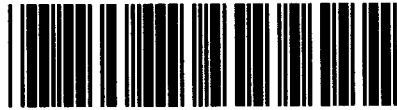




Control Number: 38561



Item Number: 14

Addendum StartPage: 0

**DOCKET NO. 38561**

<b>APPLICATION OF EL PASO ELECTRIC COMPANY TO AMEND A CERTIFICATE OF CONVENIENCE AND NECESSITY FOR A PROPOSED 115-KV TRANSMISSION LINE WITHIN EL PASO COUNTY</b>	<b>§ § § § § §</b>	<b>PUBLIC UTILITY COMMISSION  OF TEXAS</b>
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FILED  
OCT 27 2010  
COMMISSIONS  
AND 44

**COMMISSION STAFF'S FINAL RECOMMENDATION**

**COMES NOW** the Staff (Staff) of the Public Utility Commission of Texas (Commission), representing the public interest and files this Final Recommendation, and would show the following:

**I. BACKGROUND**

On August 25, 2010, El Paso Electric Company (EPEC) filed an application to amend a certificate of convenience and necessity (CCN) for a proposed 115 kilovolt (kV) transmission line in El Paso County, Texas. The proposed project is designated as the Pendale 115-kV Transmission Line Project.

**II. RECOMMENDATION**

Based upon the attached memorandum of Jolie Mathis, Infrastructure and Reliability Division, Staff recommends that the Commission approve the application for construction of the proposed 115 kV transmission line in accordance with P.U.C. SUBST. R. 25.101(b)(3)(C). Staff further recommends that EPEC be ordered to comply with the reporting requirements of P.U.C. SUBST. R. 25.83, and to follow the Measures to Mitigate Construction Impacts as addressed in Ms. Mathis' memorandum.

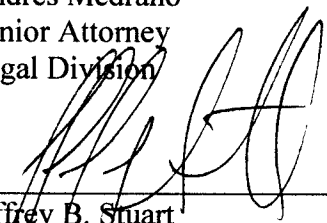
**Dated: October 27, 2010**

Respectfully Submitted,

Thomas S. Hunter  
Division Director  
Legal Division

Keith Rogas  
Deputy Division Director  
Legal Division

Andres Medrano  
Senior Attorney  
Legal Division



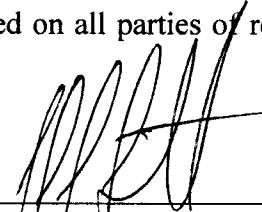
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**DOCKET NO. 38561**

**CERTIFICATE OF SERVICE**

I certify that a copy of this document will be served on all parties of record on October 27, 2010 in accordance with P.U.C. Procedural Rule 22.74.



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Jeffrey B. Stuart

# *Public Utility Commission of Texas*

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## **Memorandum**

**TO:** Jeff Stuart  
Legal Division

**FROM:** Jolie Mathis  
Infrastructure and Reliability Division

**DATE:** October 27, 2010

**RE:** STAFF RECOMMENDATION  
Docket No. 38561, Application of El Paso Electric Company for a Certificate of Convenience and Necessity for a 115kV Transmission Line in El Paso County, Texas (Pendale Project)

El Paso Electric Company (EPE) filed an application to amend a certificate of convenience and necessity (CCN) for a proposed 115-kV transmission line in El Paso County, Texas. The following are my conclusions and recommendations regarding this application.

### **I. RECOMMENDATIONS**

I recommend that the Commission:

- Approve the application for construction of approximately 0.62 mile of new transmission line on the proposed preferred route (Alternative 3).
- Order El Paso Electric Company to comply with the reporting requirements of P.U.C. Substantive Rule 25.83; and
- Order El Paso Electric Company to follow the below-listed Measures to Mitigate Construction Impacts.

### **MEASURES TO MITIGATE CONSTRUCTION IMPACTS**

- (1) In the event El Paso Electric Company 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). El Paso Electric Company shall take action as directed by the THC.
- (2) El Paso Electric Company shall follow the procedures described in the following publications 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.

- (3) El Paso Electric Company 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.
- (4) El Paso Electric Company 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, the utility shall re-vegetate using native species and shall consider landowner preferences 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 Texas Parks and Wildlife Department and the United States Fish and Wildlife Service.
- (5) El Paso Electric Company shall implement erosion control measures as appropriate. Also, El Paso Electric Company shall return each affected landowner's property to its original contours and grades unless otherwise agreed to by the landowner.
- (6) El Paso Electric Company shall cooperate with directly affected landowners to implement minor deviations in the Approved Route to minimize the impact of the transmission line. Any minor deviation to the approved route shall only directly affect landowners who received notice of the transmission line in accordance with P.U.C. Rule 22.52(a)(3) and shall directly affect only those landowners that have agreed to the minor deviation.

## **II. PROJECT JUSTIFICATION**

### **A. Description of the Project**

El Paso Electric Company is requesting to amend its certificate of convenience and necessity (CCN) to construct and operate a new 115-kV double-circuited transmission line in El Paso County, Texas.

The proposed project will involve several different construction efforts as follows:

1. El Paso Electric Company (EPE) proposes to construct a new 115 kV transmission line to provide service to a new substation at the intersection of Castner Drive and Pendale Road in El Paso, Texas. EPE plans to construct the transmission line on double circuit monopole structures, and the project will be approximately 0.62-mile in length.
1. The Preferred Route begins 0.42 mile east of the intersection of Pendale Road and Gateway Blvd East. The line will tap off an existing 115-kV line paralleling

Gateway Blvd East and head south a distance of 0.35 mile to the north side of Castner Drive. The line will then turn west and parallel the north side of Castner Drive, cross Kessler Drive, a distance of 0.27 mile to a point directly across from the proposed substation site. From this point, the line will cross south over Castner Drive and into the proposed substation.

2. The new transmission line will be constructed with electrical distribution underbuild. The pole structures are expected to be monopoles that are 100 feet high with 200 to 400 foot spacing. The right-of-way width will be 25 feet to 50 feet depending on the route. The substation will be built in an area 500 feet by 500 feet on the vacant lot at the corner of Castner Drive and Pendale Road. The substation has a low profile design and the perimeter of the site will be fenced with chain link.

El Paso Electric Company is planning to energize the proposed facilities in May 2011.

Based on Staff's recommendations the Application was deemed sufficient and materially complete in Order No. 2, and El Paso Electric Company was found to have complied with the notice requirements of P.U.C. PROC. Rule 22.52(a) and Order No. 1.

## **B. Need for the Project**

The proposed project is needed to ensure distribution system reliability and power quality and provide additional capacity to meet projected load growth in this area as development occurs. This project will prevent projected distribution system overloads during N-1 conditions.

Recent population and housing projections for this region show population and housing growing rapidly between 2005 and 2025. Specifically, the Lower Valley Planning Area of El Paso (which includes the Study Area) is expected to grow by about 59,500 people between 2005 and 2025. The population growth is expected to result in construction of approximately 20,800 new housing units.

The vicinity of the Study Area is served by distribution feeders from the Lane, Sol, and Vista substations. The average projected load growth in the area is 1% to 2% for each year. Historical data shows that these feeders are at or above the nominal load capacity and that overloads are projected to start on these feeders in 2010. For 2010, temporary facilities have been installed to address the projected overloads, but a more reliable, permanent solution is needed as load continues to grow.

### **C. Project Alternatives**

El Paso Electric Company considered several options to solve the reliability issues in the El Paso area. The alternative options included: upgrading of conductors or voltage of existing facilities; expansion of existing substations; and distributed generation. Upgrading the distribution facilities will be more expensive than the proposed project, and will still not be sufficient to address the projected overloads that will be created with the new load growth. The expansion of existing substations is not a practical option because neither has sufficient space for expansion without acquiring or condemning developed properties adjoining the substations. A distributed generation option to the proposed project would entail new generation facilities be located within the immediate area of the proposed project. This option is not considered satisfactory or cost-effective because construction of a generation plant of any size would not eliminate the need for construction of new substations, transmission lines and distribution lines in the project area to deliver power to the various end users in the area.

I believe that the proposed transmission line is the most reasonable option to address the need.

## **III. ROUTING**

### **A. Recommendation**

EPE's distribution department identified the general area in which a new substation and transmission line would be needed based on the project's purpose and need as well as the goal to connect the proposed substation to the existing 115kV line located along Gateway East between the Copper and Lane substations. The general area was identified as the Study Area. A regional inventory of the Study Area was conducted that identified physical resources that potentially could be affected by the proposed project. Resource inventories were conducted for the following: habitable structures, parks and recreational areas, archaeological sites, airports and heliports, electronic installations, historical sites, environmentally sensitive areas, and land ownership records. Three alternative routes were selected including one route on Pendale Road and two routes on undeveloped land in the eastern portion of the study area site. A constraints and opportunities analysis was conducted, along with gathering information about a Texas Department of Transportation and City of El Paso project for the future expansion of Pendale Road to four lanes with an interchange with Interstate 10. Route selection methodology was in accordance with PURA §37.056 and P.U.C. SUBST.R. 25.101.

I concur with El Paso Electric Company's route selection and recommend construction of the proposed project on the preferred alternative Route 3. The basis for my recommendation is discussed in more detail below, and the order of discussion corresponds to the order that routing criteria appear in PURA §37.056 and P.U.C. SUBST. R. 25.101.

#### **B. Community Values**

Notice of the application for this project was published in the *El Paso Times*, a newspaper of general circulation in El Paso County.

El Paso Electric Company personnel held a public meeting to provide a forum for public comment on any of the specific routes or components of the project. Three individuals attended the public meeting. Meeting attendees were encouraged to complete a comment form and return it to EPE by May 13, 2010. Five comments and one request to be added to the project mailing list were received.

There are no AM radio transmitters within 10,000 feet of the center line of the proposed project; however, there are five registered Federal Communication Commission (FCC) microwave tower installations within 2,000 feet of the center line of the proposed project.

There is one Federal Aviation Administration (FAA) registered airstrip with a runway greater than 3,200 feet located within 20,000 feet of the proposed project.

I conclude that El Paso Electric Company's Preferred Route will have minimal impact on community values.

#### **C. Recreational and Park Areas**

There are no parks or recreational areas within 1,000 feet of the proposed project.

#### **D. Historical Values**

No recorded historical and archaeological sites are within 1,000 feet of the Preferred Route.

#### **E. Aesthetic Values**

On the preferred route, 5,009 feet are within foreground visual zone of park and recreational areas. The proposed route will have a minimal impact on aesthetic values.



## **F. Environmental Integrity**

The major impacts to soils are the potential for erosion and soil compaction. Construction (and any required clearing) of the proposed project shall be conducted to minimize, to the extent possible, these impacts. The hazard of erosion will be greatest during and immediately following construction and any required clearing. El Paso Electric Company or its contractor shall control soil erosion associated with construction activity by re-vegetating erosion-prone, disturbed areas as soon as possible following construction. Transmission structures shall be located outside of designated floodways. Construction of the proposed transmission line shall proceed in such a manner as to have minimal impact on water resources within the transmission corridor.

El Paso Electric Company considered the information and recommendations provided by the Texas Parks and Wildlife Department to avoid impacts to the riparian habitat, potential for bird collisions, Land and Water Conservation Fund or Local Parks Fund projects. To the maximum extent practicable, El Paso Electric Company shall avoid adverse environmental impacts to sensitive plant and animal species and their habitats as identified by the Texas Parks and Wildlife Department and the United States Fish and Wildlife Service, as stated in Section I, of this RECOMMENDATION.

## **G. Engineering Constraints**

Neither pasture nor croplands are located within the area traversed by the project. El Paso Electric Company has not identified any engineering constraints on the proposed preferred route.

## **H. Costs**

At present, the estimated cost of the project is \$1,134,902 for construction of approximately 0.62 miles of new transmission line on the proposed preferred route (Alternative 3). The construction costs for the new substation facilities are estimated to be \$3,731,069.

The total estimated project cost of the proposed project on preferred Alternative 3 is the least expensive of all the alternative routes. The cost of Alternative 3 is approximately \$133,999 less than the next lowest alternative route.

I conclude that the estimated costs for the proposed transmission facilities on proposed preferred route (Alternative 3) are within an acceptable range of cost (per distance) for this type of project.

## **I. Moderation of Impact on the Affected Community and Landowners**

To the best of my knowledge, no affected landowners have suggested or requested any changes to the proposed preferred route (Alternative 3).

## **J. Right-of-Way**

### **1. Use of Existing, Compatible Right-of-Way**

The project makes use of an existing compatible right-of-way on one of the proposed alternative routes. Proposed alternative route 1 would utilize existing road ROW.

### **2. Paralleling Existing, Compatible Right-of-Way**

All three of the alternative routes proposed by El Paso Electric Company parallel existing compatible right-of-way (public roads/highways or existing easements) for various lengths.

### **3. Paralleling of Property lines or Other Natural or Cultural Features**

The proposed preferred route (Alternative 3) parallels apparent property boundaries for the entire length of the route, as do the other proposed alternative. No natural or cultural features will be significantly impacted by the proposed project area.

## **K. Prudent Avoidance**

There are seventeen (17) habitable structures within 300 feet of the proposed centerline. As previously mentioned, the project proposes to make use of existing compatible right-of-way.

I believe that the proposed preferred route (Alternative 3) will minimally impact the affected habitable structures.

## **IV. CONCLUSION**

I conclude that El Paso Electric Company has adequately addressed the factors described in §37.056 of the Public Utility Regulatory Act and P.U.C. SUBST. R. 25.101.

Therefore, I recommend approval of EL PASO ELECTRIC COMPANY'S Application, subject to the conditions stated above in Section I of this RECOMMENDATION.