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Carolyn B. Collins McCrea

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Title:

James & Preston Hallman

By: _____
Name:
Title:

Shelro LTD.

By: _____
Name:
Title:

Robert E. Helmers

By: Robert E. Helmers
Name: ROBERT E. HELMERS
Title: OWNER/INTERVENOR

Carolyn B. Collins McCrea

By: _____
Name:
Title:

Joint Non-Unanimous Settlement
P.U.C. Docket No. 37778
S.O.A.H. Docket No. 473-10-2461
Page 11 of 14

Double M Ranch, LP

By: 

Name: J. M. McLaughlin

Title: Managing Partner

David E. Steen Estate

By: 

Name: Denise Simmons

Title: Co-administrator

James F. Ridge

By: 

Name: James F. Ridge

Title:

Knickerbocker Ranch L.L.P.

By: 

Name: Attorney for

Title: Knickerbocker Ranch

Sarah B. Collins Roach

By: 

Name: Sarah B. Collins Roach

Title:

Joint Non-Unanimous Settlement
P.U.C. Docket No. 37778
S.O.A.H. Docket No. 473-10-2461
Page 12 of 14

Jackie Robison

By: Lynn Sherman
Name: Lynn Sherman
Title: Legal Counsel

**J. Stanley Mayfield and Deanna G. Mayfield
McGregor Ranch; Walter Scott McGregor;
Michael Gene McGregor; Robert and Julia
Maier Living Trust Agreement 1; Angie Jo Plemons;
Catherine Ann Pickett; and Andrew L. Allen**

By: _____
Name: _____
Title: _____

**Tweedy Ranch, Louise M. Tweedy, Sarah M.
Tweedy, Barbara V. Tweedy, Patricia D. Tweedy,
The Andrew Tweedy Family Trust, The Louis
Tweedy Marital Trust and Dove Creek Ranch,
Dove Creek Partners, Chapoton LLC, Ruth E. Flourney,
Mary E. King, Sarah Chapoton, Elizabeth and O. Strother
Simpson**

By: Lynn Sherman
Name: Lynn Sherman
Title: Legal Counsel

Slaughter Interests, LTD.

By: _____
Name: _____
Title: _____

Jackie Robison

By: _____
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**J. Stanley Mayfield and Deanna G. Mayfield
McGregor Ranch; Walter Scott McGregor;
Michael Gene McGregor; Robert and Julia
Maier Living Trust Agreement 1; Angie Jo Plemons;
Catherine Ann Pickett; and Andrew L. Allen**

By: *Joe William Ross*
Name: *Joe William Ross*
Title: *Attorney for Intervenor*

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Tweedy, Barbara V. Tweedy, Patricia D. Tweedy,
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Simpson**

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Title:

Slaughter Interests, LTD.

By: _____
Name:
Title:

Jackie Robison

By: _____
Name:
Title:

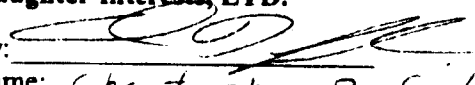
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Mary E. King, Sarah Chapoton, Elizabeth and O. Strother
Simpson**

By: _____
Name:
Title:

Slaughter Interests, LTD.

By: 
Name: Christopher D. Sileo
Title: Attorney of Record
TX Bar No 24027977