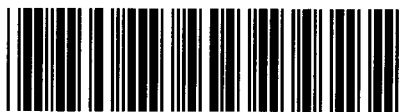




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PUC DOCKET NO. 45624

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PANOLA DOUBLE-CIRCUIT 345-KV
TRANSMISSION LINE IN RUSK AND
PANOLA COUNTIES

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BEFORE THE
STATE OFFICE OF
ADMINISTRATIVE HEARINGS

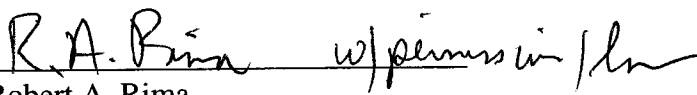
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**SOUTHERN CROSS TRANSMISSION LLC'S RESPONSE TO COMMISSION STAFF'S
FIRST SET OF REQUESTS FOR INFORMATION
TO SOUTHERN CROSS TRANSMISSION LLC
QUESTION NOS. STAFF 1-1 THROUGH STAFF 1-13**

Southern Cross Transmission LLC files this response to Commission Staff's First Set of Requests for Information (RFI) to Southern Cross Transmission LLC. Southern Cross Transmission LLC received Commission Staff's First RFI on March 16, 2016. Pursuant to SOAH Order No. 2, Southern Cross Transmission LLC's response is due on March 28, 2016; therefore, this response is timely filed. All parties may treat these answers as if they were filed under oath.

Southern Cross Transmission LLC reserves the right to object at the time of the hearing to the admissibility of the information provided herein.

Respectfully submitted,


Robert A. Rima
State Bar No. 16932500
Law Offices of Robert A. Rima
7200 N. MoPac Expy, Suite 160
Austin, TX 78731-2560
512-349-3449
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bob.rima@rimalaw.com

Attorney for Southern Cross Transmission LLC

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CERTIFICATE OF SERVICE

I certify that a true and correct copy of this document was served by electronic mail, facsimile, hand-delivery, overnight delivery, or First Class U.S. Mail on Commission Staff on March 28, 2016.

R.A. Rima w/ permission/hr
Robert A. Rima

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**SOUTHERN CROSS'S RESPONSE TO COMMISSION STAFF'S FIRST SET OF
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STAFF 1-1 THROUGH STAFF 1-13**

Question No. Staff 1-1

Please admit or deny that Southern Cross is subject to the Commission's plenary authority and enforcement powers. If the answer is anything other than an unqualified affirmative, please explain.

Response No. Staff 1-1

Southern Cross can neither admit nor deny that it is subject to the Commission's plenary authority and enforcement powers. The Public Utility Regulatory Act does not use the term "plenary". Southern Cross admits that pursuant to the first sentence of PURA § 39.151(d), the Commission can make and enforce rules relating to the reliability of the regional electrical network and accounting for the delivery of electricity among generators and all other market participants. Southern Cross further admits that by executing the ERCOT standard form market agreement, Southern Cross will be subject to the Commission's oversight and enforcement for the purpose of ensuring compliance with the ERCOT protocols.

Prepared by: Counsel
Sponsored by: Counsel

Title:
Title:

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Question No. Staff 1-2

Please admit or deny that Southern Cross will comply with the requirements of the ERCOT bylaws and protocols.

Response No. Staff 1-2

Southern Cross admits that once it is allowed to execute the Standard Form Market Participant Agreement, it will, by contract, be bound to comply with the ERCOT bylaws and protocols.

Prepared by: Counsel
Sponsored by: Counsel

Title:
Title:

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Question No. Staff 1-3

Please refer to the Direct Testimony of David Parquet at page 10. Please provide all support for the statement that "it appears SCT does not yet qualify to register in any market segment under current ERCOT Bylaws and Protocols."

Response No. Staff 1-3

The ERCOT Bylaws define a Market Participant as "any entity that engages in any activity that is in whole or in part the subject of the ERCOT Protocols and has, or should have, a contract regarding such activities with ERCOT." The ERCOT Protocols very similarly define a Market Participant as, "An Entity, other than ERCOT, that engages in any activity that is in whole or in part the subject of the Protocols, regardless of whether that Entity has signed an Agreement with ERCOT."

In the normal course of completing the various ERCOT testing and qualification procedures required to interconnect the SCT Project to the ERCOT system and in its future role as the operator of a DC Tie interconnected to the ERCOT transmission system, SCT will necessarily engage in activity that is the subject of the ERCOT Protocols such as providing DC Tie modeling information, communicating DC Tie schedules and status to ERCOT, maintaining an inadvertent energy account with ERCOT, and other functions assigned to a "DC Tie operator" in the Protocols.

The "contract," or "Agreement," that the Bylaws and Protocols, respectively, require is the Standard Form Market Participant Agreement contained in Section 22-A of the Protocols. All ERCOT Market Participants bilaterally execute this agreement with ERCOT, legally binding each Market Participant to Recital C which states, "The Parties enter into this Agreement in order to establish the terms and conditions by which ERCOT and Participant will discharge their respective duties and responsibilities under the ERCOT Protocols." This creates an important, legally enforceable mechanism to ensure Market Participant compliance with the ERCOT Protocols and related binding documents.

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SCT, however, cannot execute the Standard Form Market Participant Agreement because it cannot complete Recital A which states, "As defined in the ERCOT Protocols, Participant is a (check all that apply):

- Load Serving Entity (LSE)
- Qualified Scheduling Entity (QSE)
- Transmission Service Provider (TSP)
- Distribution Service Provider (DSP)
- Congestion Revenue Right (CRR) Account Holder
- Resource Entity
- Renewable Energy Credit (REC) Account Holder
- Independent Market Information System Registered Entity (IMRE)"

SCT does not meet the requirements "as defined in the Protocols" of any of the eight Market Participants types listed and there is no option for "Other."

Prepared by: Mark Bruce
Sponsored by: Mark Bruce

Title: Consultant
Title: Consultant

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Question No. Staff 1-4

Please refer to the Direct Testimony of David Parquet at 10:21-11:2. Please explain what amendments to the ERCOT Bylaws and Protocols Southern Cross believes are necessary to accommodate Southern Cross Transmission.

Response No. Staff 1-4

SCT believes Protocols Sec. 2 should be amended to insert a new definition for the term “Independent DC Tie Operator.” The new term could be defined as, “An Entity, other than a Transmission Service Provider, that owns or controls a DC Tie interconnected to the ERCOT Transmission Grid.” It will also be necessary to amend Protocols Sec. 16 to describe the specific registration requirements applicable to an Independent DC Tie Operator.

For purposes of ERCOT governance, SCT believes the ERCOT Bylaws will likely need to be amended to either create a new market segment for Independent DC Tie Operators or to amend the definition of an existing market segment to accommodate an Independent DC Tie Operator. Similar to the current lack of an applicable Market Participant type in the ERCOT Protocols, there are no Market Segment types applicable to SCT as those segments are currently defined in the ERCOT Bylaws. SCT believes the most appropriate choice is to require an Independent DC Tie Operator to register in the Investor-Owned Utility segment. Such registration could be allowed by amending Bylaws Article 2, Paragraph 15 with the addition of a new paragraph, “c. A registered Independent DC Tie Operator as defined in the ERCOT Protocols or the affiliate of an Independent DC Tie Operator.

Prepared by: Mark Bruce
Sponsored by: Mark Bruce

Title: Consultant
Title: Consultant

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Question No. Staff 1-5

Please provide all written communications, correspondence, and e-mails between Southern Cross and Oncor related to any interconnection and/or reliability studies for the Garland Project and/or the Southern Cross Transmission Project.

Response No. Staff 1-5

By agreement with Staff, a response to this Request is due Monday, April 4, 2016.

Prepared by:
Sponsored by:

Title:
Title:

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Question No. Staff 1-6

Please provide all written communications, correspondence, and e-mails between Southern Cross and ERCOT related to any interconnection and/or reliability studies for the Garland Project and/or the Southern Cross Transmission Project.

Response No. Staff 1-6

By agreement with Staff, a response to this Request is due Monday, April 4, 2016.

Prepared by:
Sponsored by:

Title:
Title:

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Question No. Staff 1-7

Do you consider the Garland Project and Southern Cross Transmission Project to be one project?

Response No. Staff 1-7

No, although they were submitted to ERCOT together for study purposes because the electrical impact on the ERCOT grid depends on completion of both projects, rather than one or the other. The projects are intimately related because Garland is one of the few types of entities that FERC can order to interconnect with SCT under the Federal Power Act.

Prepared by: David Parquet
Sponsored by: David Parquet

Title: Senior Vice President – Special Projects
Title: Senior Vice President – Special Projects

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Question No. Staff 1-8

Has Southern Cross secured funding for the full estimated cost of the Garland Project?

Response No. Staff 1-8

No.

Prepared by: David Parquet
Sponsored by: David Parquet

Title: Senior Vice President – Special Projects
Title: Senior Vice President – Special Projects

**SOAH DOCKET NO. 473-16-2751
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Question No. Staff 1-9

Has Southern Cross secured funding for the full estimated cost of the Southern Cross Transmission Project?

Response No. Staff 1-9

No.

Prepared by: David Parquet
Sponsored by: David Parquet

Title: Senior Vice President – Special Projects
Title: Senior Vice President – Special Projects

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Question No. Staff 1-10

Please provide any interconnection and/or reliability studies that were performed in connection with interconnecting the Southern Cross Transmission Project to the SERC transmission system.

Response No. Staff 1-10

Staff has withdrawn this request.

Prepared by:
Sponsored by:

Title:
Title:

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Question No. Staff 1-11

Please identify all transmission upgrades required to interconnect the Southern Cross Transmission Project to the ERCOT transmission system.

Response No. Staff 1-11

The facilities required to interconnect the SCT Project to the ERCOT transmission system are described in the interconnection agreements attached to the Offer of Settlement that was approved by the FERC in Docket No. TX11-1-001. These included the Rusk Switching Station and associated work to connect 3 of Oncor's 345 kV lines to Rusk, the double circuit 345 kV line associated with this CCN and the Panola Switching Station. See Attachment 2 to the CCN Application Form filed with Garland's application in this proceeding.

Prepared by: David Parquet
Sponsored by: David Parquet

Title: Senior Vice President – Special Projects
Title: Senior Vice President – Special Projects

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Question No. Staff 1-12

Please identify all transmission upgrades required to facilitate imports and exports out of the ERCOT transmission system through the Southern Cross Transmission Project.

Response No. Staff 1-12

Aside from the facilities identified in response to Staff 1-11, SCT does not believe transmission upgrades are required to facilitate imports and exports into and out of the ERCOT transmission system through the Southern Cross Transmission Project because SCT will operate within the limits of the ERCOT system.

Prepared by: David Parquet
Sponsored by: David Parquet

Title: Senior Vice President – Special Projects
Title: Senior Vice President – Special Projects

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Question No. Staff 1-13

For any upgrades identified in questions 11 and 12, will Southern Cross Transmission Project agree to be responsible for all the upgrades?

Response No. Staff 1-13

SCT will pay for the line associated with this CCN and the Panola Switching Station. Southern Cross anticipates that Oncor will seek to include the costs for all of its facilities associated with the Rusk Switching Station in its transmission cost of service. SCT has provided Oncor with a back stop agreement that would require SCT to reimburse Oncor for the Rush Switching Station facilities in the event Oncor is unable to include such costs in its Transmission Cost of Service.

Prepared by: David Parquet
Sponsored by: David Parquet

Title: Senior Vice President – Special Projects
Title: Senior Vice President – Special Projects