

115. There are three private airstrips within 10,000 feet of the Settlement Route. One is within 10,000 feet of Route 2-2 and two are within 10,000 feet of Modified Route 14-4.
116. There are no known heliports within 5,000 feet of the Settlement Route.
117. A total of approximately 1.6 miles of the Settlement Route (1.2 miles of Route 2-2 and 0.4 miles of Modified Route 14-4) will cross cropland irrigated by traveling irrigation systems, but the Settlement Route is not anticipated to interfere with any existing traveling irrigation systems.
118. WETT has agreed to construct the portions of Route 2-2 located on the property of the Muleshoe Ranch, Munger Ranch, RM Livestock, Ox Bow Ranch, and Ricky and Stephanie Miller on steel monopoles. WETT has also agreed to construct the modification to Link Z4 on steel monopoles. The total mileage to be constructed on monopoles is approximately 19.1 miles.
119. WETT has agreed to mitigate the impact of Link UY2 upon a Dyess Air Force Base threat emitter, as explained in a Cooperation Agreement, which was submitted in the pre-hearing phase as Exhibit KPR-1 to the rebuttal testimony of Kenda Pollio and entered into evidence as WETT Exhibits 17 and 19, and separately in its entirety as Dyess Air Force Base Exhibit 4 (Cooperation Agreement). WETT has also agreed to coordinate with and keep Dyess Air Force Base informed of WETT's relevant planning, design, and construction activities.
120. WETT has agreed not to move the 4.7 mile portion of Link UY2 which parallels and abuts the south side of the existing 138 kV transmission line from the location proposed in its Application without the agreement of Occidental.
121. The Settlement Route will have a minimal adverse impact on community values.

122. Commission Staff recommends that WETT cooperate with directly affected landowners to implement minor deviations in the approved route to minimize the impact of the Proposed Project.

Park and Recreational Areas

123. No parks or recreational areas owned by a governmental body or an organized group, club, or church are located within 1,000 feet of the Settlement Route.

Historical and Archeological Areas

124. The Settlement Route crosses no previously recorded archeological or historical sites but is within 1,000 feet of three previously recorded sites. There is one previously recorded site within 1,000 feet of each of the three segments.
125. Approximately 34.5 miles of the Settlement Route cross areas of high prehistoric and historic site potential. More particularly, approximately 16.6 miles of Route 2-2, 11.3 miles of Route 5-3, and 6.6 miles of Modified Route 14-4 cross such areas of high prehistoric and historic site potential.
126. The Settlement Route will have little or no impact on known historical or archeological sites.
127. Commission Staff recommends that, in the event WETT or its contractors encounter any artifacts or other cultural resources during construction of the Proposed Project, work shall cease immediately in the vicinity of the resource and the discovery shall be reported to the Texas Historical Commission (THC). WETT will take action as directed by the THC.

Aesthetic Values

128. The Settlement Route is not within the designated visual zone of any parks or recreation areas.

129. The Settlement Route is not within the designated visual zone of U.S. or state scenic highways or trailways.

Environmental Impact

130. WETT retained kpe to prepare the EAs for the Proposed Project.
131. kpe contacted the United States Fish and Wildlife Service (USFWS) and TPWD to obtain information regarding the possibility of encountering any federally or state-listed endangered or threatened species in the area affected by the Proposed Project.
132. kpe studied potential impacts to physiography and geology, soils, water resources, vegetation, and wildlife within the Proposed Project's study area. This included an evaluation of the impacts of the Proposed Project on federally or state-listed endangered or threatened species.
133. The land uses in the study areas are primarily farming, open rangeland, and natural gas and oil exploration and drilling.
134. Impacts to prime farmland will be minimal and limited to the physical occupation of small areas at the base of support structures.
135. Construction of the Settlement Route should have little adverse impact on the surface or ground water resources of the area. Careful siting in or near floodplains should eliminate the possible impacts such that the Proposed Project should not significantly affect flooding.
136. No significant adverse impacts to land use, wetland resources, ecological resources, geological features or resources are anticipated by the construction of the Proposed Project.

137. WETT has conducted an adequate evaluation of potential environmental impacts of the Proposed Project.
138. To protect raptors and migratory birds, Commission Staff recommends that WETT follow the procedures outlined in *Suggested Practices for Raptor 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 the APLIC in April, 2005.
139. Commission Staff recommends that WETT minimize the amount of flora and fauna disturbed during construction of the Proposed Project, except to the extent necessary to establish appropriate right-of-way clearance for the transmission line. In addition, WETT shall re-vegetate using native species and shall consider landowner preference in doing so. Furthermore, to the maximum extent practicable, the utility shall avoid adverse environmental impacts to sensitive plant and animal species and their habitats as identified by TPWD and USFWS.
140. Commission Staff recommends that WETT implement erosion control measures as appropriate and return each affected landowner's property to its original contours unless otherwise agreed to by the landowners.
141. Commission Staff recommends that WETT exercise extreme care to avoid affecting non-targeted vegetation or animal life when using chemical herbicides to control vegetation within the right-of-way.

Goal for Renewable Energy

142. The Proposed Project is consistent with and in furtherance of the goals and mandates of PURA § 39.904.

Prudent Avoidance

143. The Proposed Project has been routed in accordance with the Commission's policy of prudent avoidance.
144. There are 55 habitable structures within 500 feet of the centerline of the Settlement Route.

Financial Commitment

145. Pursuant to PUC SUBST. R. 25.174(d)(5), the level of financial commitment demonstrated by generators for the Central West CREZ is sufficient under PURA § 39.904(g)(3).

Proposed Modifications to the Scope of Work Contained in the CTO Study

146. The CREZ Transmission Optimization Study (CTO Study) did not identify precise locations for the West A and West C Switching Stations. WETT identified and acquired property for the construction of these switching stations, which WETT renamed Long Draw and Grelton, respectively. In correspondence dated March 10 and March 31, 2010, ERCOT concluded that the locations of the Long Draw and Grelton Switching Stations were consistent with its guidelines.
147. The CTO Study likewise did not identify a precise location for the Central A Switching Station. Oncor identified and acquired property for the construction of this switching station, which it renamed the Scurry County South Switching Station.
148. The CTO Study listed the straight-line distance between the Central A and West A (now Scurry County South and Long Draw) Switching Stations as 43 miles; Route 2-2 is approximately 50.7 miles long. The CTO Study listed the straight-line distance between the West A and West C (now Long Draw and Grelton) Switching Stations as 25 miles; Route 5-3 is approximately 57.7 miles long. The CTO Study listed the straight-line distance between the West C (now Grelton) and Odessa Switching Stations as 43 miles; Modified Route 14-4 is approximately 50.0 miles. The routes are longer than CTO

estimates because the CTO Study assumed straight-line distances between locations that ultimately changed slightly to accommodate real-world siting issues.

Estimated Costs

149. In the CTO Study, the estimated cost for the Central A to West A (now Scurry County South to Long Draw) segment was \$72,240,000. The original estimated cost for Route 2-2 was \$88,436,000, which was comparable to the CTO Study's estimated cost per mile for double-circuit lines. WETT cost estimates indicate that steel monopoles cost approximately 10 percent more than steel lattice towers. With the installation of monopoles on approximately 18.4 miles of the Proposed Project on properties owned by Muleshoe Ranch, Munger Ranch, RM Livestock, Ox Bow Ranch, and Ricky Miller, the overall cost for this portion of the Proposed Project will increase by approximately 4.3 percent.
150. In the CTO Study, the estimated cost for the West A to West C (now Long Draw to Grelton) segment was \$35,000,000. The estimated cost for Route 5-3 is \$79,328,000. This cost estimate includes factors that were not included in the CTO Study, such as real estate acquisition, and was based upon a much shorter line length. Removing the estimated cost of real estate acquisition, the more comparable estimated cost for Route 5-3 is \$76,265,000. Thus, the comparable estimated per mile cost of Route 5-3 is \$1.32 million – less than the CTO Study's estimated per mile cost of \$1.4 million.
151. In the CTO Study, the estimated cost for the West C (now Grelton) to Odessa segment was \$60,200,000. The estimated cost for Modified Route 14-4 is \$70,542,000, including the minor route deviations and use of monopoles for the 0.7-mile modification to Link Z4. This cost estimate includes factors that were not included in the CTO Study, such as real estate acquisition, and was based upon a shorter line length. Removing the estimated cost of real estate acquisition, the more comparable estimated cost for Modified Route 5-3 is \$67,818,000. Thus, the comparable estimated per mile cost of Route 5-3 is \$1.36 million – less than the CTO Study's estimated per mile cost of \$1.4 million.

152. The estimated cost for establishing the new Long Draw Switching Station is \$10,833,000. The estimated cost for establishing the new Grelton Switching Station is \$6,736,000. The CTO Study did not provide a cost estimate for this work.
153. The total estimated cost of the Proposed Project, including the three segments and two switching stations, is \$259,706,000.

Need for the Proposed Project

154. As a CREZ transmission project identified in Docket Nos. 35665 and 37902, the Proposed 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).

TPWD's Written Comments and Recommendations

155. TPWD filed a comment letter in this docket on October 13, 2010.
156. For the Scurry County South to Long Draw segment, TPWD indicated that it preferred route Route 8-2 over WETT's preferred route, Route 2-2. TPWD did not specifically object to any of the links utilized by the Route 2-2, but did note that Route 2-2 could cross within two miles of Lake J.B. Thomas, possibly increasing the risk of bird collisions.
157. For the Long Draw to Grelton segment, TPWD indicated that it preferred route Route 4-3 over WETT's initial preferred route, Route 2-3. TPWD did not specifically object to any of the links utilized by the settlement route, Route 5-3.
158. For the Grelton to Odessa segment, TPWD indicated that it preferred route Route 8-4 over WETT's preferred route, Route 14-4. TPWD did not specifically object to any of the links utilized by the Modified Route 14-4, but did suggest a general preference for routes which avoid the area of Monahans Draw.
159. In response to the recommendations and comments made by TPWD:

- a. WETT will coordinate with TPWD and USFWS regarding potential impacts to state- or federally-listed species and their habitats and with the U.S. Army Corps of Engineers regarding potential impacts to wetlands.
 - b. WETT will comply with the various measures described in the Environmental Assessments to minimize environmental impacts.
 - c. WETT will coordinate with TPWD to determine whether avian flight diverters are necessary on areas near Lake J.B. Thomas, consistent with WETT's intended practices identified in the Scurry County South to Long Draw EA.
160. The standard mitigation requirements utilized by Commission Staff and included in the Ordering Paragraphs in this Order are reasonable measures for a utility to undertake when constructing a transmission line and adequately address TPWD concerns.

II. Conclusions of Law

1. WETT is an electric utility as defined in PURA §§ 11.004 and 31.002(6).
2. The Commission has jurisdiction over this matter pursuant to PURA §§ 14.001, 32.001, 37.051, 37.053, 37.054, and 37.056.
3. SOAH has jurisdiction over this proceeding pursuant to PURA § 14.053 and TEX. GOV'T CODE ANN. § 2003.049 (Vernon 2008 & Supp. 2010).
4. WETT provided proper notice of the Application in compliance with PURA § 37.054 and P.U.C. PROC. R. 22.52(a).
5. This docket was processed in accordance with the requirements of PURA and Administrative Procedure Act, TEX. GOV'T CODE ANN. Chapter 2001 (Vernon 2008 & Supp. 2010).

6. WETT is entitled to approval of the Application, as described in the findings of fact, utilizing the Settlement Route, taking into consideration the factors set out in PURA § 37.056 and P.U.C. SUBST. R. 25.101.
7. The Settlement Route complies with all aspects of PURA § 37.056 and P.U.C. SUBST. R. 25.101, including the Commission's policy of prudent avoidance.
8. The Proposed Project, as a CREZ transmission project identified in Docket Nos. 35665 and 37902, 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.
9. Pursuant to the Commission's order in Docket No. 37567, the level of financial commitment by generators is sufficient under PURA § 39.904(g)(3) to grant WETT's application for a CCN in this docket.
10. The requirements for informal disposition pursuant to P.U.C. PROC. R. 22.35 have been met in this proceeding.

III. Ordering Paragraphs

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

1. Consistent with the Stipulation, WETT's CCN No. 30197 is amended and WETT's Application to build a new, 345-kV, double-circuit transmission line that will extend

from Oncor's new Scurry County South Switching Station, to WETT's new Long Draw Switching Station, to WETT's new Grelton Switching Station, to Oncor's existing Odessa Switching Station is approved.

2. The Proposed Project shall be constructed on the Settlement Route, as described herein.
3. Resolution of the Application was the product of negotiation and compromise between the Parties. Entry of this Order does not indicate the Commission's endorsement or approval of any principle or methodology that may underlie the Stipulation. Neither shall entry of this Order be regarded as binding precedent as to the appropriateness of any principle underlying the Stipulation.
4. In the event WETT or its contractors encounter any archaeological artifacts or other cultural resources during construction of the transmission line, WETT shall cease work immediately in the vicinity of the resource and report the discovery to the THC and take action as directed by the THC.
5. WETT 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*, APLIC 2006, and the *Avian Protection Plan Guidelines* published by APLIC in April, 2005.
6. WETT shall exercise extreme care to avoid affecting non-targeted vegetation or animal life when using chemical herbicides to control vegetation within the right-of-way.
7. WETT shall minimize the amount of flora and fauna disturbed during construction of the transmission line, except to the extent necessary to establish appropriate right-of-way clearance for the transmission line. In addition, WETT shall re-vegetate using native species considering landowner preferences and to the maximum extent practical avoid adverse environmental impacts to sensitive plant and animal species and their habitats as identified by TPWD and the U.S. Fish and Wildlife Service.

8. WETT shall implement erosion control measures as appropriate and return the site to its original contours and grades unless otherwise agreed to by the landowners.
9. WETT shall cooperate with directly affected landowners to implement minor deviations in the approved route to minimize the impact of the transmission line. Any minor deviations in the approved route shall directly affect only landowners who were sent notice of the transmission line in accordance with P.U.C. PROC. R. 22.52(a)(3) and shall directly affect only those landowners that have agreed to the minor deviation.
10. WETT shall construct the portions of Route 2-2 located on the property of the Muleshoe Ranch, Munger Ranch, RM Livestock, Ox Bow Ranch, and Ricky and Stephanie Miller on steel monopoles. WETT shall also construct the modified portion of Link Z4 on steel monopoles. In other locations, WETT shall be permitted to use monopole structures if it is more cost effective. In addition, WETT shall endeavor to use the monopole structures in situations where the right-of-way is extremely constrained, the right-of-way could disproportionately affect a particular landowner, or the cost of the right-of-way acquisition is extremely high.
11. WETT shall not move the 4.7 mile portion of Link UY2 which parallels and abuts the south side of the existing 138 kV transmission line from the location proposed in its Application without the agreement of Occidental
12. WETT shall plan, design, and construct Link UY2 in such a way to mitigate the impact of Link UY2 upon a Dyess Air Force Base threat emitter in accordance with the Cooperation Agreement (identified herein in Finding of Fact 119). Pursuant to Kenda Pollio's rebuttal testimony, in the record as WETT Exhibit 17, and pursuant to the Cooperation Agreement, Link UY2 shall be routed parallel to the existing 138 kV transmission line in such a manner that the slope of the line of sight between the threat emitter and the highest elevation at any given point of Link UY2 in the Uniform Height Zone (as such term is defined in the Cooperation Agreement), shall be no greater than the

slope of the line of sight between the threat emitter and the existing 138 kV transmission line.

13. WETT shall inform and coordinate with Dyess Air Force Base and support personnel of WETT's planning, design and construction activities for the relevant portion of Link UY2.
14. WETT shall coordinate with SPS with regard to each crossing of an existing SPS electric transmission and/or distribution facility by a WETT transmission line approved in this docket, and in each instance where an existing SPS electric transmission and/or distribution facility is paralleled by a WETT transmission line approved in this docket.
15. WETT 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, WETT shall provide final construction costs, with any necessary explanation for cost variance, after completion of construction and when all charges have been identified.
16. 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 on the _____ day of _____ 2010.

PUBLIC UTILITY COMMISSION OF TEXAS

BARRY T. SMITHERMAN, CHAIRMAN

DONNA L. NELSON, COMMISSIONER

KENNETH W. ANDERSON, JR., COMMISSIONER