Control Number: 41606

Item Number: 4

Addendum StartPage: 0

PUC DOCKET NO. 41606

2013 JUL -3 PM 4:46

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

DIRECT TESTIMONY

OF

TERESA B. TROTMAN

ON BEHALF OF

ELECTRIC TRANSMISSION TEXAS, LLC

AND

SHARYLAND UTILITIES, L.P.

July 3, 2013

4

Table of Contents

I. INTRODUCTION

Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

A. My name is Teresa B. Trotman. My business address is 1201 Elm Street, Suite 800, Dallas, Texas 75270.

Q. BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?

A. I am employed by American Electric Power Service Company (AEPSC), a wholly-owned subsidiary of American Electric Power Company, Inc. (AEP), as Manager of Projects in the Transmission Services Department. AEPSC provides engineering, construction and project management services to Electric Transmission Texas, LLC (ETT) pursuant to its Services Agreement with ETT. ETT is a joint venture between subsidiaries of AEP and MidAmerican Energy Holdings Company.

Q. PLEASE DESCRIBE YOUR JOB RESPONSIBILITIES, PARTICULARLY AS THEY RELATE TO THIS PROCEEDING.

A. I am the Manager of Projects for ETT for its portion of the transmission project presented in this *Joint Application of Electric Transmission Texas, LLC and Sharyland Utilities, L.P. to Amend Their Certificates of Convenience and Necessity for the Proposed North Edinburg to Loma Alta Double-Circuit 345-kV Transmission Line in Hidalgo and Cameron Counties, Texas* (Application). My job responsibilities include overseeing and supervising transmission system projects from inception to completion. These responsibilities involve receiving the capital project proposal from our transmission planning organization for review and then coordinating a project team of planners, design engineers, case managers, environmental specialist,

construction personnel, right-of-way agents, and contractors to see the project through to completion. My job responsibilities also include overseeing the project budget and schedule. When a Certificate of Convenience and Necessity (CCN) application is required, as in this docket, my job responsibilities include coordinating development and filing of the application.

Q. PLEASE DESCRIBE YOUR EDUCATIONAL AND PROFESSIONAL QUALIFICATIONS AND BUSINESS EXPERIENCE.

A. I received a Bachelor of Science degree in 1981 in electrical engineering from the University of Alabama Birmingham. My professional experience includes:

- (1981-1987) Combustion Engineering, Inc., an original equipment manufacturer of steam generation and pollution control systems. I was responsible for the design of instrumentation and control systems for scrubbers, and then I transferred to field engineering where my varied assignments ranged from regular inspections of operating systems to trouble shooting to boiler and scrubber start-ups and to prototype pulverizer installation/testing.
- (1987-1991) Frito-Lay, Inc. (corporate engineering). I had project responsibility for instrumentation, controls and facility electrical systems for new food processing facilities, including several first-of-a-kind applications in manufacturing.
- (1991-1995) Central and Southwest Services, Inc. I was responsible for project management support, primarily estimating and scheduling, for internal projects (e.g., the energy management system and the continuous emissions monitoring

system roll out) and for new generation proposals (e.g., the Sweeny Cogeneration Facility). In 1995, I transferred to CSW Energy/International, Inc.

- (1995-2000) CSW Energy/International, Inc., the independent power subsidiary of Central and South West Corporation (CSW) until the 2000 merger with American Electric Power Company, Inc. (AEP). I was responsible for project engineering for proposal development and for project implementation (e.g., development of the Altamira Cogeneration Project and the New Gulf Restoration/Modification Project); then for technical and commercial contract negotiations (e.g., the engineering, procurement and construction contract for the Shoreham Combined Cycle Project in England); and finally for project management (e.g., addition of the fourth unit for the Sweeny Cogeneration Facility along with inlet power augmentation systems for all four units).
- (2000-Present) AEPSC. Since the AEP/CSW merger, my project management experience with AEPSC includes the retrofit of selective catalytic reduction systems to all four of the Sweeny Cogeneration Facility units, development of the South Trent Wind Farm project, and an upgrade of a flue-gas desulfurization system at the Pirkey Power Station. I was also Project Manager for numerous proposals submitted on behalf of Southwestern Electric Power Company (SWEPCO) and Public Service Company of Oklahoma (PSO), both of which are AEP-owned electric utilities, to construct new peaking and intermediate generation capacity. As a result of these proposals, I was the Project Manager responsible for initiating implementation of eight 80MW natural gas-fired peaking units at three sites in Oklahoma and Arkansas and for the entirety of a

500 MW natural gas-fired combined cycle plant in Shreveport, Louisiana. In the fall of 2010, I transferred from AEPSC Generation Services to the AEPSC Transmission Services group that manages projects in ERCOT. I have managed rebuilding 30 miles of transmission line south of Abilene and the Magic Valley Wind Farm Interconnection project, each with associated station upgrades. Current project assignments include the Citrus City transformer addition, rebuilding transmission lines from Lon Hill to both Calallen and Robstown, replacing two auto-transformers at Lon Hill, developing the CCN application for a new 138 kV transmission line from La Palma to Palo Alto, and this project, the CCN application for the new North Edinburg to Loma Alta Double Circuit 345 kV transmission line.

Q. HAVE YOU PREVIOUSLY PERFORMED WORK RELATED TO TRANSMISSION LINE ADMINISTRATIVE PROCEEDINGS?

A. Yes. I have prepared information submitted in the monthly construction progress reports for exempt CCN projects submitted to the Public Utility Commission of Texas (PUCT or Commission).

Q. HAVE YOU PRESENTED TESTIMONY TO THE COMMISSION BEFORE?

A. Yes. I presented testimony in Docket Nos. 32918 and 33048, which were SWEPCO power plant CCN requests.

II. PURPOSE OF TESTIMONY

Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?

A. The purpose of my testimony is to discuss ETT's and Sharyland Utilities, L.P.'s (Sharyland's) participation in the Application for the double-circuit capable 345-kV transmission line project, proposed to be constructed by ETT and Sharyland (together, Applicants), through parts of Hidalgo and Cameron Counties, Texas (the Project. Specifically, I address (i) the public open-house meetings; (ii) how information from the public meetings and other landowner discussions was used in the alternative route development process; (iii) the selection of the alternative route that the Applicants believe best addresses the requirements of the Public Utility Regulatory Act (PURA) and the PUCT's Substantive Rules; and (iv) the project schedule and financing by ETT.

Q. WHAT PORTIONS OF THE APPLICATION DO YOU SPONSOR?

A. I am sponsoring the responses to Questions No. 1a, 2a, 3a, 4 through 12 (in part), 16 (in part), 17 (in part) 18 (in part), 20 (in part), 23 (in part), 25 (in part), 29 (in part), and 30 (in part) and Attachments 3a and 5 (in part) of the Application. Additionally, I am sponsoring the information provided by the Applicants for Sections 1.1, 1.4, and 1.5 of the *North Edinburg-Loma Alta 345-kV Transmission Line Project--Environmental Assessment and Alternative Route Analysis* (EA) that was prepared by POWER Engineers, Inc. (POWER) and is included as Attachment 1 to the Application.

Q. WERE YOUR TESTIMONY AND THE INFORMATION YOU ARE SPONSORING PREPARED BY YOU OR BY KNOWLEDGEABLE PERSONS UPON WHOSE EXPERTISE, JUDGMENT AND OPINIONS YOU RELY IN PERFORMING YOUR DUTIES?

A. Yes.

Q. IS THE INFORMATION CONTAINED IN YOUR TESTIMONY AND THAT YOU ARE SPONSORING TRUE AND CORRECT TO THE BEST OF YOUR KNOWLEDGE AND BELIEF?

A. Yes.

III. NATURE OF PROJECT

Q. PLEASE BRIEFLY DESCRIBE THE PROJECT.

A. As Sharyland's Mark Caskey also describes, ETT and Sharyland propose to build a 345-kV double-circuit capable transmission line in the lower Rio Grande Valley in Hidalgo and Cameron Counties, Texas. The new transmission line will connect to the ERCOT network at the existing American Electric Power Texas Central Company (AEP TCC) 345-kV North Edinburg Substation in Hidalgo County. The new transmission line will extend generally in a southerly direction until it reaches a location near the existing AEP TCC South McAllen Substation, as described in more detail by Mr. Caskey. From this general area, the new transmission line will extend eastward until it reaches the termination point, where a new 345-kV substation will be located adjacent to and interconnecting with the existing Brownsville Public Utilities Board (BPUB) 138-kV Loma Alta Substation in Cameron County.

Q. WILL ETT HAVE A SPECIFIC PORTION OF THE PROJECT?

A. Yes, it will. As Mr. Caskey also describes, ETT and Sharyland have agreed to each construct one-half of the Project. ETT will construct and own the western half of the new transmission line, and Sharyland will construct and own the eastern half. ETT and Sharyland will each own 100 percent of their respective portions of the Project and will have no ownership interest whatsoever in the other's segment of the Project. The exact dividing point will be established after the Commission has selected a route.

IV. PUBLIC MEETINGS

Q. WHAT INFORMATION DOES THE APPLICATION CONTAIN ABOUT PUBLIC MEETINGS HELD TO COLLECT INFORMATION FOR ROUTING?

A. ETT and Sharyland retained POWER to prepare an EA for the Project, which is Attachment 1 to the Application and is discussed in detail by Rob Reid of POWER in his testimony. Sections 3.2.2 and 3.2.5 of the EA describe the seven public meetings Applicants held to gather information and seek public input in formulating possible alternative routes.

Q. PLEASE DESCRIBE THE PUBLIC OPEN-HOUSE MEETINGS.

A. Applicants, with the assistance of POWER, held a total of seven open-house meetings to solicit public input about the Project. ETT hosted the western meetings in Hidalgo County, and Sharyland hosted the eastern meetings in Cameron County. Representatives from both Applicants and POWER attended all seven meetings.

Direct notice in both English and Spanish was mailed to approximately 12,000 landowners within 500 feet of the centerline of the routes being presented at the open-house meetings. Names and addresses of the property owners were obtained from the tax-rolls in the counties traversed by the preliminary alternative routes.

The first six open house meetings were held from October 8-16 in 2012. The first two public open-house meetings were held in the McAllen Convention Center, followed by the next two at the Rio Grande Livestock Show in Mercedes. The fifth meeting was held at the Casa de Amistad in Harlingen, and the sixth at the Brownsville Event Center.

Questionnaires were available in English and Spanish. Sample copies of the questionnaires that were distributed at the open-house meetings are included in Appendix B of the EA. Section 3.2.2 of the EA describes the meetings held in October 2012 and includes a summary of the questionnaire responses.

Q. WHERE AND WHY WAS THE SEVENTH OPEN HOUSE MEETING HELD?

A. Because a number of routing links were modified and added after the initial public meetings, Applicants decided to hold an additional public meeting for the landowners potentially affected by the modified or added links. This meeting was held on February 25, 2013 at the University of Texas-Pan American in Edinburg.

Q. HOW DO THE PUBLIC OPEN-HOUSE MEETINGS BENEFIT THE ROUTE SELECTION PROCESS?

A. There are several benefits provided by holding public open-house meetings. Public involvement contributed to the evaluation of issues and concerns and to the selection

of the route that the Applicants believe best addresses the requirements of PURA and the PUCT's Substantive Rules. The open-house meetings provide an opportunity to obtain input from the public that is critical to prudent routing selections.

At these meetings, information and discussion stations were provided to assist landowners in understanding the need for the Project, the routing determination process, and the PUCT's CCN process. A station with large maps was provided where landowners could ask questions about the routes and provide specific input. Questionnaires were also provided to landowners upon arrival at the meeting so that ETT, Sharyland, and POWER could obtain specific written feedback. This public meeting format is the most expedient manner to engage in detailed discussions with landowners regarding the purpose and need for a project, locations of routes that are under consideration, possible impacts to individual properties, and the physical parameters of a project.

Q. PLEASE PROVIDE MORE DETAIL CONCERNING THE PROCESS USED AT THESE PUBLIC MEETINGS.

A. Rather than making a formal presentation at the meetings in a speaker-audience format, ETT, Sharyland and POWER staff used a more interactive arrangement by setting up several information stations where attendees could provide input and learn about the Project. At the first station, visitors signed in and were handed questionnaires that solicited comments on their concerns and evaluations of the information presented at the meeting. Completed questionnaires were received at the meetings or later by mail.

Each information station was devoted to a particular aspect of the routing study and was manned with personnel representing ETT or Sharyland and/or POWER. Displays, maps, illustrations, and photographs were used to explain each particular topic that was presented. Large aerial photographic boards were used to present the routes to the attendees and obtain input. Interested citizens and property owners were encouraged to visit each station so that the process could be explained in the general sequence of development. The information station format is advantageous because it allows attendees to process information in a relaxed manner and also allows them to focus on their particular interest and ask specific questions. Importantly, the one-on-one discussions encourage more interaction from those citizens who might be hesitant to participate in a speaker/audience format.

Q. DID ETT AND SHARYLAND REPRESENTATIVES HAVE MEETINGS WITH LANDOWNERS OUTSIDE THE PUBLIC MEETING VENUE?

A. Yes. ETT and Sharyland met with landowners outside the public meetings venue to discuss landowner's concerns and to attempt to either resolve or mitigate those concerns with reasonable routing adjustments. In some cases, the landowner meeting was the result of the landowner attending a public meeting and requesting a follow-up meeting with ETT or Sharyland.

Q. DID THE INFORMATION RECEIVED AT THE PUBLIC MEETINGS AND INDIVIDUAL LANDOWNER MEETINGS AFFECT THE ROUTING SELECTION PROCESS?

A. Yes. The preliminary alternative links, which are shown on Figure 3-1 of the EA, Attachment 1 to the Application, were presented to the public at the open-house meetings and the public's concerns were discussed and documented. Following the public meetings, POWER staff and/or Applicants evaluated all of the concerns identified at the public meetings as well as those identified in subsequent mail and/or phone calls, met with a number of individual landowners, and considered revisions to the preliminary links. Some preliminary links were modified to the greatest extent practicable to address the expressed concerns, particularly when more than one landowner shared the same route concern or would be directly affected by an adjustment. As I described above, these modifications resulted in Applicants having a seventh public meeting for newly affected landowners. The project team, utilizing this input, made final revisions to the preliminary routes and identified the primary alternative routes to be further evaluated.

Q. WHY WERE CHANGES MADE?

A. Generally, the changes that were made to the preliminary links after the public meetings were made to further reduce the number of habitable structures within 500 feet of the centerline of the links, to improve the paralleling of apparent property lines, to improve the paralleling of compatible right-of-way (ROW), and to reduce other land use impacts, such as to ranching/farming operations.

V. ALTERNATIVE ROUTE SELECTIONS

Q. WAS AN ENVIRONMENTAL ASSESSMENT AND ROUTING STUDY PREPARED FOR THE PROJECT?

A. Yes. A copy of the EA, which was prepared by POWER, is included as Attachment 1 to the Application. Rob Reid of POWER discusses the EA in detail in his testimony.

Q. DID ETT AND SHARYLAND HAVE INPUT INTO THE EA PERFORMED BY POWER?

A. Yes, ETT and Sharyland communicated weekly with POWER representatives throughout the preparation of the EA. ETT and Sharyland participated in (1) the delineation of the study area, (2) the decisions concerning the number, location, and dates for the open-house meetings; (3) the information gathering process at the open-house meetings and from governmental agencies and other stakeholders; (4) the consideration of alternative routes based upon information gathered during and after the open-house meetings; and (5) the routing adjustments based on engineering considerations, land use impacts and input from governmental agencies and officials (e.g., the U.S. Fish and Wildlife Service (USFWS)).

Q. WHAT ROUTE DID POWER RECOMMEND AS BEST ADDRESSING THE REQUIREMENTS OF PURA AND THE PUCT'S SUBSTANTIVE RULES FROM AN ENVIRONMENTAL AND LAND USE PERSPECTIVE?

A. The consensus opinion of POWER'S evaluators was that Alternative Route 32 best addresses the requirements of PURA and the PUCT's Substantive Rules from an environmental and land use perspective.

Q. HOW DID ETT AND SHARYLAND DETERMINE THE ROUTE THAT BEST ADDRESSES THE REQUIREMENTS OF PURA AND THE PUCT'S SUBSTANTIVE RULES?

A. ETT and Sharyland reviewed POWER's recommendations and evaluated the alternative routes from end to end. ETT and Sharyland considered all of the certification criteria in PURA and the PUCT Substantive Rules, input from the public, POWER'S recommendation, and the estimated cost for the alternative routes.

In addition, ETT and Sharyland evaluated each route from an engineering design and construction perspective, together with grid reliability and security issues. As a result, ETT and Sharyland both agreed that Route 32 best addresses the requirements of PURA and PUCT Substantive Rules regarding certification criteria. Also, ETT and Sharyland both agree that all of the 32 alternative routes comply with the PUC's routing criteria and are acceptable from a design and constructability perspective.

Q. WHAT FACTORS WEIGHED IN FAVOR OF SELECTING ROUTE 32 AS THE ROUTE THAT BEST ADDRESSES THE REQUIREMENTS OF PURA AND THE PUCT'S SUBSTANTIVE RULES?

A. The task of evaluating the multiplicity of land use, aesthetic, ecological, and cultural resource factors for each of the 32 alternative routes is complicated because each route has both positive and negative attributes. POWER considered these different routing evaluation attributes and determined that from a land use, aesthetics, and potential environmental impact perspective, Route 32 was the best overall route of the 32 routes evaluated. ETT and Sharyland support this conclusion by POWER and believe it is reasonable for the same reasons given by POWER in the EA.

In addition, ETT and Sharyland believe that, given the many attributes of each route evaluated, an important consideration in each route evaluation is the potential impact to habitable structures. Route 32 has 209 fewer habitable structures within 500 feet of the proposed ROW centerline than the route with the next fewest (Route 31), and 141 fewer newly affected habitable structures within 500 feet of the proposed ROW centerline than the route with the next fewest (also Route 31). Because Route 32 has the smallest impact to habitable structures, was found by POWER to be the best route from a land use and environmental perspective, and has a number of other advantages as compared to other alternative routes (as described in Attachment 8 to the Application), ETT and Sharyland believe that Route 32 best addresses the requirements of PURA and PUCT Substantive Rules. For additional discussion on the route evaluation process and the selection of Route 32, refer to the testimonies of Mr. Reid and Mr. Caskey and Attachment 8 to the Application.

VI. PROJECT SCHEDULE AND FINANCING

Q. DO YOU AGREE WITH THE PROJECT SCHEDULE FOR THIS PROPOSED TRANSMISSION LINE AS PROVIDED IN THE APPLICATION AND DISCUSSED BY SHARYLAND WITNESS MARK CASKEY?

A. Yes, this schedule will allow the transmission line to be completed in a timely manner, absent significant delays caused by weather or other factors beyond the Applicants' control.

Q. IS THAT SCHEDULE THE SAME AS THAT PROVIDED IN THE APPLICATION?

A. Yes, it is.

Q. HOW WILL ETT FINANCE ITS SHARE OF THE PROJECT?

A. ETT's portion of the Project will be financed through a combination of debt and equity.

VII. AEP TEXAS CENTRAL COMPANY NORTH EDINBURG SUBSTATION TERMINATION COST ESTIMATES

Q. WHAT ARE THE TERMINATION COST ESTIMATES FOR THE PROJECT TO CONNECT INTO THE AEP TEXAS CENTRAL COMPANY NORTH EDINBURG SUBSTATION?

A. ETT's portion of the Project will terminate into the AEP Texas Central Company North Edinburg Substation. Depending on the route approved by the Commission a western exit or eastern exit would occur. Each exit path would require different substation improvements to be made to provide for the new transmission line termination. The estimated substation improvement cost for those routes that would exit to the east is $5,114,000. The estimated substation improvement cost for those routes that would exit to the west is $7,368,000.

Q WHO WOULD BE RESPONSIBLE FOR THESE SUBSTATION IMPROVEMENTS AND THE ASSOCIATED COST?

A. AEP Texas Central Company is the owner of the North Edinburg Substation and would be the responsible party for these substation improvements and cost. Provided

as Attachment 3a to the Application is the agreement between ETT and AEP Texas Central Company for the termination of the ETT portion of the Project into the AEP Texas Central Company North Edinburg Substation. These substation cost are reflected in Attachment 5 of the Application.

Q. DO YOU BELIEVE THE ESTIMATED SUBSTATION COSTS FOR THE 345-kV PROJECT TERMINATION DISCUSSED ABOVE ARE REASONABLE?

A. Yes. I believe the estimated substation termination costs are reasonable based on my experience with projects that require similar construction activities.

VIII. SUMMARY AND CONCLUSION

Q. PLEASE SUMMARIZE YOUR TESTIMONY.

A. ETT and Sharyland complied with P.U.C. PROC. R 22.52 regarding holding public meetings. Additionally, ETT and Sharyland reasonably used the information gathered from the public and from various governmental agencies to attempt to resolve or mitigate potential concerns in the creation of a sufficient number of alternative routes. ETT and Sharyland have proposed alternative routes that are acceptable and comply with the Commission's routing criteria in PURA and the PUCT Substantive Rules. The estimated schedule will allow the transmission line to be completed in a timely manner. The estimated cost supplied by personnel representing AEP Texas Central Company for the termination of the ETT portion of the Project into the North Edinburg Substation is reasonable based on my experience with projects that require similar construction activities.

Q. DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?

A. Yes.