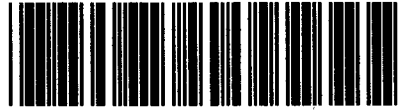


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APPLICATION OF SHARYLAND §
UTILITIES, L.P. TO AMEND ITS §
CERTIFICATE OF CONVENIENCE AND §
NECESSITY FOR THE PROPOSED §
WHITE DEER TO SILVERTON 345 KV §
CREZ TRANSMISSION LINE IN §
ARMSTRONG, BRISCOE, CARSON, §
DONLEY, GRAY AND SWISHER §
COUNTIES, TEXAS §

BEFORE THE STATE OFFICE
OF
ADMINISTRATIVE HEARINGS

**SHARYLAND UTILITIES, L.P.'S RESPONSE TO
JA CATTLE COMPANY'S SUPPLEMENT TO ITS RESPONSE
ON ADEQUACY TO SOAH ORDER NO. 1 CONCERNING
ADEQUACY OF SHARYLAND'S APPLICATION TO AMEND ITS CCN**

Sharyland Utilities, L.P. ("Sharyland") hereby files its response to JA Cattle Company's ("JA") "Supplement to its Response on Adequacy to SOAH Order No. 1 concerning adequacy of Sharyland's application to amend its CCN" ("JA Supplement"). The JA Supplement was filed on January 10, 2011; therefore this Response is timely filed.

As a preliminary matter, JA's attempt to supplement its arguments concerning route adequacy is procedurally improper. The time for submitting argument on this issue has long since passed and JA has been given ample opportunity to present evidence to support its claims with respect to route adequacy. The issue of whether Sharyland's Application presents an adequate number of reasonably differentiated routes is now pending before the ALJ for a decision and it is inappropriate to submit additional argument.

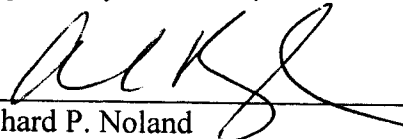
Turning to the substance, the JA Supplement is factually inaccurate because JA has utilized incorrect information concerning the cost of Sharyland's Preferred Route and from that has drawn erroneous conclusions. JA's premise appears to be that Sharyland's data shows that the substitution of links JJ and II for JJ' and DDD in Sharyland's Preferred Route would shorten the route by 0.7 miles but increase the costs from \$101,490,000 to \$121,420,000, or approximately twenty percent. Because this seems counterintuitive, according to JA, "[t]he only conclusion is that Sharyland has provided bad data!"¹

¹ JA Supplement at 2.

JA's argument is mistaken because JA has used the wrong cost figure to reach its conclusion. The correct cost of the Preferred Route is \$122,940,000, not \$101,490,000, as JA erroneously assumes.² The figure used by JA, \$101,490,000, was taken from Sharyland's November 10, 2010 Application, but that figure was amended on November 19, 2010. Using the correct figure of \$122,940,000, the substitution of links II and JJ and shortening the Preferred Route by 0.7 miles would actually result in a cost decrease of approximately \$1.52 million, not a cost increase of twenty percent.³

For the above reasons, JA's argument that Sharyland has "provided bad data" is based on an outdated cost figure and is itself erroneous.

Respectfully submitted,



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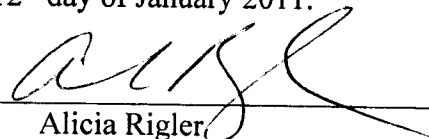
(512) 721-2656 – Facsimile

Attorneys for Sharyland Utilities, L.P.

January 12, 2011

CERTIFICATE OF SERVICE

Pursuant to Order No. 5, I certify that a true and correct copy of the foregoing document was served on JA Cattle Company by U.S. Mail on this 12th day of January 2011.



Alicia Rigler

² Errata to Sharyland Utilities, L.P.'s Application and Direct Testimony of Mark D. Meyer (Nov. 19, 2010).

³ \$122,940,000 - \$121,420,000 = \$1,520,000.