

Attached Signature Pages

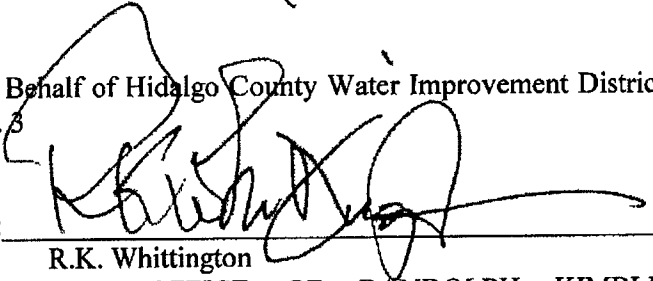
On Behalf of City of Penitas

By: _____
Oscar Longoria
LAW OFFICE OF OSCAR LONGORIA

On Behalf of Advance Heights Developers; Francisco Vazquez; Conquer LAND Utilities, LLC; Capstone Land Holdings, Ltd.; Jesus and Diana Ruiz, et al.; Lucia Anaya, Jr.; Aploniar and Maria Jesus Grimaldo; Ermelinda Resendez; Consuelo Maheshwari; Eduardo and Belinda Anaya; Minera Anaya-St. John; Jose Guadalupe Villareal and Jesus Lira

By: _____
Eduardo Anaya
LAW OFFICE OF EDUARDO ANAYA

On Behalf of Hidalgo County Water Improvement District No. 3

By:  _____
R.K. Whittington
LAW OFFICE OF RANDOLPH KIMBLE
WHITTINGTON


On Behalf of Propilusion Investments, LLC and Delia Lubin

By: _____
Richard A. Cantu
ELIZABETH SANDOVAL CANTU

On behalf of City of Pharr; Pharr Economic Development Corporation, Inc. and Pharr Tax Increment Reinvestment Zone

On Behalf of South Texas Independent School District

By: _____


George E. Grimes, Jr.
WALSH, ANDERSON, GALLEGOS, GREEN &
TREVINO PC

On Behalf of Thomas E. and Martha McLemore;
Kawamura Family, LLC; Margarito and Maria Martinez;
Robert McDonald and Simmons, et al.

By: _____

Chris Boswell
CURTIS & BOSWELL, LLP

On Behalf of William J. Flowers; Vancouver Resources,
Inc.; Carl Zeitler and Mary F. Zeitler; Horacio Garza; Ana
Maria Garza and Elizabeth Grace Perez

By: _____

Todd W. Boykin
Mindi L. McLain
BURDETT, MORGAN WILLIAMSON &
BOYKIN, LLP

On Behalf of Valley Race Park, LLC

By: _____

Katherine L. Coleman
ANDREWS KURTH, LLP

On Behalf of Rebecca and Dale Klein

By: _____

Chris Reeder
Husch Blackwell, LLP

On Behalf of Mil Encinos Development, Ltd. and G.E. Bell
Properties, Ltd.

By: 
Rene Ruiz
COX SMITH MATTHEWS, INC.

CERTIFICATE OF SERVICE

I certify that a copy of this document was served in accordance with Order Nos. 3-5 in
this case on this 18th day of December, 2013.

Velma Ellis

By: _____
Michael Pruneda
THE PRUNEDA LAW FIRM, PLLC

On Behalf of Hidalgo Independent School District and
Valley View Independent School District

By: _____
Scott McDonald
O'HANLON, MCCOLLOM AND DEMERATH

On Behalf of Angel Herrera, Sr.

By: _____
Angel Herrera, Jr.
ABEL LAW GROUP, LLP

On Behalf of United Irrigation District and Hidalgo County
Irrigation District No. 16

By: _____
Robert A. Rima

On Behalf of John Randall

By: _____
Lambeth Townsend
Melissa Long
LLOYD GOSSELINK ROCHELLE &
TOWNSEND, P.C.

On Behalf of Prince Sameer, LLC and B.G.S. Naraindas, Inc.

By:  _____
Patricia Hernandez
LAW OFFICE OF PATRICIA A. HERNANDEZ, P.C.

J. Kay Trostle
SMITH TROSTLE & HUERTA LLP

On Behalf of Maquila Trades & Forwarding, LLC

By: _____
Antonio Villeda
LAW OFFICE OF ANTONIO VILLEDA

On Behalf of Dr. Homero and Sonia C. Rivas

By: _____
Marcus C. Barrera
BARRERA SANCHEZ ASSOCIATES, PC

On Behalf of Rio Grande Bible Institute, Inc.

By: 
Thomas D. Koenke
ELLIS KOENEKE & RAMIREZ, LLP

On Behalf of Hidalgo County Irrigation District #6

By: _____
Ricardo Pumarejo, Jr.
KITTLEMAN, THOMAS & GONZALES, PLLC

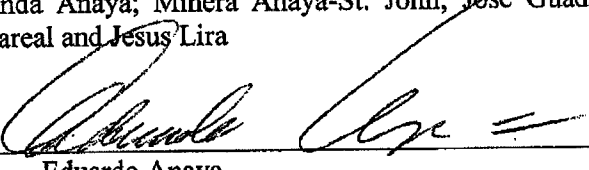
On Behalf of Valle de los Tesoros, Ltd. and Hidalgo
County Irrigation District No. One

By: _____
Joseph M. Habbouche
ATLAS HALL & RODRIGUEZ, LLP

On Behalf of City of Penitas

By: _____
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LAW OFFICE OF OSCAR LONGORIA

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By: _____
Chris Reeder
Husch Blackwell, LLP

By: _____

Andrea Stover

GRAVES, DOUGHERTY, HEARON & MOODY

On Behalf of d'Hemecourt Properties, Inc., and City of Hidalgo

By:  _____

Carrie Collier-Brown
WINSTEAD PC

On Behalf of City of San Juan

By: _____

Kirk Rasmussen
ENOCH KEVER PLLC

On Behalf of Ledesma, Barrerra & Smith LLC

By: _____

Javier Ledesma, President

On Behalf of City of McAllen; JLP Investments Trust; San Juan Management, LLC; San Juan Ventures, Ltd.; Los Arboles Ventures, Inc. and Eldora Heights, LLC

By: _____

Eileen McPhee
Geoffrey Gay
LLOYD GOSSELINK ROCHELLE &
TOWNSEND, P.C.

On Behalf of Hidalgo County Regional Mobility Authority

By: _____

On Behalf of South Texas Independent School District

By: _____
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WALSH, ANDERSON, GALLEGOS, GREEN &
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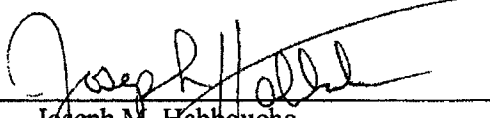
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On Behalf of Valle de los Tesoros, Ltd. and Hidalgo
County Irrigation District No. One

By:  _____
Joseph M. Habbouche
ATLAS HALL & RODRIGUEZ, LLP

**Appendix: Proposed Order with Findings of Fact and Conclusions of Law Supporting
Agreed Route**

**SOAH DOCKET NO. 473-13-5207
PUC DOCKET NO. 41606**

JOINT APPLICATION OF ELECTRIC	§	
TRANSMISSION TEXAS, LLC AND	§	BEFORE THE STATE OFFICE
SHARYLAND UTILITIES, L.P. TO	§	
AMEND THEIR CERTIFICATES OF	§	
CONVENIENCE AND NECESSITY	§	OF
FOR THE PROPOSED NORTH	§	
EDINBURG TO LOMA ALTA	§	
DOUBLE-CIRCUIT 345-KV	§	ADMINISTRATIVE HEARINGS
TRANSMISSION LINE IN HIDALGO	§	
AND CAMERON COUNTIES, TEXAS	§	

PROPOSED ORDER

This Order addresses the application of Electric Transmission Texas, LLC (ETT) and Sharyland Utilities, L.P. (Sharyland) (collectively, Joint Applicants) for approval to amend their certificates of convenience and necessity (CCNs) for the proposed North Edinburg to Loma Alta transmission line in Hidalgo and Cameron counties, Texas (the Project). The Project consists of a 345-kV transmission line from the existing North Edinburg Substation to the existing Loma Alta Substation.

The Public Utility Commission of Texas (Commission) adopts the following findings of fact and conclusions of law:

I. FINDINGS OF FACT

Procedural History

1. ETT is an investor-owned electric utility providing service under CCN Nos. 30193 and 30194.
2. Sharyland is an investor-owned electric transmission and distribution utility providing service under CCN Nos. 30026, 30114, 30191 and 30192.
3. On July 3, 2013, Joint Applicants filed an application to amend their CCNs to allow them to build, own, and operate a new double-circuit capable 345-kV transmission line in Cameron and Hidalgo counties, connecting the existing North Edinburg Substation to the existing Loma Alta Substation (the Application). That same day, Joint Applicants filed the direct testimonies of Barrett A. Thomas, Teresa B. Trotman, Rob R. Reid, and Mark E. Caskey.

4. On July 8, 2013, the Application was referred to the State Office of Administrative Hearings (SOAH).
5. Over five hundred parties filed requests to intervene.
6. On July 12, 2013, SOAH issued Order No. 1 regarding the jurisdiction of the Commission and SOAH, the deadline for a decision in this proceeding, notice requirements, the requirements that Joint Applicants file a proposed procedural schedule, the deadline for identifying deficiencies in the Application, issues relating to filing procedures, service, deadlines, responsive pleadings, discovery, and the requirement that all parties file testimony and/or a statement of position.
7. On July 22, 2013, SOAH held the first of two prehearing conferences, and on July 24, 2013, issued Order No. 2, adopting the proposed procedure schedule, admitting several intervenors, and modifying the service procedures. On July 24, 2013, SOAH issued Amended Order No. 2, correcting an error in Order No. 2.
8. On August 16, 2013, SOAH issued Order No. 3, giving notice of the second prehearing conference, modifying discovery procedures, and re-urging that all parties must file testimony and/or a statement of position or be dismissed from the proceeding.
9. On August 30, 2013, SOAH held the second prehearing conference, and on September 9, 2013, issued Order No. 4, finding good cause pursuant to P.U.C. PROC. R. 25.101(b)(3)(D) to extend the 180-day deadline for decision in this proceeding by approximately two months although the transmission line project was designated critical to reliability, amending the procedural schedule, suspending traditional service, and resolving most outstanding requests to intervene.
10. On September 17, 2013, several parties requested a hearing on route adequacy.
11. On September 25, 2013, SOAH issued Order No. 5, granting the request for a preliminary hearing on route adequacy.
12. On October 8, 2013, SOAH held a route adequacy hearing, and October 21, 2013, issued Order No. 6 finding that the Application contained a sufficient number of viable routes, provided Joint Applicants modify the Application to include additional routes (composed

from previously noticed links). Order No. 6 also adopted an amended procedural schedule.

13. On October 28, 2013, Joint Applicants amended their application to include ten supplemental routes (Routes 1S through 10S) pursuant to Order No. 6.
14. On November 14, 2013, all intervenors that did not file direct testimony or statements of position were dismissed from the proceeding.
15. On November 22, 2013, a large number of remaining parties entered into a Stipulation supporting Modified Route 3S, consisting of Links 134-136a-355-137b-138-141-147-152-155-162-165-169-193a-193b-361-351b-193c-194-201-207-208-209-212-214-219-226-233-235-256-258-265-286-285-272-269-268-267-273-308-321-322-327-328-335-340-341, with some minor modifications to address Intervenor concerns.
16. On December 2, 2013 the stipulating parties filed an amended Stipulation, supporting Modified Supplemental Alternative Route 3S, consisting of Links 134-136a-355-137b-138-141-147-152-155-162-165-169-193a-193b-361-351b-193c-194-201-207-208-209-212-214-219-226-233-235-256-258-265-286-285-362-279-278-268-267-273-308-321-322-327-328-335-340-341, with some minor modifications to address Intervenor concerns.
17. On December 3-4, 2013 the hearing on the merits was conducted at the State Office of Administrative Hearings (SOAH).
18. On December 3, 2013 at the hearing on the merits, the SOAH administrative law judge (ALJ) identified the Modified Supplemental Alternative Route 3S supported by the stipulating parties as the Agreed Route.
19. No intervenor who appeared at the December 3-4, 2013 hearing on the merits opposed adoption of the Agreed Route and no intervenor party filed testimony in opposition to the Agreed Route or its consistent links, with the exception of some parties to the Stipulation who opposed links of the Agreed Route without the modifications subsequently incorporated into the Route by the filed Stipulation.

Notice

20. On July 12, 2013, SOAH issued Order No. 1, requiring Commission Staff (Staff) to file a recommendation on the sufficiency of the notice.
21. Notice was published in the *Texas Register* on July 19, 2013, and supplemental notice reflecting the Project's location within the Coastal Management Program (CMP) was published in the *Texas Register* on October 4, 2013.
22. On July 30, 2013, Joint Applicants filed proof of notice in the form of an affidavit indicating that notice of the Application was (a) published in newspapers having general circulation in Hidalgo and Cameron counties; (b) sent in both English and Spanish by priority mail to owners of all land within 500 feet of the proposed centerline of any route; (c) sent by first-class mail to utilities providing similar service within five miles of the alternative routing options; (d) sent by first-class mail to county officials in Hidalgo and Cameron counties and the Mayors of the cities within five miles of the project; and (e) sent by first-class mail to the Office of Public Utility Counsel (OPUC). A copy of the Application was also provided to the Texas Parks & Wildlife Department (TPWD). Joint Applicants' proof of notice also contained copies of the notices provided.
23. On August 9, 2013, Staff recommended that notice be determined sufficient.
24. Consistent with Joint Applicants' July 30, 2013 proof of notice and Staff's August 9, 2013 recommendation of sufficiency, the Commission finds that notice was adequate.

The Application

25. The North Edinburg to Loma Alta 345-kV transmission line (Project) is a double-circuit capable 345-kV transmission line in Cameron and Hidalgo counties constructed on primarily single-pole structures, connecting the existing North Edinburg Substation to the existing Loma Alta Substation.
26. On July 24, 2013, Staff found that the Application was sufficient for further review on the merits.
27. The Commission finds that the Application is sufficient.

Need for the Proposed Project

28. As described in the January 23, 2012 ERCOT endorsement letter and Independent Review filed as Attachment 6 to the Application, the Project is needed to address the short- and long-term reliability needs of the Lower Rio Grande Valley (LRGV) and the connection of the North Edinburg substation to the Loma Alta substation has been labeled critical to the reliability of the ERCOT System pursuant to ERCOT's recommendation.
29. Pursuant to P.U.C. SUBST. R. 25.101(b)(3)(A)(ii)(1), ERCOT's recommendation shall be given "great weight" in determining the need for a proposed transmission line project.
30. According to ERCOT, an east-west "cross valley" 345-kV line is needed by 2016 to prevent several deficiencies of ERCOT and NERC planning criteria on the east side of the LRGV.
31. A majority of the deficiencies identified by ERCOT occur only if an additional 250 MW of industrial load is assumed to be present near the Port of Brownsville in the 2014 timeframe although that load has yet to materialize.
32. Without the projected 250 MW of additional industrial load near the Port of Brownsville in 2014, ERCOT identified a single base case violation in the Brownsville area and three post-contingency violations.
33. The Project is necessary for the service, accommodation, convenience, or safety of the public.
34. Electric customers in the LRGV and other customers in the ERCOT system may benefit from the improved transmission system reliability and capacity provided by the Project.

Routing of the Project

35. Joint Applicants retained POWER Engineers, Inc. (POWER) to prepare an Environmental Assessment and Routing Study for the Project. POWER used a Project Team with expertise in different disciplines (geology/soils, hydrology, terrestrial ecology, wetland ecology, land use/aesthetics, socioeconomics, and cultural resources [archaeological and historical]) to delineate and evaluate potential alternative routes for

the proposed Project based upon environmental and land use conditions present along each potential route, reconnaissance surveys, and the public involvement process.

36. POWER examined potential routes taking into consideration the factors that appear in the Public Utility Regulatory Act, TEX. UTIL. CODE ANN. §§ 11.001-66.016 (Vernon 2007 & Supp. 2012) (PURA) § 37.056(c)(4)(A)-(D), P.U.C. SUBST. R. 25.101, and the Commission's CCN application form, which includes addressing the potential impacts of the Project within the Coastal Management Program (CMP) boundary as defined by the Coastal Coordination Council (CCC) Rule 31 T.A.C. § 503.1.
37. Joint Applicants held six open house meetings in October 2012 to solicit comments from landowners, public officials, and other interested residents regarding the preliminary alternative links. A notice of the public open-house meetings, in both English and Spanish, was mailed to the approximately 12,000 landowners who own property located within 500 feet of the preliminary alternative routing links. After revising the routing options in response to public input, Joint Applicants held an additional two open house meetings in February 2013 for new potentially affected landowners that were not mailed notice of the October 2012 meetings.
38. Information received from the public open-house meetings and from local, state and federal agencies was considered and incorporated into both POWER's routing analysis and the eventual selection by Joint Applicants of alternative routes.
39. POWER evaluated 42 primary alternative routes using 47 criteria that consider land use, aesthetics, ecology, and cultural resources. POWER also considered route impacts to the Coastal Natural Resource Areas (CNRAs) as part of its evaluation.
40. The Agreed Route is approximately 96.1 miles long, which is 9.8 miles longer than the shortest routes (Routes 1S and 9S) and 23.7 miles shorter than the longest route (Route 13), and has an estimated cost of \$309,295,000, which is \$28,459,000 more than the least costly route (Route 9S) and \$96,158,000 less than the most costly route (Route 12).
41. The Agreed Route directly affects 951 habitable structures, which is the 15th fewest habitable structures of the 42 routes proposed by Joint Applicants in this proceeding.

42. The Agreed Route moderates, to the extent possible and relative to the other routes presented, the impact to existing land use, socioeconomic, geological, hydrological, or wetland resources as well as the adverse effects to historical or archeological resources in the study area.
43. The Agreed Route is a viable and constructible route.

Community Values and Land Use

44. The term “community values” is not formally defined by statute or in Commission rules. However, in several CCN dockets the Commission and Commission Staff have recognized a working definition as “a shared appreciation of an area or other mutual resource by a national, regional, or local community.”
45. The Agreed Route does not cross any U.S. Fish and Wildlife Service (USFWS) National Wildlife Refuge system land.
46. The Agreed Route crosses 3.3 miles of International Boundary Water Commission (IBWC)-managed right-of-way.
47. The Agreed Route crosses 58.3 miles of cropland, 4.1 miles of orchards, 22.3 miles of pasture/rangeland, and zero miles of land irrigated by traveling irrigation systems.
48. There are two FAA-registered airstrips with at least one runway more than 3,200 feet in length within 20,000 feet of the centerline of the Agreed Route, two FAA-registered airstrips with no runway more than 3,200 feet in length within 10,000 feet of the centerline of the Agreed Route, one private airstrip within 10,000 feet of the centerline of the Agreed Route, and no heliports within 5,000 feet of the centerline of the Agreed Route.
49. There are no significant impacts to any airports, airstrips, or heliports anticipated from the construction of the Agreed Route.
50. There are nine AM radio transmitter located within 10,000 feet of the centerline of the Agreed Route, and ten FM radio transmitters, microwave towers, and other electronic installations within 2,000 feet of the centerline of the Agreed Route.
51. Staff recommends that Joint Applicants cooperate with directly affected landowners to implement minor deviations in the approved route to minimize impact of the Project.

Parks and Recreation Areas

52. No parks or recreational areas are crossed by the right-of-way of the Agreed Route, and two parks or recreational areas are located within 1,000 feet of the centerline of the Agreed Route.
53. The Agreed Route will not significantly impact the use or enjoyment of a park or recreational facility.
54. The Agreed Route does not traverse through or cross any parks or recreational areas.
55. Other routes proposed by the Joint Applicants do traverse through and/or cross through parks or recreational areas.
56. The Agreed Route will only be within the foreground visual zone of a park or recreational area for two parks/recreational areas.

Historical and Aesthetic Values

57. Two recorded cultural resource sites are located within the right-of-way of the Agreed Route, and three additional cultural resource sites are within 1,000 feet of the centerline of Modified Route 3S.
58. The Agreed Route crosses fewer recorded cultural resource sites than 28 of the routes proposed in this proceeding. Only seven routes cross fewer recorded cultural resource sites than the Agreed Route.
59. There are no National Register-listed sites crossed by or located within 1000 feet of the centerline of the Agreed Route.
60. The Agreed Route has fewer additional recorded cultural resource sites within 1,000 feet of the centerline than 32 of the routes proposed in this proceeding.
61. The Agreed Route crosses 38.9 miles of area with high archeological site potential. Many routes proposed in this proceeding have rights-of-way that traverse greater amounts of land considered to be of high prehistoric and historic archeological site potential than the Agreed Route.
62. In the event Joint Applicants or their contractors encounter any artifacts or other cultural resources during project construction, it is reasonable for all work to cease immediately

in the vicinity of the resource and for Joint Applicants to report the discovery to the Texas Historical Commission ("THC").

63. Aesthetic impacts of the project have been considered and minimized to the extent possible.
64. Potential visibility impacts were evaluated by tabulating the linear feet of each route that would potentially create a new or additional impact to potential sensitive viewers from publicly accessible areas. The length of each route within the foreground visual zone of parks/recreational areas (within one-half mile with unobstructed views), and the lengths within the foreground visual zone of FM roads, Interstate, State, and U.S. Highways (within one-half mile with unobstructed views) were tabulated.
65. The Agreed Route crosses within an estimated 13.5 miles of foreground visual zone of US and State highways, 30.7 miles of foreground visual zone of farm-to-market roads, and 8.5 miles of foreground visual zone of parks/recreational areas.
66. During construction, some temporary impacts to aesthetics may occur. These would result from the presence of construction equipment, recent disturbance from clearing and construction, clearing debris, and construction materials along the right-of-way. However, following construction, the right-of-way would be re-vegetated, construction equipment and material used or removed, and debris and trash disposed. The Project right-of-way would not present a view dissimilar to other linear rights-of-way throughout the area following completion of construction and restoration activities.
67. Aesthetic impacts of the proposed transmission line have been considered and minimized to the extent possible.

Environmental Integrity

68. POWER contacted the United States Fish and Wildlife Service (USFWS) and the TPWD to obtain information regarding the possibility of encountering any endangered or threatened species in the area affected by the Project.
69. The USFWS indicated that it would not find a new right-of-way across the Lower Rio Grande Valley National Wildlife Refuge to be an appropriate or compatible use.

70. POWER studied and analyzed potential impacts to water resources, ecology (including endangered/threatened vegetation and fish and wildlife), and land use within the study areas for the Project.
71. POWER appropriately performed an evaluation of the impacts of the Project on endangered and threatened species.
72. No significant impacts to wetland resources, ecological resources, endangered and threatened species, or land use are anticipated as a result of the construction of the Project.
73. Construction of the Project will have no significant impact on geological features or resources of the area.
74. To protect raptors and migratory birds, Commission Staff recommends that Joint Applicants follow the procedures outlined 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.
75. Commission Staff recommends that Joint Applicants minimize the amount of flora and fauna disturbed during construction of the Project, except to the extent necessary to establish appropriate right-of-way clearance for the Project. In addition, Joint Applicants shall re-vegetate using native species and shall consider landowner preferences in doing so. Furthermore, to the maximum extent practicable, Joint Applicants shall avoid adverse environmental impacts to sensitive plant and animal species and their habitats as identified by TPWD and USFWS.
76. Commission Staff recommends that Joint Applicants implement erosion control measures as appropriate and return each affected landowner's property to its original contours unless otherwise agreed to by the landowners. Joint Applicants shall not be required to restore original contours and grades where different contour or grade is necessary to ensure the safety or stability of the Project's structures or the safe operation and maintenance of the line.

77. Commission Staff recommends that Joint Applicants exercise extreme care to avoid affecting non-targeted vegetation or animal life when using chemical herbicides to control vegetation within the right-of-way.
78. Commission Staff recommends that Joint Applicants use best management practices to minimize the potential impact to migratory birds and threatened or endangered species.

Compatible Corridors

79. The Agreed Route uses or parallels existing compatible corridors (including apparent property boundaries and existing transmission lines) to a reasonable extent. The Agreed Route parallels 26.6 miles of existing transmission line right-of-way, 34.8 miles of other existing right-of-way, and 16.2 miles of apparent property lines.
80. The Agreed Route does not use any length of existing transmission line right-of-way. This is typical of the routes filed in this proceeding. Thirty-eight other routes proposed in this proceeding also do not use any length of existing transmission line right-of-way. Of the four proposed routes that use any length of existing transmission line right-of-way, for those routes, less than a mile is used.
81. The Agreed Route parallels existing transmission line right-of-way for 26.6 miles, or over a quarter of its total length.
82. The Agreed Route parallels other existing rights-of-way (such as highways, pipelines, railways, and canals) for 34.8 miles, or more than a third of its total length.

Prudent Avoidance

83. The proposed transmission line has been routed in accordance with the Commission's policy of prudent avoidance.
84. Prudent avoidance is achieved by minimizing, to the extent reasonable, the number of habitable structures located in close proximity to the routes.
85. Joint Applicants and POWER used a constraints mapping process to identify and reduce the impact of the proposed line on various constraints, including habitable structures. Input gathered at the public open-house meetings further reduced the impact of the proposed line on habitable structures.

86. The Agreed Route directly affects 951 habitable structures, which is the 15th fewest habitable structures of the 43 routes in this proceeding. Link 169, which is part of the Agreed Route, accounts for 371 out of the 951 total habitable structures.
87. There are six habitable structures within the right-of-way of the Agreed Route, all of which are mobile homes. Five of those six habitable structures are along Link 169.
88. Of the 42 routes initially filed in the application and amended application, 36 had habitable structures within the right-of-way that would have needed to be relocated, including Routes 1S and 32.
89. HCRMA intends to purchase the right-of-way for its International Bridge Trade Corridor ("IBTC") Project along the Link 169 alignment of the Agreed Route by March 31, 2015 and to grant ETT an easement within the IBTC right-of-way, which will result in HCRMA removing the habitable structures within the right-of-way along Link 169 instead of ETT having to do so.
90. If HCRMA does not acquire the right-of-way along Link 169 by March 31, 2015 and grant an easement to ETT, then Joint Applicants will work with the landowners who have habitable structures within 75 feet of the centerline of the Agreed Route to relocate the habitable structures.

Community Values

91. The McAllen-Miller International Airport is important to the local community because it is the closest public airport to the McAllen metropolitan area.
92. The McAllen-Miller International Airport is an important international trading hub due for the region to its close proximity to Mexico.
93. The United Parcel Service recently moved operations to the McAllen-Miller International Airport.
94. The McAllen-Miller International Airport creates jobs because it is a transportation center of cargo and an entry point for tourists into Texas.

95. There may be significant operational impacts to the McAllen-Miller International Airport anticipated from construction of the project along Link 118a, which is included in Route 32.
96. The Agreed Route will not negatively impact the McAllen-Miller International Airport.
97. With the exception of two landowners, the Agreed Route has unanimous support by Intervenor in the proceeding and represents an expression of community values for the Applicants' study area.
98. A pattern of activity for the Bell Tract in Hidalgo County, including existing retail-commercial facilities, a completed waste-water treatment system for the Tract, an approved Planned Unit Development for the Tract, and the Tract's inclusion in a Tax Increment Reinvestment Zone, establishes the continuing and imminent character of the Bell Tract's development.
99. Benefits of the existing and on-going development of the Bell Tract include the addition of badly needed housing stock to the City of Peñitas, as well as the provision of retail-commercial amenities that will enhance the quality of life for city residents.
100. The City of Peñitas' support for and approval of a Tax Increment Reinvestment Zone, a Planned Unit Development, waste-water infrastructure, and other initiatives to foster development of the Bell Tract, as well as the Bell Family's advance funding for public infrastructure and donation of land for city facilities and parks, evidence community values that support the minimization of transmission routing impacts affecting the Bell Tract.
101. Links 56, 60, and 344 of Route 32, and as included in other routes, would adversely impact the city-approved development pattern for the Bell Tract by eliminating spaces for 130 housing units as well as retail-commercial pad sites.
102. Diminished development space resulting from the location of Links 56, 60, and 344 would jeopardize the integrity of the financing mechanism underlying the Peñitas Tax Increment Re-investment Zone by eliminating ad valorem tax revenue committed to servicing of the Zone's debt.

103. The Agreed Route does not include Links 56, 60, and 344 and is not incompatible with the community benefits characterized by the Bell Tract.

Coastal Management Program

104. The Project is located within the CMP boundary as defined in 31 T.A.C. § 503.1 of the CCC's rules.
105. The Project is located seaward of the Coastal Facilities Designation Line as defined in 31 T.A.C. § 19.2(a)(21) of the CCC's rules.
106. P.U.C. SUBST. R. 25.102 states that the Commission "may grant a certificate for the construction of generating or transmission facilities within the coastal boundary as defined in 31 T.A.C. § 503.1 only when it finds that the proposed facilities are consistent with the applicable goals and policies of the Coastal Management Program specified in 31 T.A.C. § 501.14(a), or that the proposed facilities will not have any direct and significant impacts on any of the applicable coastal natural resource areas specified in 31 T.A.C. § 501.3(b)."
107. CCC rule 31 T.A.C. § 501.14(a) was repealed and replaced without substantive changes by 31 T.A.C. § 501.16. (*Texas Register*, Vol. 29, Number 30, July 23, 2004, p. 7039.)
108. CCC rule 31 T.A.C. § 501.16(a)(4) delineates the policies for the construction of electric transmission lines to or on Coastal Barrier Resource System Units and Otherwise Protected Areas (barrier islands). The rule states that transmission lines constructed on coastal barriers shall:
- be located, where practicable, in existing rights-of-way or previously disturbed areas if necessary to avoid or minimize adverse effects; and
 - be located at sites at which future expansion shall avoid construction in critical areas, Gulf beaches, critical dunes, and washovers to the greatest extent practicable.
109. Though this Project is not located on a barrier island, Joint Applicants selected alternative routes that comply with this goal by paralleling existing ranch roads and previously

disturbed areas to the greatest extent practicable. In addition, any future expansion that will require a certificate of convenience and necessity will be reviewed for consistency with CCC goals and policies by the Commission.

110. The proposed Project is consistent with the goals and policies of the Texas CMP specified in CCC rule 31 T.A.C. § 501.16 [formerly § 501.14(a)].
111. CNRAs as designated in 31 T.A.C. § 501.3(b) include waters of the open Gulf of Mexico, waters under tidal influence, submerged lands, coastal wetlands, submerged aquatic vegetation, tidal sound and mud flats, oyster reefs, hard substrate reefs, coastal barriers, coastal shore areas, gulf beaches, critical dune areas, special hazard areas (floodplains, etc.), critical erosion areas, coastal historic areas, and coastal preserves.
112. To determine whether any CNRAs are located along the alternative routes, POWER Engineers conducted a review of the CMP and performed field reconnaissance in the study area. POWER Engineers also reviewed aerial photography and associated mapping provided by the Texas General Land Office, Federal Emergency Management Agency, U.S. Fish and Wildlife Service, and the U. S. Geological Survey. Based on this review, POWER Engineers determined that the following CNRAs are located along the alternative routes to varying extents: coastal wetlands, special hazard areas, and coastal historic areas.
113. The goals of the Texas CMP are enumerated in CCC rule 31 T.A.C. § 501.12. The goals applicable to the Project are:
 - to protect, preserve, restore, and enhance the diversity, quality, quantity, functions, and values of coastal natural resource areas (CNRAs);
 - to ensure sound management of all coastal resources by allowing for compatible economic development and multiple human uses of the coastal zone;
 - to minimize loss of human life and property due to the impairment and loss of protective features of CNRAs;
 - to balance the benefits from economic development and multiple human uses of the coastal zone, the benefits from protecting, preserving, restoring, and enhancing CNRAs, the benefits from minimizing loss of human life and property,

and the benefits from public access to and enjoyment of the coastal zone; and

- to make coastal management processes visible, coherent, accessible, and accountable to the people of Texas by providing for public participation in the ongoing development and implementation of the Texas CMP.

114. The foregoing findings of fact demonstrate consistency with the applicable goals of the Texas CMP as enumerated in CCC rule 31 T.A.C. § 501.12 through the following:

- The Project minimizes impacts on CNRAs by routing in previously disturbed areas where practicable;
- The Project is routed, designed, and will be constructed using the best utility practices;
- Notice was given to the public, directly affected landowners, municipalities, counties, and neighboring utilities; and
- The Project received public comment filings, directly affected landowners interventions, and input from local, state, and federal agencies.

115. The foregoing findings of fact demonstrate consistency with the applicable policies of the Texas CMP as enumerated in CCC rule T.A.C. § 501.16(4) through the following:

- The Agreed Route has 15.9 miles seaward of the CMP boundary. Joint Applicants will attempt to span coastal wetlands to the greatest extent practicable.
- The Agreed Route parallels existing ranch roads and previously disturbed areas to the greatest extent practicable.
- The Agreed Route is not located in Gulf beaches, critical dunes, or washovers.
- The Agreed Route crosses the least amount of coastal wetlands of the routes evaluated.
- The Agreed Route crosses 19.1 miles of 100-year floodplains. None of the alternative routes should have a significant impact on the function of the floodplain where structures may be located. Any transmission structures located within the floodplains would be designed and constructed such that they would

not impede the flow of any waterway or create hazards during a flood event.

- None of the coastal historic areas are located within 1,000 feet of the centerline of The Agreed Route.

116. The Project will not have any direct and significant impacts on any of the applicable coastal natural resource areas specified in CCC rule 31 T.A.C. § 501.3(b).

Engineering Constraints

117. Link 118a, as filed, is south of the McAllen-Miller International Airport and is part of Route 32.

118. The McAllen-Miller International Airport has received Federal Aviation Administration ("FAA") approval of the airspace for its runway extension and construction of a new parallel runway.

119. Construction along Link 118a will require notice to the FAA.

120. Based on the FAA approved airspace for the McAllen Miller International Airport, the FAA is unlikely to grant a favorable determination for construction along Link 118a using standard sized towers. Therefore, design changes, such as reductions in tower height will likely be necessary for FAA approval of construction along Link 118a.

121. The Agreed Route does not use Link 118a and avoids the engineering constraints posed by the McAllen-Miller International Airport.

Estimated Costs

122. Including substation costs and costs associated with resolving potential mutual coupling issues, the estimated costs for the alternative routes filed in the Application range from \$313,894,000 (Route 22) to \$405,453,000 (Route 12). The estimated costs for the supplemental routes filed in the October 28, 2013 amended application range from \$277,264,000 (Route 9S) to \$339,347,000 (Route 5S).

123. The Agreed Route has an estimated cost of \$309,295,000.

124. As part of the Stipulation, Joint Applicants have agreed to modify portions of Link Nos. 285 and 279 to create a new Link 362 that better parallels property boundaries, avoids placing the centerline of the ROW within 500-ft of 10 habitable structures otherwise

affected by Link 285, and has a less detrimental impact on the residential development currently occurring on the impacted property. The estimated incremental costs of these modifications is approximately \$1,423,000. The cost of these modifications has been incorporated into the estimated cost of \$309,295,000 for the Agreed Route.

TPWD's Comments and Recommendations

125. TPWD filed comments and recommendations on September 17, 2013 and direct testimony of Russell Hooten on November 8, 2013.
126. No modifications to the Project are required as a result of the recommendations and comments made by TPWD.
127. The letter and testimony primarily addressed mitigation of potential impacts to wildlife and natural resources. This Order addresses only those TPWD recommendations and comments for which there is record evidence.
128. Joint Applicants have agreed to comply with TPWD's recommendations to the extent possible, consistent with the need to complete the Project in a timely and cost-effective manner.
129. TPWD's September 17, 2013 letter recommends the Commission review and consider recommendations in previous TPWD correspondence dated March 31, 2013. Joint Applicants followed many of TPWD's recommendations relating to the use of existing right-of-way, re-vegetation of distributed areas, avoiding impacts to water resources, erosion controls, and avoiding potential impacts to endangered species.
130. TPWD's September 17, 2013, letter recommends that the Commission avoid considering the absence of data in the Texas Natural Diversity Database (TXNDD) as an indication of absence of rare/endangered species on the landscape and recommends surveying for rare/endangered species at the appropriate time of year along the selected routes.
131. Utilities do not gain access to private property until after a route is approved by the Commission. As a result, Joint Applicants identified known/occupied areas of endangered or threatened species habitat based on information in the TXNDD database and other available information. Once a route is approved by the Commission, Joint

Applicants can undertake on-the-ground measures to identify potential endangered or threatened species habitat and respond appropriately.

132. TPWD recommends the use or paralleling of existing distributed corridors wherever possible to minimize habitat fragmentation. It also recommends the Commission select routes that would minimize adverse impacts to natural resources, such as Route 29 or Route 9S.
133. The Agreed Route reasonably balances the variety of factors that the Commission must consider in selecting transmission line routes, some of which favor the use of previously disturbed areas (*e.g.*, paralleling existing linear corridors) and some of which do not (*e.g.*, avoiding habitable structures).
134. Joint Applicants will implement TPWD recommendations that state-listed threatened species observed during construction be allowed to leave the site or be relocated to a suitable nearby area; that, with landowner approval, rare species occurrence information discovered by Joint Applicants be submitted to the TXNDD; that disturbed habitat of such species be re-vegetated with suitable vegetation; and that cleared trees be used to construct brush piles and sparse clumps of low-growing shrubs be allowed to encroach the right-of-way to provide cover for wildlife, consistent with the need to complete the project in a timely and cost-effective manner.
135. TPWD's recommendation that Joint Applicants prepare a mitigation plan with a 1: 1 replacement ratio for impacted habitats could significantly increase the cost of the Project. The Commission has not typically imposed such a requirement in previous transmission line CCN cases. Joint Applicants will re-vegetate impacted areas with native species, in accordance with Ordering Paragraph 5 of this Order.
136. Implementation of the measures set forth in the ordering paragraphs in this Order to minimize the impact of line construction on wildlife, including following certain procedures for protecting raptors, using extreme care in the application of chemical herbicides, minimizing disruption of flora and fauna, and re-vegetating with native species following completion of construction, combined with Joint Applicants' mitigation practices set out in the Application and its testimony and with Joint Applicants' agreement to adopt TPWD's recommendations set forth in Finding of Fact 135, will

sufficiently address the concerns expressed by TPWD in its recommendations and comments.

137. The following TPWD recommendations or comments are not adopted for the issuance of a final order in this docket because they are not necessary or are not operationally practicable: (a) that impacts associated with habitat loss and fragmentation be examined further before a route is selected; (b) that Joint Applicants have a biological monitor on hand during clearing and construction activities to protect state-listed reptile species; and (c) that any route selected be surveyed by a qualified botanist familiar with rare plants of South Texas prior to construction.

II. CONCLUSIONS OF LAW

1. ETT and Sharyland are electric utilities as defined in §§ 11.004 and 31.002(6) of the Public Utility Regulatory Act, TEX. UTIL. CODE ANN. §§ 11.001-66.016 (PURA).
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 had jurisdiction over this proceeding pursuant to PURA § 14.053 and TEX. GOV'T CODE ANN. § 2003.049.
4. Joint Applicants provided proper notice of the Application in compliance with PURA § 37.054 and P.U.C. PROC. R. 22.52(a).
5. The Application is sufficient and notice was adequate.
6. This docket was processed in accordance with the requirements of PURA, the Administrative Procedure Act, TEX. GOV'T CODE ANN. Chapter 2001 and the Commission's rules.
7. Joint Applicants are entitled to approve of the Application as described in the findings of fact, taking into consideration the factors set out in § 37.056(c)(4)(A)-(D) and (F) of PURA.
8. The Agreed Route complies with the routing factors in PURA § 37.056 and P.U.C. SUBST. R. 25.101, including the Commission's policy of prudent avoidance.

9. The Project is necessary for the service, accommodation, convenience or safety of the public within the meaning of PURA §37.056(a), taking into consideration the applicable factors set out in PURA § 37.056(c) and P.U.C. SUBST. R. 25.101.
10. The Project is necessary for the service, accommodation, convenience, or safety of the public, consistent with PURA § 37.056(a).

III. ORDERING PARAGRAPHS

In accordance with these fact statements and legal conclusions, the Commission issues the following order:

1. Joint Applicants' application to amend their certificate of convenience and necessity for the proposed Project along the Agreed Route is approved.
2. In the event Joint Applicants or their contractors encounter any archeological 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). In that situation, Joint Applicants shall take action as directed by the THC.
3. Joint Applicants 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 and USFWS in April, 2005. Joint Applicants shall take precautions to avoid disturbing occupied nests and will take steps to minimize the impact of construction on migratory birds, especially during nesting season.
4. Joint Applicants shall exercise extreme care to avoid affecting non-targeted vegetation or animal life when using chemical herbicides to control vegetation within the ROW. Herbicide use shall comply with rules and guidelines established in the *Federal Insecticide, Fungicide and Rodenticide Act* and with Texas Department of Agriculture regulations.
5. Joint Applicants shall minimize the amount of flora and fauna disturbed during construction of the transmission line, except to the extent necessary to establish

appropriate ROW clearance for the transmission line. In addition, Joint Applicants shall revegetate using native species and shall consider landowner preferences and wildlife needs in doing so. Furthermore, to the maximum extent practicable, Joint Applicants shall avoid adverse environmental impacts to sensitive plant and animal species and their habitats as identified by TPWD and the USFWS.

6. Joint Applicants shall implement erosion control measures as appropriate. Also, Joint Applicants shall return each affected landowner's property to its original contours and grades unless otherwise agreed to by the landowner. Joint Applicants shall not be required to restore original contours and grades where different contour or grade is necessary to ensure the safety or stability of the project's structures or the safe operation and maintenance of the line.
7. Joint Applicants shall use best management practices to minimize the potential impact to migratory birds and threatened or endangered species.
8. Joint Applicants 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 were sent notice of the transmission line under P.U.C. PROC. R. 22.52(a)(3) and shall directly affect only those landowners that have agreed to the minor deviation, excluding public rights-of-ways.
9. ETT shall construct the project on Link 169 on the alignment as filed in the Joint CCN Application, subject to the following condition: If the HCRMA purchases the land in fee simple along the Link 169 alignment by March 31, 2015, and grants ETT an easement on HCRMA property, then ETT is authorized to locate the transmission line within that easement.
10. Joint Applicants shall be permitted to deviate from the approved route in any instance in which the deviation would be more than a minor deviation, but only if the following two conditions are met. First, Joint Applicants shall receive consent from all landowners who would be affected by the deviation regardless of whether the affected landowner received notice of or participated in this proceeding. Second, the deviation shall result in a reasonably direct path towards the terminus of the line and not cause an unreasonable

increase in cost or delay the project. Unless these two conditions are met, this paragraph does not authorize Joint Applicants to deviate from the approved route except as allowed by the other ordering paragraphs in this Order.

11. Joint Applicants shall update the reporting of this project on their monthly construction progress reports prior to the start of construction to reflect final estimated cost and schedule in accordance with P.U.C. SUBST. R. 25.83(b).
12. All other motions, requests for entry of specific findings of fact and conclusions of law, and any other requests for general or specific relief, if not expressly granted herein, are denied.

SIGNED AT AUSTIN, TEXAS the ____ day of February 2014.

PUBLIC UTILITY COMMISSION OF TEXAS

DONNA L. NELSON, CHAIRMAN

KENNETH W. ANDERSON, JR., COMMISSIONER

BRANDY D. MARTY, COMMISSIONER