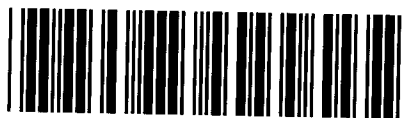




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P.U.C. DOCKET NO. 44837  
SOAH DOCKET NO. 473-15-5258

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APPLICATION OF AEP TEXAS §  
CENTRAL COMPANY TO AMEND ITS §  
CERTIFICATE OF CONVENIENCE §  
AND NECESSITY FOR THE TULETA §  
TO EULER TO COLETO CREEK §  
DOUBLE-CIRCUIT 138-KV §  
TRANSMISSION LINE IN BEE AND §  
GOLIAD COUNTIES §

PUBLIC UTILITY COMMISSION  
FILING CLERK  
PUBLIC UTILITY COMMISSION  
OF TEXAS

**ORDER OF REFERRAL  
AND PRELIMINARY ORDER**

On July 1, 2015, AEP Texas Central Company filed an application with the Public Utility Commission of Texas (Commission) to amend its certificate of convenience and necessity (CCN) for a 138-kilovolt transmission line in Bee and Goliad 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) (West 2008 & Supp. 2014).

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 16 Tex. Admin. Code § 22.71(c) (TAC) regarding the number of copies to be filed or 16 TAC § 22.71(d)(C) regarding the number of confidential items to be provided.

**I. Procedural History**

The proposed project is designated as the Tuleta to Euler to Coleta Creek Double-Circuit Transmission Line Project Transmission Line Project. The facilities include construction of a new double-circuit 138-kV transmission line on steel single-pole structures with only one circuit

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to be installed initially. The line will extend from the new AEP Texas Central Company Tuleta Substation to the proposed AEP Texas Central Company Euler Substation and then to the existing AEP Texas Central Company Coleta Creek Substation. The project is presented as two separate segments. Routes from Tuleta to Euler are identified as "TE" routes, and routes from Euler to Coleta Creek are identified as "EC" routes.

The total estimated cost for the project ranges from approximately \$59.1 million to \$76.4 million depending on the route chosen. The proposed project is presented with 7 alternate routes for the TE Segment and 19 alternate routes for the EC Segment and is estimated to be approximately 45 miles to 55 miles in length.

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.

The Electric Reliability Council of Texas (ERCOT) Independent System Operator (ISO) has not deemed this transmission line as critical to the reliability of the ERCOT system.

AEP Texas Central Company provided notice at the time of filing to all cities and neighboring utilities within five miles of the requested facilities or territory, to county governments of all counties in which any portion of the requested facility or territory is located, and to directly affected landowners. The deadline for affidavits of notice by mail was July 21, 2015, and affidavits of publication by July 24, 2015. A number of local landowners requested protestant or intervenor status in the docket. Numerous motions to intervene remain pending at this time. Notice was published in the *Texas Register* on July 17, 2015. The deadline for intervention is August 17, 2015.

## **II. Deadline for Decision**

Pursuant to 16 TAC § 25.101(b), the Commission must render a decision approving or denying an application for a certificate within one year of the date of filing a complete application for such certificate. Therefore, a Commission decision must be issued by July 1, 2016.

### III. Issues to be Addressed

Pursuant to Tex. Gov't Code Ann. § 2003.049(e) (West 2012 & Supp. 2014), 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 AEP Texas Central Company's application to amend its CCN adequate? Does the application contain an adequate number of reasonably differentiated alternative routes to conduct a proper evaluation? In answering this question, consideration must be given to the number of proposed alternatives, the locations of the proposed transmission line, and any associated proposed facilities that influence the location of the line. Consideration may also be given to the facts and circumstances specific to the geographic area under consideration, and to any analysis and reasoned justification presented for a limited number of alternative routes.<sup>1</sup> A limited number of alternative routes is not in itself a sufficient basis for finding an application inadequate when the facts and circumstances or a reasoned justification demonstrates a reasonable basis for presenting a limited number of alternatives. If an adequate number of routes is not presented in the application, the ALJ shall allow AEP Texas Central Company to amend the application and to provide proper notice to affected landowners; if AEP Texas Central Company 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>2</sup> § 37.056(a) taking into account the factors set out in PURA § 37.056(c)? In addition,

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<sup>1</sup> See *Application of Wood County Electric Cooperative, Inc. for a Certificate of Convenience and Necessity for a Proposed Transmission Line in Wood County, Texas*, Docket No. 32070, Order on Appeal of Order No. 8 at 6 (Nov. 1, 2006).

<sup>2</sup> Public Utility Regulatory Act, Tex. Util. Code Ann. §§ 11.001-66.016 (West 2007 & Supp. 2014) (PURA).

- 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 AEP Texas Central Company is 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 16 TAC § 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.

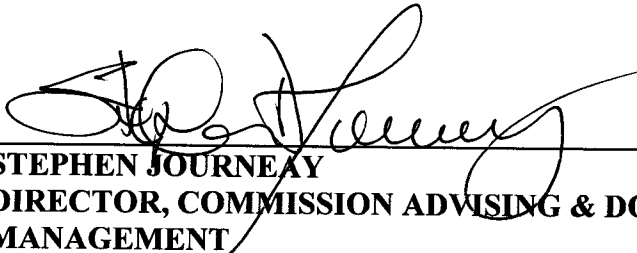
#### **V. Effect of Preliminary Order**

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 14<sup>th</sup> day of August 2015.

**PUBLIC UTILITY COMMISSION OF TEXAS**

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