

Control Number: 38290



Item Number: 102

Addendum StartPage: 0

**SOAH DOCKET NO. 473-10-4790
PUC DOCKET NO. 38290**

APPLICATION OF SHARYLAND UTILITIES, L.P. TO AMEND ITS CERTIFICATE OF CONVENIENCE AND NECESSITY FOR THE PROPOSED HEREFORD TO WHITE DEER 345 KV CREZ TRANSMISSION LINE IN ARMSTRONG, CARSON, DEAF SMITH, OLDHAM, POTTER, AND RANDALL COUNTIES, TEXAS	§ § § § § § § § § §	BEFORE THE STATE OFFICE OF ADMINISTRATIVE HEARINGS
---	--	---

RECEIVED
MAY 11 2:53 PM '10

SHARYLAND UTILITIES, L.P.’S RESPONSE TO MOTION TO INTERVENE OF GOLDEN SPREAD ELECTRIC COOPERATIVE, INC. ET AL.

Sharyland Utilities, L.P. (“Sharyland”) files this Response to the Motion to Intervene filed by Golden Spread Electric Cooperative, Inc. and several of its member cooperatives (collectively, “Golden Spread”) on July 16, 2010. Golden Spread claims it has a justiciable interest because (a) certain of the transmission line routes proposed by Sharyland may cross distribution and transmission lines operated by Golden Spread and its members, (b) some of Golden Spread’s members may be affected by Sharyland’s inclusion of the costs of its transmission line in Sharyland’s transmission cost of service (“TCOS”), and (c) Golden Spread has recently entered into an agreement to purchase the ownership interests in a wind energy project located in Oldham, Randall, and Potter Counties, Texas, from affiliates of Cielo Wind Power, L.P. (“Cielo”), an intervenor in this case.

Sharyland notes that the second ground for intervention alleged by Golden Spread – the impact of the proposed line on TCOS – has been rejected as a basis for intervention in several CREZ CCN proceedings.¹ Sharyland does not oppose Golden Spread’s intervention on the first and third grounds identified in its Motion. However, Sharyland does wish to respond to certain

¹ See *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*, Docket No. 37448, Order No. 2 at 5-6 (Nov. 20, 2009); *Application of Oncor Electric Delivery Company, L.L.C. to Amend its Certificate of Convenience and Necessity for the Tonkawa – Sweetwater East – Central Bluff CREZ 345 KV Transmission Line in Scurry, Mitchell, Fisher, Noland, Taylor Counties, Texas*, Docket No. 37407, Order No. 8 at 5-6 (Nov. 17, 2009); and *Application of Oncor Electric Delivery Company, LLC to Amend its Certificate of Convenience and Necessity for the Newton – Killen 345-KV CREZ Transmission Line in Bell, Burnet, and Lampasas Counties, Texas*, Docket No. 37463, Order No. 3 at 2 (Nov. 23, 2009).

102

statements contained in Golden Spread's filing which Sharyland believes are inaccurate or raise issues that are beyond the scope of this proceeding.

First, Golden Spread asserts that Sharyland responded to Cielo's concerns about the routing of Sharyland's preferred route in this proceeding (Alternative Route 1) through the area in which the Cielo wind project is located by "modifying the routing in a way that was even more detrimental to the . . . Project."² In fact, in response to Cielo's concerns, Sharyland specifically informed Cielo that Sharyland's practice is to work closely with landowners and wind developers to minimize the impact of Sharyland's proposed transmission lines and committed that it would work with Cielo to minimize the impact of the proposed line on Cielo's wind project if Alternate Route 1 is selected by the Commission. In the event that Golden Spread acquires ownership of the Cielo wind project and Sharyland is directed by the Commission to construct Alternate Route 1, Sharyland will make the same commitment to Golden Spread.

Second, Golden Spread appears to be raising issues that are beyond the scope of this CCN proceeding. For example, Golden Spread expresses concerns that the proposed new Sharyland line "will extend deeply into geographic areas previously the exclusive province of the SPP [Southwest Power Pool], and involving interstate transmission and sales of electricity."³ Golden Spread is apparently challenging the Commission's decision to approve the construction of ERCOT transmission lines to interconnect with CREZs in the Panhandle and South Plains regions. These issues were raised by Golden Spread in the original CREZ proceeding in Docket 33672 where Golden Spread argued that wind projects in these areas should be interconnected to SPP rather than ERCOT.⁴ Ultimately, the Commission rejected these arguments in designating CREZs A and B in Docket No. 33672⁵ and directing Sharyland to construct the facilities

² Motion to Intervene at 5.

³ *Id.*

⁴ *Commission Staff's Petition for Designation of Competitive Renewable Energy Zones*, Docket No. 33672, Golden Spread Post Hearing Brief (June 29, 2007); *id.*, Testimony of Michael L. Wise (Apr. 24, 2007).

⁵ See Docket No. 33672, Order on Rehearing at 36-37 (FoF 95, 97, 99) and 49 (Ordering ¶ 1) (Oct. 6, 2008); see also *id.* at 23-24, 49 (CoL 12).

necessary to connect those CREZs to ERCOT in Docket No. 37902.⁶ Moreover, the Federal Energy Regulatory Commission has issued a declaratory order expressly disclaiming jurisdiction over the proposed CREZ lines to ERCOT, transmission service over those lines and sales of electric energy over those lines.⁷ Golden Spread is certainly entitled to argue against approval of Alternate Route 1 in this proceeding. However, the injection of issues into this proceeding relating to whether the Commission properly decided to approve the construction of CREZ lines into areas in Texas in which SPP operates have already been resolved and would serve only to delay this expedited case.

Third, Golden Spread asserts that “at this time there are no known wind projects in these areas [northwest, north, and northeast of Amarillo] committed to sales into the ERCOT market.”⁸ This is simply not correct. Two wind developers that have expressed interest in interconnecting to Alternate Route 1 have already filed to intervene in this proceeding. One party, Pattern Renewables LP, has posted over \$3 million in Docket No. 37567 “in support of its commitment to construct at least 319 MW of wind generation in the Panhandle B CREZ which Pattern Renewables intends to connect to the Hereford to White Deer CREZ transmission line.”⁹

As noted above, Sharyland does not object to Golden Spread’s intervention in this proceeding. However, Sharyland reserves the right to object to any efforts to introduce issues into this case which have already been resolved by the Commission or are otherwise irrelevant to the issues in this CCN proceeding.

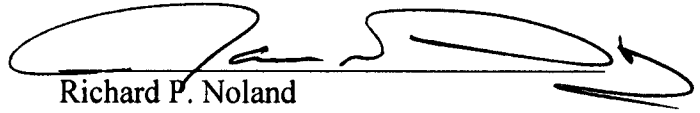
⁶*Remand of Docket No. 35665 (Commission Staff's Petition for Selection of Entities Responsible for Transmission Improvements Necessary to Deliver Renewable Energy from Competitive Renewable Energy Zones)*, Docket No. 37902, Order on Remand at 55 (Ordering ¶ 1 and Attachments A and B) (Mar. 30, 2010).

⁷ *Cross Texas Transmission, LLC, et al.*, Order Granting Petition for Declaratory Order, 129 FERC ¶ 61,106 (Nov. 5, 2009).

⁸ Motion to Intervene at 6.

⁹ Pattern Renewables LP Motion to Intervene at 2 (Jul. 16, 2010).

Respectfully submitted,



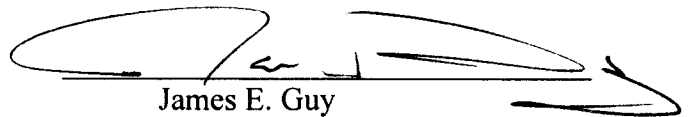
Richard P. Noland
State Bar No. 15063500
James M. Bushee
State Bar No. 24015071
James E. Guy
State Bar No. 24027061
SUTHERLAND ASBILL & BRENNAN LLP
701 Brazos Street, Suite 970
Austin, Texas 78701-2559
512.721.2700 (Telephone)
512.721.2656 (Facsimile)

Attorneys for Sharyland Utilities, L.P.

July 21, 2010

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing document was served on all parties of record in this proceeding by U.S. mail, postage prepaid, facsimile, or hand delivery this 21st day of July 2010.



James E. Guy