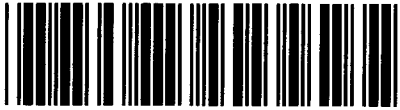




Control Number: 41606



Item Number: 10

Addendum StartPage: 0

**Donna L. Nelson**  
Chairman

**Kenneth W. Anderson, Jr.**  
Commissioner

**Brian H. Lloyd**  
Executive Director



**Rick Perry**  
Governor

2013 JUL -8 PM 4:00

***Public Utility Commission of Texas***

**TO:** State Office of Administrative Hearings

**FROM:** Stephen Journey *HJ for*  
Director, Commission Advising & Docket Management

**RE:** Order of Referral  
P.U.C. Docket No. 41606; SOAH Docket No. 473-13-5207 –*Joint Application of Electric Transmission Texas, LLC and Sharyland Utilities, L.P. to Amend their Certificates of Convenience and Necessity for the North Edinburg to Loma Alta Double-Circuit 345-KV Transmission Line in Hidalgo and Cameron Counties, Texas*

**DATE:** July 8, 2013

Enclosed herewith are the following documents related to the above referenced application:

1. Application and Commission file in the above referenced docket\*
2. Request for assignment of Administrative Law Judge
3. Order of Referral

cc: without Items 1 and 2: All Parties of Record

\*Referred file contains all filings through July 5, 2013

/krw

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**P.U.C. DOCKET NO. 41606  
SOAH DOCKET NO. 473-13-5207**

2013 JUL -8 PM 4:00

<b>JOINT APPLICATION OF ELECTRIC</b>	<b>§</b>	<b>PUBLIC UTILITY COMMISSION</b>
<b>TRANSMISSION TEXAS, LLC AND</b>	<b>§</b>	
<b>SHARYLAND UTILITIES, L.P. TO</b>	<b>§</b>	<b>OF TEXAS</b>
<b>AMEND THEIR CERTIFICATES OF</b>	<b>§</b>	
<b>CONVENIENCE AND NECESSITY</b>	<b>§</b>	
<b>FOR THE NORTH EDINBURG TO</b>	<b>§</b>	
<b>LOMA ALTA DOUBLE-CIRCUIT</b>	<b>§</b>	
<b>345-KV TRANSMISSION LINE IN</b>	<b>§</b>	
<b>HIDALGO AND CAMERON</b>	<b>§</b>	
<b>COUNTIES</b>	<b>§</b>	

**ORDER OF REFERRAL  
AND PRELIMINARY ORDER**

On July 3, 2013, Electric Transmission Texas, LLC and Sharyland Utilities, L.P. (Joint Applicants) filed an application with the Public Utility Commission of Texas (Commission) to amend its certificate of convenience and necessity (CCN) for a 345-kilovolt, transmission line in Hidalgo and Cameron Counties, Texas.

The Commission refers this docket to the State Office of Administrative Hearings (SOAH) and requests the assignment of an administrative law judge (ALJ) to conduct a hearing and issue a proposal for decision, if such is necessary in the event one or more issues are contested by the parties. The Commission has delegated authority to the Commission Advising & Docket Management Division to issue this Preliminary Order, which is required under TEX. GOV'T CODE ANN. § 2003.049(e) (Vernon 2008 & Supp. 2011).

All subsequent pleadings in this docket must contain both the SOAH and PUC docket numbers to allow for efficient processing. Parties shall make filings in accordance with P.U.C. PROC. R. 22.71(c) regarding the number of copies to be filed or P.U.C. PROC. R. 22.71(d)(c) regarding the number of confidential items to be provided.

**I. Procedural History**

The proposed project involves the design and construction of a 345-kV transmission line designated as the North Edinburg to Loma Alta Double-Circuit 345-kV Transmission Line

Project. Electric Transmission Texas, LLC will construct and own the western half of the new transmission line, and Sharyland Utilities, L.P. will construct and own the eastern half of the new transmission line. Joint Applicants plan to construct the transmission line primarily on steel single-pole structures. The total estimated cost for the project ranges from approximately \$314 million to \$405 million. The estimated date to energize facilities for the proposed project is June 30, 2016.

The proposed project is presented with thirty-two (32) alternate routes ranging from approximately 96.3 miles to approximately 124.5 miles. Any route presented in the application could, however, be approved by the Commission. Any combination of routes or route links could also be approved by the Commission. Notice was submitted to the *Texas Register* for publication on July 19, 2013. The deadline for intervention is August 19, 2013.

The Electric Reliability Council of Texas (ERCOT) Independent System Operator (ISO) has deemed this transmission line as critical to the reliability of the ERCOT system.

## **II. Deadline for Decision**

Pursuant to P.U.C. SUBST. R 25.101(b)(3)(D), the Commission shall consider any application for transmission lines that are designated by the ERCOT ISO as critical to the reliability of the ERCOT system on an expedited basis. The Commission shall render a decision approving or denying any such application for a CCN within 180 days of the date of filing a complete CCN application, unless good cause is demonstrated for extending such a period. Therefore, a Commission decision must be issued by December 31, 2013.

## **III. Issues to be Addressed**

Pursuant to Tex. Gov't Code Ann. § 2003.049(e) (Vernon 2008 & Supp. 2010), the Commission must provide to the ALJ a list of issues or areas to be addressed in any proceeding referred to the SOAH. The Commission identifies the following issues that must be addressed in this docket:

**Application**

1. Is Joint Applicants' application to amend its CCN adequate? Does the application contain an adequate number of alternative routes to conduct a proper evaluation? If not, the ALJ shall allow Joint Applicants to amend the application and to provide proper notice to affected landowners; if Joint Applicants chooses not to amend the application, the ALJ may dismiss the case without prejudice.

**Need**

2. Are the proposed facilities necessary for the service, accommodation, convenience, or safety of the public within the meaning of PURA<sup>1</sup> § 37.056(a) taking into account the factors set out in PURA § 37.056(c)? In addition,
  - a) How does the proposed facility support the reliability and adequacy of the interconnected transmission system?
  - b) Does the proposed facility facilitate robust wholesale competition?
  - c) What recommendation, if any, has an independent organization, as defined in PURA § 39.151, made regarding the proposed facility?
  - d) Is the proposed facility needed to interconnect a new transmission service customer?
3. Is the transmission project the better option to meet this need when compared to employing distribution facilities? If Joint Applicants are not subject to the unbundling requirements of PURA § 39.051, is the project the better option to meet the need when compared to a combination of distributed generation and energy efficiency?

**Route**

4. Which proposed transmission line route is the best alternative weighing the factors set forth in PURA § 37.056(c) and P.U.C. SUBST. R. 25.101(b)(3)(B)?<sup>2</sup>

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<sup>1</sup> Public Utility Regulatory Act, TEX. UTIL. CODE ANN. §§ 11.001-66.016 (Vernon 2007 & Supp. 2012) (PURA).

<sup>2</sup> 16 TEX. ADMIN. CODE § 25.101(b)(3)(B) (eff. Jan. 1, 2003) (Public Utility Commission of Texas). Rule references herein will be to P.U.C. SUBST. R. 25.101(b)(3)(B).

5. Are there alternative routes or facilities configurations that would have a less negative impact on landowners? What would be the incremental cost of those routes?
6. If alternative routes or facility configurations are considered due to individual landowner preference:
  - a) Have the affected landowners made adequate contributions to offset any additional costs associated with the accommodations?
  - b) Have the accommodations to landowners diminished the electric efficiency of the line or reliability?

**Texas Parks and Wildlife Department**

7. On or after September 1, 2009, did the Texas Parks and Wildlife Department provide any recommendations or informational comments regarding this application pursuant to Section 12.0011(b) of the Texas Parks and Wildlife Code? If so, please address the following issues:
  - a) What modifications, if any, should be made to the proposed project as a result of any recommendations or comments?
  - b) What conditions or limitations, if any, should be included in the final order in this docket as a result of any recommendations or comments?
  - c) What other disposition, if any, should be made of any recommendations or comments?
  - d) If any recommendation or comment should not be incorporated in this project or the final order, or should not be acted upon, or is otherwise inappropriate or incorrect in light of the specific facts and circumstances presented by this application or the law applicable to contested cases, please explain why that is the case.

This list of issues is not intended to be exhaustive. The parties and the ALJ are free to raise and address any issues relevant in this docket that they deem necessary, subject to any limitations imposed by the ALJ or by the Commission in future orders issued in this docket. The Commission reserves the right to identify and provide to the ALJ in the future any additional issues or areas that must be addressed, as permitted under TEX. GOV'T CODE ANN. § 2003.049(e).

#### **IV. Issues Not To Be Addressed**

The following issues should not be addressed in this proceeding for the reasons stated:

1. What is the appropriate compensation for right-of-way or condemnation of property?

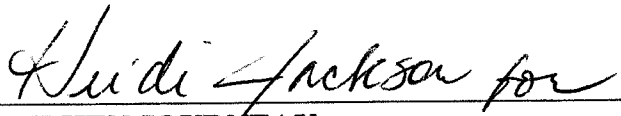
The Commission does not have the authority to adjudicate or set the amount of compensation for rights of way or for condemnation.

#### **V. Effect of Preliminary Order**

The Commission's discussion and conclusions in this Order regarding issues that are not to be addressed should be considered dispositive of those matters. Questions, if any, regarding issues that are not to be addressed may be certified to the Commission for clarification if the SOAH ALJ determines that such clarification is necessary. As to all other issues, this Order is preliminary in nature and is entered without prejudice to any party expressing views contrary to this Order before the SOAH ALJ at hearing. The SOAH ALJ, upon his or her own motion or upon motion of any party, may deviate from this Order when circumstances dictate that it is reasonable to do so. Any ruling by the SOAH ALJ that deviates from this Order may be appealed to the Commission. The Commission will not address whether this Order should be modified except upon its own motion or the appeal of a SOAH ALJ's order. Furthermore, this Order is not subject to motions for rehearing or reconsideration.

SIGNED AT AUSTIN, TEXAS the 8<sup>th</sup> day of July 2013.

**PUBLIC UTILITY COMMISSION OF TEXAS**

  
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**STEPHEN JOURNEYAY**  
**DIRECTOR, COMMISSION ADVISING & DOCKET**  
**MANAGEMENT**

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