PUBLIC NOTICE

The City of Garland (Garland), doing business as Garland Power & Light (GP&L), gives notice of its intent to amend its Certificate of Convenience and Necessity (CCN) to construct a proposed double circuit, 345-kV transmission line that will begin at a new Oncor Electric Delivery Company switching station in Rusk County and extend eastward for approximately 37-40 miles to a new GP&L switching station in Panola County near the Texas/Louisiana state line. Garland, together with Rusk Interconnection LLC, is developing the Rusk - Panola Transmission Project (Project) to interconnect the Electric Reliability Council of Texas transmission grid to the Southern Cross Transmission Project, which will in turn connect to the southeastern United States.

Garland has filed an application with the Public Utility Commission of Texas (PUC) in Docket No. 45624, *Application of the City of Garland, Texas, for a Certificate of Convenience and Necessity for the Proposed Rusk to Panola Double-Circuit 345-KV Transmission Line in Rusk and Panola Counties, Texas*. The deadline to request to participate in Docket No. 45624 is March 28, 2016.

The routing options for this project range from approximately 37 miles to 40 miles in length. The estimated cost of the routing options range from approximately $103,779,478 million to $109,925,443 million. Garland plans to construct the transmission line primarily on steel monopole structures.

Persons who are affected by the proposed transmission line and wish to intervene in the docket or comment on the CCN application should mail the original and 10 copies of their requests to intervene or their comments to:

Public Utility Commission of Texas
Central Records, Attn: Filing Clerk
1701 N. Congress Avenue
P.O. Box 13326
Austin, Texas 78711-3326

The deadline for intervention in the proceeding is March 28, 2016; and the PUC should receive a letter from anyone requesting intervention by that date. Persons who wish to intervene in the docket must also mail a copy of their request for intervention to all parties in the docket and all persons that have pending motions to intervene, at or before the time the request for intervention is mailed to the PUC.

The PUC emphasizes that the only way to fully participate in the PUC's decision on where to locate the transmission line is to intervene in the docket. It is important for an affected person to intervene because Garland is not obligated to keep affected persons informed of the PUC's proceedings and cannot predict which route may or may not be approved by the PUC.

The PUC has developed a brochure titled, "Landowners and Transmission Line Cases at the PUC." Copies of the brochure are available by calling Garland's representative toll-free at 888-781-3350, by email at info@RuskPanolaTransmissionProject.com, or may be downloaded from the PUC's website at www.puc.state.tx.us. To obtain additional information about this docket, you may contact the PUC's Customer Assistance Hotline at (512) 936-7120 or (888) 782-8477. Hearing-and speech-impaired individuals with text telephones (TTY) may contact the PUC's Customer Assistance Hotline at (512) 936-7136 or toll free at (800) 735-2989. In addition to the intervention deadline, other important deadlines may already exist that affect your participation in this docket. You should review the orders and other filings that have already been made in the docket.

Persons with questions about the transmission line may contact Garland's representative toll-free at 888-781-3350 or email info@RuskPanolaTransmissionProject.com. You may also send information by mail addressed to: Burns & McDonnell c/o Joab Ortiz, 9400 Ward Parkway, Kansas City, MO 64114.

Detailed mapping is available online at www.RuskPanolaTransmissionProject.com. In addition, interested persons may also review detailed routing maps during normal library hours at the following public libraries:

Sammy Brown Library 319 S. Market Carthage, TX	Rusk County Library System 106 E Main Street Henderson, TX

The PUC will make the final determination of which route will be approved for this transmission line project. Any one of the proposed routes or any other combination of the routing links could be approved by the PUC. ***All routes and route segments (links) included in this notice are available for selection and approval by the Public Utility Commission of Texas.***

Type	Name	Address	City	State	Zip	Phone	Contact	Email
Newspaper	Henderson Daily News	1711 US-79	Henderson	TX	75654	903-657-2501	Brian Brown	classifieds@hendersondailynews.com
Newspaper	Panola Watchman	109 W Panola St	Carthage	TX	75633	903-693-7678	Julie Ross	jross@news-journal.com

GARLAND POWER & LIGHT

February 25, 2016

The Honorable Tonya Baer
Office of Public Utility Counsel
P.O. Box 12397
Austin, Texas 78711-2397

Re: PUC Docket No. 45624; Application of the City of Garland, Texas, for a Certificate of Convenience and Necessity for the Proposed Rusk to Panola Double-Circuit 345-KV Transmission Line in Rusk and Panola Counties, Texas

Dear Public Counsel Baer:

The City of Garland (Garland), doing business as Garland Power & Light (GP&L), has filed an application with the Public Utility Commission of Texas (PUC) to amend its Certificate of Convenience and Necessity (CCN) to construct a proposed double circuit, 345-kV transmission line that will begin at a new Oncor Electric Delivery Company switching station in Rusk County and extend eastward for approximately 37-40 miles to a new GP&L switching station in Panola County near the Texas/Louisiana state line. Garland, together with Rusk Interconnection LLC, is developing the Rusk - Panola Transmission Project (Project) to interconnect the Electric Reliability Council of Texas transmission grid to the Southern Cross Transmission Project, which will in turn connect to the southeastern United States.

Garland provides this notice in accordance with the requirements of 16 TEX. ADMIN. CODE § 22.52. Garland has filed an application with the PUC in Docket No. 45624, *Application of the City of Garland, Texas, for a Certificate of Convenience and Necessity for the Proposed Rusk to Panola Double-Circuit 345-KV Transmission Line in Rusk and Panola Counties, Texas.*

The routing options for this project range from approximately 37 miles to 40 miles in length. The estimated cost of the routing options range from approximately $103,779,478 million to $109,925,443 million. Garland plans to construct the transmission line primarily on steel monopole structures.

The deadline for intervention in the proceeding is March 28, 2016.

For your convenience, I have included maps and written descriptions of the routing options included in the application. More detailed mapping is available online at www.RuskPanolaTransmissionProject.com. In addition, interested persons may also review detailed routing maps during normal library hours at the following public libraries:

Sammy Brown Library 319 S. Market Carthage, TX	Rusk County Library System 106 E Main Street Henderson, TX

If you have any questions about the transmission line, please call 888-781-3350 or email info@RuskPanolaTransmissionProject.com. You may also send information by mail addressed to: Burns & McDonnell c/o Joab Ortiz, 9400 Ward Parkway, Kansas City, MO 64114.

Sincerely,

Joab Ortiz
On Behalf of Garland Power & Light
Enclosure

PUC DOCKET NO. 45624

APPLICATION OF THE CITY OF GARLAND, TEXAS, FOR A CERTIFICATE OF CONVENIENCE AND NECESSITY FOR THE PROPOSED RUSK TO PANOLA DOUBLE-CIRCUIT 345-KV TRANSMISSION LINE IN RUSK AND PANOLA COUNTIES, TEXAS	§	BEFORE THE PUBLIC UTILITY COMMISSION OF TEXAS

DIRECT TESTIMONY

OF

DARRELL W. CLINE

ON BEHALF OF

THE CITY OF GARLAND

FEBRUARY 25, 2016

CITY OF GARLAND
DIRECT TESTIMONY OF DARRELL W. CLINE

TABLE OF CONTENTS

EXHIBITS

I. INTRODUCTION AND EXPERIENCE

Q1. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

A. My name is Darrell W. Cline. My business address is 217 N. 5th Street, Garland, Texas 75040.

Q2. ON WHOSE BEHALF ARE YOU TESTIFYING?

A. I am testifying on behalf of the City of Garland ("Garland" or the "City").

Q3. PLEASE STATE YOUR CURRENT POSITION AND SUMMARIZE YOUR PROFESSIONAL EXPERIENCE AND EDUCATIONAL BACKGROUND.

A. I am the Chief Financial Officer for Garland Power & Light ("GP&L"), the municipal electric utility of the City of Garland, which is a position I have held since January 2015. Prior to this position, I was the Director of Finance and Accounting for GP&L, a position I held since joining the City in January 2012. In 1998, I began my professional consulting career to public sector utilities with Reed-Stowe & Co. (now Navigant Consulting). At the time of my resignation in 2000, I held the title of Senior Consultant. From 2000 to 2003, I was employed as a Senior Consultant by Reed, Stowe & Yanke, LLC, a financial and economic consulting firm to public sector utilities. In 2003, Reed, Stowe & Yanke, LLC was acquired by R. W. Beck, Inc. (now Leidos). At the time of my resignation from R. W. Beck, Inc. in 2008, I held the title of Local Practice Leader of the U.S. Gulf Coast Region for R. W. Beck's Utility Services Practice. Subsequent to my resignation at R. W. Beck, Inc., I served as an independent consultant until taking

a Director position with J. Stowe & Co., Inc. (now NewGen Strategies and Solutions, LLC) from 2009 to 2012. In summary, I have over 17 years of professional experience in the areas of cost of service and rate design for electric, natural gas, water, and wastewater utilities. In addition, as a consultant, I supported Garland in its transmission rate filings and interim updates before the Commission. I earned a Master of Business Administration degree from Southern Methodist University, as well as a Master of Public Administration degree from the University of North Texas. Prior to these degrees, I earned a Bachelor of Science degree from East Texas Baptist University. A copy of my professional resume is attached as Exhibit DWC-1.

Q4. HAVE YOU TESTIFIED PREVIOUSLY BEFORE THE COMMISSION?

A. Yes. I provided written testimony in Docket No. 42630, *Application of City of Garland for Interim Update of Wholesale Transmission Rates Pursuant to P.U.C. SUBST. R. § 25.192(h)(1)* and Docket No. 45120, *Application of City of Garland for Interim Update of Wholesale Transmission Rates Pursuant to P.U.C. SUBST. R. § 25.192(h)(1).*

Q5. WHAT IS THE PURPOSE OF YOUR TESTIMONY?

A. The purpose of my testimony is to describe Garland's electric utility business and its participation in the Rusk to Panola transmission line project that is the subject of this filing ("Project" or "Garland Project"). More specifically, I discuss:

- Garland's operation of GP&L;

- GP&L's assets, operations, and relationship with the Texas Municipal Power Agency ("TMPA");
- the facilities associated with the Project in this case;
- Garland's involvement in the Garland Project and its relationship to the Southern Cross Transmission ("SCT") project;
- the statutory provisions and Federal Energy Regulatory Commission ("FERC") order under which Garland is making this filing;
- which proposed route Garland recommends as best meeting the requirements of PURA and the Commission's Substantive Rules;
- the beneficial economic impact the Garland Project will have on the Project area;
- certain conditions on the CCN order that may be reasonable and consistent with the FERC order; and,
- the other witnesses filing testimony in support of this filing.

Q6. PLEASE DESCRIBE GARLAND'S FILING.

A. The filing includes the application pleading, along with a completed CCN application form ("CCN Form"). The application pleading addresses certain issues arising out of amendments to PURA § 37.051 enacted during the last session of the Texas legislature. The CCN Form was obtained from the Commission's website and includes an Environmental Assessment and Route Analysis Report ("EA"). The completed CCN Form and its attachments are

publicly available at the Commission and will be offered into evidence by Garland as an exhibit at the hearing.

In addition, the direct testimony of five witnesses has been filed in support of the application, as discussed later in my testimony. Southern Cross Transmission LLC will intervene in support of the application contemporaneously with this filing.

Q7. WHAT PORTIONS OF THE CCN FORM ARE YOU SPONSORING?

A. I am sponsoring or co-sponsoring the information in the following sections of the CCN Form: 1, 2, 3, 4, 12, and 14.

II. OVERVIEW OF GP&L

Q8. PLEASE DESCRIBE GP&L.

A. The City of Garland began providing electric service to its ratepayers in 1923 through its electric department operating today as Garland Power & Light. GP&L is a not-for-profit municipal utility and holds CCN No. 30063. GP&L is the fourth largest municipal utility in the State of Texas. Fitch Ratings has assigned a AA- rating and Standard & Poor's has assigned an A+ rating to Garland's electric utility system revenue bonds.

GP&L has two gas-fired generating plants, which combine to produce 528 megawatts of generation capacity. In addition, Garland participates in the Texas Municipal Power Agency ("TMPA"), which operates the 470 megawatt coal-fired Gibbons Creek Power Plant. GP&L has approximately 69,000 distribution

customers, and its transmission system consists of 28 substations and 199 linear miles of transmission lines, including two 345-kV Competitive Renewable Energy Zone ("CREZ") transmission lines. GP&L, along with Cross Texas Transmission, was designated by ERCOT to construct approximately 60 to 70 miles of new 345 kV, double-circuit transmission lines of the Houston Import Project. Cross Texas Transmission will design and construct these lines and GP&L will operate and maintain these lines once construction is completed. The utility's peak load for 2014 was 443 megawatts, with annual operating revenues of $378 million.

GP&L is a Qualified Scheduling Entity ("QSE") operating within ERCOT. GP&L provides QSE services for other market participants as well. GP&L is also the Master QSE for TMPA's Gibbons Creek Power Plant. The GP&L-owned transmission system includes 345-kV, 138-kV and 69-kV facilities. GP&L serves as the Transmission Operator for its transmission system and all of TMPA's 345-kV and 138-kV transmission lines and substations located in various parts of Texas.

III. THE RUSK TO PANOLA PROJECT

Q9. PLEASE DESCRIBE THE RUSK TO PANOLA PROJECT.

A. The Project is an approximately 37-40-mile double-circuit 345-kV transmission line to connect the new Rusk Switching Station in Rusk County, Texas, to the new Panola Switching Station in Panola County, Texas, on the Texas-Louisiana border. At the western endpoint of the Project, the Rusk Station will be owned by

Oncor Electric Delivery Company ("Oncor") and will interconnect with several existing Oncor 345-kV transmission lines in the vicinity of the Station. At the eastern endpoint of the Project, the Panola Station will be owned by Garland and will connect at the Texas-Louisiana border with SCT's high-voltage direct current converter station located adjacent to the Station in Louisiana. The purpose of the Project and the associated switching stations is to connect the SCT project to the ERCOT transmission grid. The SCT project is described in the Direct Testimony of David Parquet filed in support of the application in this case.

Q10. HOW DID GARLAND BECOME INVOLVED IN THE PROJECT?

A. In order to interconnect an interstate transmission line like the SCT project to the ERCOT grid, it is necessary to obtain an order from the FERC directing the interconnection and confirming that it will not affect the jurisdictional status of entities operating in ERCOT. It is my understanding that only a limited number of utilities that sell power in ERCOT can be subject to such an interconnection order, and that under the current ERCOT market structure, entities that both provide transmission service and sell power include municipally-owned utilities, like GP&L, and cooperatives. SCT approached Garland about whether it would be willing to provide the interconnection between the SCT facility and the ERCOT grid under an appropriate FERC order. Garland agreed to do so.

Q11. HAS FERC ISSUED AN ORDER DIRECTING GARLAND TO PROVIDE THE RUSK TO PANOLA INTERCONNECTION?

A. Yes. On May 15, 2014, FERC issued its Final Order Directing Interconnection and Transmission Service in Docket No. TX11-1-001, directing Garland to interconnect with the SCT project pursuant to Section 210 of the Federal Power Act. The order issued by FERC is discussed in more detail in Mr. Parquet's testimony. The Garland Project is necessary to make the interconnection ordered by FERC.

Q12. WHY IS GARLAND INTERESTED IN PROVIDING TRANSMISSION SERVICE LIKE THE PROJECT IN THIS CASE?

A. GP&L's mission is to provide high quality, safe and reliable services to the ratepayers and businesses of Garland at competitive rates in order to enhance the quality of life in the City and create a utility environment that supports economic development. Connecting with the SCT project presented an opportunity for GP&L to capitalize on its capabilities and resources for the benefit of the City and its ratepayers.

Q13. WHY IS GARLAND FILING A CCN APPLICATION FOR THE PROJECT?

A. Garland is filing this application under several provisions that were added to PURA[1] § 37.051 during the last legislative session. In particular, § 37.051(c-1)

[1] The Public Utility Regulatory Act, Tex. Util. Code §§ 11.001, *et seq.*

requires that a CCN be obtained before a facility can be interconnected to the ERCOT transmission grid that enables additional power to be imported into or exported out of the ERCOT grid, and § 37.051(g) requires that a municipally owned utility obtain a CCN to construct, install or extend a transmission facility outside of its municipal boundaries. This application is filed under both of those subsections.

Subsections (c-2) and (i) of § 37.051 contain virtually identical provisions governing the Commission's review of a facility that is to be constructed under an interconnection agreement appended to an offer of settlement approved in FERC Docket No. TX11-01-001 directing connection between the ERCOT and SERC regions under Sections 210, 211, and 212 of the Federal Power Act (FPA). The statute is referring to the order in FERC Docket No. TX11-1-001, *Southern Cross Transmission LLC*, 147 FERC ¶ 61,113 (2014), which directs physical connection between the ERCOT and SERC regions under Sections 210, 211, and 212 of the FPA. The Garland Project was ordered in the *Southern Cross* docket, and § 37.051(c-2) and (i) therefore apply to this application. Those subsections provide that the Commission shall approve the application not later than the 185th day after it is filed and may prescribe reasonable conditions to protect the public interest that are consistent with the FERC order.

Q14. PLEASE DESCRIBE THE ALTERNATIVE ROUTES PROPOSED FOR THE PROJECT.

A. As described in more detail in the testimony of Kristi Wise filed in support of this application, Garland is proposing 12 alternative routes for the Project, ranging in length from 37 to 40 miles. Ms. Wise is the project manager for Burns & McDonnell who oversaw preparation of the EA presented in this proceeding. As she describes in her testimony, Burns & McDonnell selected the top ranking routes from each geographic corridor, as well as additional routes that were the highest ranked routes that also, when combined, included every acceptable route segment. This resulted in the selection of the final 12 proposed routes.

Q15. WHAT ROUTE DID BURNS & MCDONNELL RECOMMEND AS THE ROUTE THAT BEST MEETS THE REQUIREMENTS OF PURA AND THE PUC'S SUBSTANTIVE RULES?

A. As Ms. Wise discusses in her direct testimony, all of the routes proposed in this filing comply with the requirements of PURA and the PUC's Substantive Rules. Garland will construct any proposed route, or combination of proposed segments, selected by the Commission. Proposed Route RP5 scored highest in Burns & McDonnell's ranking of the proposed routes.

Q16. WHAT ROUTE DOES GARLAND RECOMMEND AS THE ROUTE THAT BEST MEETS THE REQUIREMENTS OF PURA AND THE PUC'S SUBSTANTIVE RULES?

A. Garland agrees with Burns & McDonnell's ranking.

Q17. WHAT ECONOMIC IMPACT WILL THE PROJECT HAVE IN THE STUDY AREA?

A. The Project will bring millions of dollars in payments in lieu of taxes to the taxing authorities in the area where the line will be constructed. In addition, there will be economic benefits to the region as a result of construction and maintenance of the line.

IV. RELATIONSHIP BETWEEN GARLAND AND SOUTHERN CROSS

Q18. HAS GARLAND ENTERED INTO AN AGREEMENT GOVERNING ITS RELATIONSHIP WITH SCT WITH RESPECT TO THE PROJECT?

A. Yes. Garland has entered into a Transmission Line Agreement ("Agreement") with Rusk Interconnection LLC ("Rusk"), the SCT affiliate that will oversee and fund construction of the Project. The Agreement is attached to my testimony as confidential Exhibit DWC-2. The Agreement governs the construction, ownership, operation, and decommissioning of the Project.

Q19. WHAT ARE SOME KEY TERMS OF THE AGREEMENT?

A. Under the Agreement, Garland designates Rusk to design and construct the Project facilities in compliance with and along the route identified in the Commission's order in this case. After the facilities are complete and ready to be placed in service, Rusk will convey them to Garland for $1 and the assumption by Garland of certain liabilities associated with the Project. Garland will not seek to recover the costs of developing, constructing, interconnecting or financing the Project or the Panola Switching Station through transmission service rates established by the Commission.

Appended to the Agreement is a Facilities Agreement governing operation and maintenance of the facilities. Garland will operate and maintain the facilities in accordance with good utility practice, applicable law, and the terms of the Facilities Agreement. The Facilities Agreement provides for Rusk to pay Garland certain fees, and to reimburse Garland for reasonable and necessary operation and maintenance expenses. Pursuant to the Agreement, Garland will pay to local taxing authorities a payment in lieu of taxes in the amount it would have to pay on the facilities if it were subject to ad valorem taxation. Rusk will reimburse Garland for these payments.

Q20. YOU STATED THAT GARLAND WILL NOT SEEK TO RECOVER THE COST TO DEVELOP, CONSTRUCT, INTERCONNECT OR FINANCE THE PROJECT OR THE PANOLA SWITCHING STATION THROUGH TRANSMISSION SERVICE RATES. DOES GARLAND PROPOSE THAT

THIS COMMITMENT BE A CONDITION TO THE CCN APPROVAL IN THIS CASE?

A. Yes. Garland made this commitment at FERC and reiterates it here. Garland also commits that it will operate the Project as an open access facility subject to the Commission's rules, NERC standards, and ERCOT protocols applicable to such transmission facilities.

Q21. ARE THERE OTHER CONDITIONS THAT GARLAND BELIEVES WOULD PROTECT THE PUBLIC INTEREST AND BE CONSISTENT WITH THE FERC ORDER?

A. In general, Garland believes that the Garland Project and the SCT project will further the public interest. As shown in the direct testimony of David Parquet and Ellen Wolfe filed in support of this application, the projects will provide significant benefits to Texas and are in the public interest. In addition, FERC has already concluded that the Project is in the public interest. However, as Mr. Parquet describes, it would make sense to condition the CCN by requiring that Southern Cross execute an ERCOT Market Participant Agreement before Garland energizes the Project, and the Commission should provide instructions or guidance to ERCOT to make the bylaw and protocol revisions necessary to allow Southern Cross to execute such an agreement.

V. WITNESSES SUPPORTING THE APPLICATION

Q22. WHAT OTHER WITNESSES ARE PRESENTING TESTIMONY IN SUPPORT OF THE APPLICATION?

A. In addition to my testimony, the testimony of the following witnesses is presented in support of this application:

- Kristi Wise: Ms. Wise is a Senior Project Manager for Burns & McDonnell Engineering, Inc. She presents the Environmental Assessment and Alternative Route Analysis Report (EA) in this case; describes the process of preparing the EA and formulating alternative routes, including the public input and open house processes; identifies the route that Burns & McDonnell recommends as best meeting the requirements of PURA and the Commission's Substantive Rules; and describes Burns & McDonnell's consideration of various factors relevant to the routing process.

- Chris McCall: Mr. McCall is a Project Manager for Burns & McDonnell. Mr. McCall describes the engineering plans for the Project; conductor and structure selection; impact on right-of-way, facilities, and other utilities; estimated cost; and Project schedule.

- David Parquet: Mr. Parquet is Senior Vice President – Special Projects for Pattern Energy Group LP. He explains that the SCT project will be designed to deliver up to 2,000 MW in either direction between ERCOT and SERC and describes that project's relationship to the Garland Project. Mr. Parquet also discusses the FERC interconnection order; submission of the Garland and SCT projects to ERCOT; the interconnection studies performed by Oncor Electric Delivery Company; certain logistical issues to be resolved; possible conditions on the Commission's order; and benefits that the SCT project can provide in Texas.

- Ellen Wolfe: Ms. Wolfe is President of Resero Consulting. She presents the results of an economic analysis conducted by her firm concerning the expected production cost savings and consumer energy benefits of the SCT project to ERCOT, as well as expected flows between ERCOT and the Eastern Interconnect over the project and anticipated revenues from charges for exports from ERCOT.

Q23. DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?

A. Yes.

Darrell W. Cline
Chief Financial Officer
dcline@gpltexas.org

Mr. Cline has over 17 years of professional experience in assisting public sector utilities in the areas of financial, economic, and operational improvements, with a particular emphasis in the areas of cost of service and rate design. Mr. Cline joined Garland Power & Light in January 2012 and currently holds the position of Chief Financial Officer. Prior to joining Garland Power & Light, Mr. Cline worked as a consultant representing public sector utilities across the country on various financial, economic, and operational matters. Mr. Cline's academic qualifications include a Master of Public Administration from the University of North Texas and a Master of Business Administration from Southern Methodist University. Before joining Garland Power & Light, Mr. Cline served as a Director for J. Stowe & Co., Inc. Prior to J. Stowe & Co., Mr. Cline served as the Local Practice Leader for R. W. Beck, Inc.'s Utility Services Practice – Gulf Coast Region. Prior to his employment with R. W. Beck, Mr. Cline held the position of Senior Consultant with Reed, Stowe & Yanke, LLC, as well as with Navigant Consulting, Inc.

EDUCATION

- Master of Business Administration, Southern Methodist University
- Master of Public Administration, University of North Texas
- Bachelor of Science in Medical Technology, East Texas Baptist University

EXPERIENCE

During his career, Mr. Cline has provided a variety of services to his public sector utility clients including, but not limited to, business planning; operational and management review and analyses; wholesale and retail cost of service and rate design studies; impact fee determinations; and contract development and negotiations.

Mr. Cline is also a recognized expert in the State of Texas utility community, having proffered testimony before the state's water and wastewater regulatory authority, the Texas Commission on Environmental Quality (TCEQ), with regards to the financial, managerial, and technical capability of small water systems, as well as a requested speaker before trade organizations and associations. In addition to his testifying experience, Mr. Cline has provided litigation support and/or expert witness testimony development in other matters before all three of the State of Texas' utility system regulatory authorities, as well as state and federal district court.

Mr. Cline has been involved in the privatization efforts of the United States military's utility distribution systems. In these efforts, Mr. Cline served as the lead consultant in the financial and economic analysis of approximately one-hundred (100) individual utility distribution systems, including the following military facilities:

- **Public Works Command, San Diego, California** – Electric, Natural Gas, Potable Water, and Wastewater
- **Marine Corps Recruiting Depot, San Diego, California** – Electric, Natural Gas, Potable Water, and Wastewater
- **China Lake Naval Air Weapons Station, Ridgecrest, California** – Electric, Natural Gas, Steam, Potable Water, Wastewater, and Propane
- **Yuma Marine Corps Air Station, Yuma Arizona** – Potable Water and Wastewater
- **San Nicholas Island, California** – Electric, Natural Gas, Potable Water and Wastewater
- **Naval Post-Graduate School, Monterey, California** – Electric, Natural Gas, Steam, Potable Water, and Wastewater
- **Naval Construction Battalion Center, Port Hueneme, California** – Electric, Natural Gas, Potable Water, and Wastewater
- **Naval Air Weapons Station, Point Mugu, California** – Electric, Natural Gas, Potable Water, and Wastewater
- **Marine Corps Air Ground Combat Center, Twenty-Nine Palms, California** – Electric, Natural Gas, Potable Water, Non-Potable Water, and Wastewater
- **Marine Corps Logistics Base, Barstow, California** – Electric, Natural Gas, Potable Water, Non-Potable Water, and Wastewater
- **Kelly Air Force Base, San Antonio, Texas** – Chilled Water and Steam
- **Red River Army Depot, New Boston, Texas** – Electric, Natural Gas, Steam, Potable Water, and Domestic and Industrial Wastewater

Mr. Cline has assisted the following municipalities and utilities in conducting water, wastewater, reclaimed water, and/or electric cost of service, customer class cost allocation, and/or rate design studies for both retail and wholesale customers:

- Richmond, Virginia*
- Tyler, Texas*
- Paris, Texas*
- Haltom City, Texas
- Nogales, Arizona
- Fritch, Texas
- Gainesville, Texas*
- Lewisville, Texas*

- New Braunfels, Texas*
- Garland, Texas*
- Mansfield, Texas*
- Brenham, Texas*
- Terrell, Texas*
- Bellaire, Texas
- Denton, Texas
- Dallas, Texas
- Decatur, Texas*
- Possum Kingdom Water Supply Corporation (Texas)
- Arlington, Texas*
- Laredo, Texas
- Copperas Cove, Texas
- Palestine, Texas
- Waco, Texas*
- Lampasas, Texas*
- OSR Water Supply Corporation (Texas)
- Dallas County Water Control Improvement District #6 (Texas)
- Marilee Special Utility District (Texas)*
- Winchester, Kentucky
- Tarrant Regional Water District (Texas)
- Mount Vernon, Texas
- Farmersville, Texas
- Aledo, Texas
- Burnet, Texas
- Colorado Springs, Colorado
- Austin, Texas

* Indicates multiple engagements conducted by Mr. Cline

In addition to cost of service and rate design studies, Mr. Cline has also developed custom-designed cost of service, rate design, and/or econometric forecasting computer models for use by the following entities:

- Paris, Texas
- Gainesville, Texas
- Lewisville, Texas
- Mansfield, Texas
- Dallas County Water Control Improvement District #6 (Texas)
- Haltom City, Texas
- Palestine, Texas
- Kilgore, Texas
- Arlington, Texas
- Brenham, Texas
- Marilee Special Utility District (Texas)
- Lampasas, Texas
- Waco, Texas
- Garland, Texas
- Austin, Texas

Darrell W. Cline
Director of Finance and Accounting
dcline@gpltexas.org

Mr. Cline has assisted in litigation support and/or expert testimony development before all three public utility regulatory agencies in Texas – Texas Commission on Environmental Quality (formerly TNRCC), Railroad Commission of Texas and Public Utility Commission of Texas. Mr. Cline's cases include:

- GUD No. 8935 – Lone Star Gas' proposal to modify Rate Schedule No. 56
- Audit No. 99-027 – Exhibit B of Final Order GUD No. 8647, Lone Star Gas City Gate Rate dispute
- GUD No. 9560 – Atmos Energy Corporation, Mid-Tex Division, CY 2003 Annual Gas Reliability Infrastructure Program (GRIP) Rate Adjustment Filing
- GUD No. 9670 – Statement of Intent to Increase the Gas Utility Rates of Atmos Energy, Corporation, Mid-Tex Division, on a System Wide Basis
- TNRCC Docket No. 99-0117-URC – Outside City ratepayers' rate compliant against the City of Fritch, Texas
- TNRCC Compliance and Enforcement audit of Waste Tire Recycling Fund regarding reimbursements to an East Texas waste tire processor
- FY 2000, FY 2004, FY 2005, FY 2006, FY 2009, FY 2012, FY 2013, and FY 2014 Earnings Monitoring Reports for PUCT on behalf of the City of Garland (Garland Power & Light) for Non-IOU TSPs in ERCOT
- PUC Docket No. 28090 – Application of the City of Garland (Garland Power & Light) to Change Rates for Wholesale Electric Transmission Service
- PUC Docket No. 28475 – Application of the City of San Antonio (City Public Service) to Change Rates for Wholesale Electric Transmission Service
- PUC Docket No. 30358 – Application of Denton Municipal Electric to Change Rates for Wholesale Electric Transmission Service
- PUC Docket No. 31617 – Application of the City of Garland (Garland Power & Light) for an Update of Wholesale Transmission Rates Pursuant to PUC Substantive Rule 25.192 (g)(1)
- PUC Docket No. 36025 – Application of Texas-New Mexico Power Company for Authority to Change Rates
- PUC Docket No. 36439 – Application of City of Garland to Change Rates for Wholesale Transmission Service

- PUC Docket No. 38709 – Application of City of Garland to Change Rates for Wholesale Transmission Service
- PUC Docket No. 42630 – Application of City of Garland for Interim Update of Wholesale Transmission Rates Pursuant to PUC Substantive Rule 25.192 (h)(1)
- PUC Docket No. 43347 – Application of City of Garland to Change Rates for Wholesale Transmission Service
- PUC Docket No. 45120 – Application of City of Garland for Interim Update of Wholesale Transmission Rates Pursuant to PUC Substantive Rule 25.192 (h)(1)
- Case No. 9208 – Maryland Public Service Commission - In the Matter of the Application of the Baltimore Gas and Electric Company For Authorization to Deploy a Smart Grid Initiative and to Establish a Surcharge Mechanism for the Recovery of Costs
- State District Court, Travis County, Texas 200th Judicial District, Cause No. D-1-GV-09-001199 – City of Garland, Texas v. Public Utility Commission of Texas
- TCEQ Docket No. 2002-1260-UCR – Appeal of Clarksville City Regarding a Decision of City of Gladewater Affecting Water and Sewer Service
- SOAH Docket No. 582-03-1248 – Applications of OSR Water Supply Corp., Brushy Water Supply Corp. (Bryan ETJ portion), and City of Bryan to Amend Their Water Certificates of Convenience and Necessity
- SOAH Docket No. 582-03-1249 – Applications of Brushy Water Supply Corp. (College Station ETJ portion), and City of College Station to Amend Their Water Certificates of Convenience and Necessity
- SOAH Docket No. 582-01-1618 – Applications of Mustang Water Supply Corp. and City of Little Elm for Certificates of Convenience and Necessity
- SOAH Docket Nos. 582-02-1652, 582-03-1820, 582-03-1821, & 582-03-1824 – Applications of McKinney, Melissa, and Anna and North Collin Water Supply Corporation to Amend CCN Nos. 10194, 11482, 12976, 11035 and Sewer CCN No. 20898 and of the City of Melissa to Obtain a Sewer CCN in Collin County
- SOAH Docket Nos. 582-05-7095 and 582-05-7096 – Application of the City of Leander to Amend Certificate of Convenience and Necessity No. 10302 and Sewer CCN No. 20626
- SOAH Docket No. 582-06-1367 – Application of the City of Meridian to Amend its Water and Sewer Certificate of Convenience and Necessity Nos. 10884 and 20349 in Bosque County, Application Nos. 35057-C and 35058-C

- U.S. District Court Northern District of Alabama Southern Division Case No. CV-08-P-1703-S – The Bank of New York Mellon, Financial Guaranty Insurance Company, and Syncora Guarantee, Inc. (f/k/a XL Capital Assurance, Inc.) vs. Jefferson County, Alabama, et.al.
- TCEQ Docket No. 2008-1645-UCR – Petition of West Travis County Municipal Utility District No. 3 Seeking Review of Rates for Raw Water and Request for Interim Rates
- Wise County, Texas 271st Judicial District – Wise Electric Cooperative, Inc. vs. J. K. Miller and J. Gary Shelton

Mr. Cline has assisted the following clients in developing and negotiating contractual agreements:

- City of Paris, Texas*
- City of Tyler, Texas*
- Red River Redevelopment Authority
- City of Lewisville, Texas
- City of Mansfield, Texas*
- City of Arlington, Texas*
- City of Fort Worth, Texas
- City of Gainesville, Texas
- City of Conroe, Texas
- City of Farmersville, Texas

* Indicates multiple engagements

Mr. Cline has also been involved in research of solid waste issues to provide solutions for the following clients:

- City of Bismarck, North Dakota
- Houston – Galveston Area Cities

Mr. Cline has performed impact and capital recovery fee determinations to assist the following clients in recovering capital costs related to increased demand on utility systems due to customer growth.

- Manville WSC (Texas)
- City of Laredo, Texas
- Town of Flower Mound, Texas*
- City of Frisco, Texas*
- City of Fort Worth, Texas
- City of New Braunfels, Texas
- City of Magnolia, Texas
- City of McKinney, Texas

* Indicates multiple engagements

Mr. Cline has also determined compensation/valuation for service areas for the following entities:

- City of Southlake, Texas
- City of Keller, Texas
- Wellborn SUD (Texas)
- City of Heath, Texas

- Lindale Rural WSC (Texas)
- City of Tyler, Texas
- OSR WSC (Texas)

Mr. Cline has supported the following clients in organizational and operational reviews and evaluations:

- Lower Colorado River Authority
- Brownsville Public Utilities Board
- City of Nogales, Arizona

Mr. Cline has also participated in the following projects:

- Assisted the City of Tyler, Texas in conducting an indirect cost allocation study for all General Fund, Enterprise Fund and Internal Service Fund departments. In addition, Mr. Cline was requested to determine the fixed and variable costs for each department under the assumption the department no longer existed in order to examine possible managed competition alternatives.
- Conducted an analysis of the Town of Flower Mound, Texas' accounting structure and financial execution for compliance with Chapter 395 of Local Government Code.
- Assisted the Texas Water Development Board in the research of private utility companies for a handbook addressing water and wastewater utility competitive marketing strategies.
- Assisted in the revenue requirement and economic analysis for the consolidation of treated water production for the water utilities of the Cities of Bryan and College Station, Texas and Texas A&M University.
- Performed an analysis for the Upper Trinity Regional Water Authority of the potential economic impact of the proposed Lake Ralph Hall Reservoir to the water supply's Basin of Origin and Basin of Destination.
- Developed a business plan for the City of Heath, Texas addressing the assessment of future operational, administrative, and management requirements associated the acquisition of a water supply corporation, as well as various ownership scenarios.
- Assisted the City of Garland in a comprehensive asset evaluation and depreciation rate study for its municipal electric utility (Garland Power & Light). A significant influence for conducting the assessment was to assist GP&L in complying with Government Accounting Standards Board (GASB) requirements, specifically GASB Statement No. 34 and 42. As this study directly impacted the financial records of the City of Garland, Mr. Cline worked closely with the City's external auditors to ensure they understood the methodology, as well as the findings and recommendations within the study. Ultimately, the City's external auditors accepted the study's methodology and findings. Upon

completion of the study, GP&L requested Mr. Cline's assistance in implementing the Project Team's recommendations. This included working with GP&L Staff to outline and develop goals and objectives in establishing a Comprehensive Asset Management Plan. To assist the City, Mr. Cline, in conjunction with GP&L Staff, developed a memorandum recommending short-term (5 years or less) and long-term (5 to 10 years) targets and goals to be met in the area of asset tracking. This memorandum touched on all areas of the utility, including the structure and organization of the utility itself.

- Assisted Dallas Water Utilities in the financial assessment of the City's proposed Recycle Water Implementation Plan. This effort required the forecasting of financial requirements and related water volumes associated with deferral of the proposed Palestine raw water transmission line and water treatment plant expansion, versus the requirements of water reuse implementation.

- Assisted the Texas Water Development Board in analyzing the socioeconomic impact of selected interbasin transfers of water within the State of Texas. This study was undertaken to determine the impact of current legislation on the consideration of interbasin transfers as potential water management strategies by the State's regional water planning groups.

- Assisted Dallas Water Utilities, North Texas Municipal Water District, Sabine River Authority of Texas, and Tarrant Regional Water District in assessing the economic impact of the Toledo Bend Water Supply Project, which proposes to supply at least 600,000 acre-feet of raw water to the DFW metroplex. In addition, Mr. Cline assisted in the determination of a raw water rate and an interbasin transfer fee. Mr. Cline also examined the financial implications of the Toledo Bend hydro-electric plant's inclusion or exclusion from the Toledo Bend Water Supply Project.

- Assisted Dallas Water Utilities and Tarrant Regional Water District in analyzing the life-cycle costs, including debt financing, operation and maintenance, energy, and repair and replacement costs of potential raw water transmission lines for various stand-alone and integrated scenarios.

- Assisted the City of Terrell, Texas in conducting an indirect cost allocation study for all General Fund and Enterprise Fund departments.

- Assisted Tarrant Regional Water District in conducting an indirect cost allocation study for its General Fund and Revenue Fund departments, as well as developing the cost allocations for the District's operational support services of the integrated raw water transmission pipeline serving the District and Dallas Water Utilities.

- Assisted the City of Denton, Texas in the review and development of its gas well permitting and inspection fees.

- Assisted the Sabine River Authority – Texas in reviewing the proposed 600,000 ac. ft. water supply contract between Sabine River Authority – Louisiana and Toledo Bend Partners investment group.
- Assisted the City of Fort Worth, Texas in examining the development of a transportation utility fee.
- Assisted the Lower Colorado River Authority in the divestiture of its water and wastewater systems.

PUBLICATIONS AND PRESENTATIONS

- "How Conservation Affects Water Rate Planning" – 5th Annual North Central Texas Chapter of American Water Works Association Drinking Water Seminar, 2006
- "Pending Water and Wastewater Legislative and Regulatory Issues" – Government Finance Officers Association of Texas Spring Institute, 2007
- "HB 1886 – Alternative Capital Project Delivery" – Government Finance Officers Association of Texas Heart of Texas Region, 2007
- "Implementing the State Water Plan – Financial / Economic Challenges" – TWCA / TRWA Water Law Seminar, 2011
- Peer Reviewer for the "Essentials of Texas Water Resources, 2nd Ed." TexasBarBooks, 2011
- Texas AWWA Financial Planning Seminar – Dallas, Houston, and Austin, 2011

This sheet replaces the Confidential pages from

Exhibit DWC-2

filed separately under seal.

PUC DOCKET NO. 45624

APPLICATION OF THE CITY OF GARLAND, TEXAS, FOR A CERTIFICATE OF CONVENIENCE AND NECESSITY FOR THE PROPOSED RUSK TO PANOLA DOUBLE-CIRCUIT 345-KV TRANSMISSION LINE IN RUSK AND PANOLA COUNTIES, TEXAS	§	**BEFORE THE PUBLIC UTILITY COMMISSION OF TEXAS**

DIRECT TESTIMONY

OF

KRISTI WISE

ON BEHALF OF

THE CITY OF GARLAND

FEBRUARY 25, 2016

CITY OF GARLAND
DIRECT TESTIMONY OF KRISTI WISE

TABLE OF CONTENTS

EXHIBIT

I. INTRODUCTION

Q1. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

A. My name is Kristi Wise. My business address is 9400 Ward Parkway, Kansas City, Missouri, 64114.

Q2. BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?

A. I am employed by Burns & McDonnell Engineering Company, Inc. ("Burns & McDonnell") as a Senior Project Manager in our Environmental Studies & Permitting Global Practice. I am a Project Management Institute-certified Project Management Professional ("PMP") responsible for managing the routing, public involvement, and permitting activities for transmission line projects across the country. I am the Project Manager for the Rusk to Panola Transmission Project.

Q3. PLEASE DESCRIBE THE BUSINESS OF BURNS & MCDONNELL.

A. Burns & McDonnell, headquartered in Kansas City, Missouri, is a full-service engineering, architecture, construction, environmental and consulting solutions firm. Our multi-disciplinary staff of nearly 5,000 employee-owners includes engineers, architects, construction professionals, planners, estimators, economists, technicians and scientists, representing a wide range of design disciplines. We plan, design, permit, construct and manage facilities all over the world. The Burns & McDonnell Environmental Studies & Permitting Global Practice has provided professional environmental services, including routing studies, environmental assessments, threatened and endangered species, wetlands, and

cultural resource surveys and studies, and public involvement programs on transmission lines ranging from 69-kilovolt ("kV") to 765-kV since the early 1970s throughout the U.S. and internationally.

Q4. PLEASE DESCRIBE YOUR EDUCATIONAL AND PROFESSIONAL QUALIFICATIONS AND BUSINESS EXPERIENCE.

A. I graduated *summa cum laude* from Kansas State University in 1992 with a Bachelor of Science Degree in Wildlife Biology. I obtained a Master of Science Degree in Fisheries and Wildlife in 1996 from Utah State University. Prior to joining Burns & McDonnell in 1999, I worked as Field Coordinator for the Missouri Department of Conservation on an urban deer project in the suburbs of St. Louis, Missouri. Since joining Burns & McDonnell in 1999, I have provided environmental planning and consulting services for transmission line and other energy-related projects. I managed my first transmission line project in 2001 and since that time, I have managed more than 48 different transmission line projects, totaling more than 5,600 miles of transmission lines in 19 different states, including Texas. These projects ranged in voltage from 69-kV to 765-kV and in length from 1 mile to approximately 1,500 miles. I have coordinated and participated in numerous public open-house meetings, several with an attendance of more than 500 people, and have managed both permitting and right-of-way ("ROW") tasks for multiple projects. Permits have included: Section 404/401 water quality permits; Section 10 river crossing permits; threatened and endangered species surveys, clearances, and mitigation management for the bald

eagle, Indiana bat, northern long-eared bat, lesser and greater prairie chickens, whooping cranes, and others; cultural resources and Section 106 clearances; National Pollutant Discharge Elimination System and Storm Water Pollution Prevention Plan ("SWPPP") permits; road and railroad crossing permits; and various state and local permits and clearances.

My resume is attached as Exhibit KW-1.

Q5. HAVE YOU PREVIOUSLY PERFORMED WORK RELATED TO TRANSMISSION LINE ADMINISTRATIVE PROCEEDINGS?

A. Yes, I have. I am responsible for managing the routing, public involvement, and permitting activities for transmission line projects across the country. These projects typically also involve preparing environmental assessments and routing studies, as well as preparing written testimony, and testifying live before commissions to support applications to various state siting authorities, such as the Public Utility Commission of Texas ("PUCT" or "Commission"). I have prepared written testimony, rebuttal testimony, and/or testified live before the North Carolina Utilities Commission seven times. In addition, I have participated in proceedings before the South Carolina Public Service Commission, the Kansas Corporation Commission, and the Public Utility Commission of Texas.

Q6. WHAT TESTIMONY HAVE YOU PREVIOUSLY FILED BEFORE THE PUBLIC UTILITY COMMISSION OF TEXAS?

A. I have filed testimony before the PUCT in Docket No. 40550 (SOAH Docket No.

473-13-1312), *Application of Southwest Public Service Co. to Amend a Certificate of Convenience and Necessity for a 115-kV Transmission Line Within Gray and Wheeler Counties.*

II. PURPOSE OF TESTIMONY

Q7. WHAT IS THE PURPOSE OF YOUR TESTIMONY?

A. The purpose of my testimony is to introduce and support the document entitled *Environmental Assessment and Alternative Route Analysis Report for the Rusk to Panola 345-kV Transmission Line Project* ("EA") and related material for the City of Garland's, dba Garland Power and Light, ("Garland") proposed double-circuit 345-kV transmission line between a new Rusk Switching Station in Rusk County and a new Panola Switching Station in Panola County ("Project"). This EA was prepared by Burns & McDonnell on behalf of Garland and Rusk Interconnection LLC ("Rusk").[1] The EA is included as Attachment 1 to the Application of the City of Garland, Texas, for an amendment to its Certificate of Convenience and Necessity ("CCN") for the Proposed Rusk to Panola Double-Circuit 345-kV Transmission Line in Rusk and Panola Counties, Texas, which was filed by Garland in this docket ("CCN Application Form").

[1] Rusk is an affiliate of Southern Cross Transmission LLC. The Project will interconnect the Southern Cross high-voltage direct current transmission project to the ERCOT grid.

Q8. WHAT PORTIONS OF THE CCN APPLICATION FORM IN THIS DOCKET DO YOU SPONSOR?

A. I am sponsoring or co-sponsoring the answers to Questions 4, 6, 9, 10, and 17-29 of the CCN Application Form as well as the EA, which is Attachment 1 to the CCN Application Form.

Q9. WERE YOUR TESTIMONY AND THE INFORMATION YOU HAVE BEEN IDENTIFIED AS SPONSORING PREPARED BY YOU OR BY KNOWLEDGEABLE PERSONS UNDER YOUR SUPERVISION AND UPON WHOSE EXPERTISE, JUDGMENT AND OPINIONS YOU RELY IN PERFORMING YOUR DUTIES?

A. Yes.

Q10. 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. ENVIRONMENTAL ASSESSMENT AND ROUTING ANALYSIS

Q11. WHY DID BURNS & MCDONNELL PREPARE THE EA?

A. Burns & McDonnell was retained by Garland and Rusk to perform an EA and routing study for Garland's Project, and to prepare the EA that is included in the application. As Project Manager, I am responsible for the EA and its findings. I

oversaw preparation of all elements of the EA from baseline data acquisition and analysis through Burns & McDonnell's evaluation of the alternative routes.

Q12. PLEASE DESCRIBE THE PURPOSE OF THE EA.

A. The purpose of the EA is to compile environmental and other information; to use that information to select and evaluate alternative transmission line routes for the Project that are feasible from engineering, environmental, land use, and economic standpoints; and to identify the routes that best address the requirements of Public Utility Regulatory Act ("PURA") § 37.056(c)(4)(A)-(D) and 16 Tex. Admin. Code § 25.101(b)(3)(B). The environmental planning process completed by Burns & McDonnell consisted of a series of tasks to address the requirements of PURA and PUCT rules, and to develop the EA to address the essential elements for a CCN application.

Q13. WHAT DOES THE EA ADDRESS?

A. The EA provides a detailed description of the procedures and methodology followed, and the factors considered, in recommending Burns & McDonnell's top-ranked and alternate routes to Garland. The EA specifically addresses the environmental factors that appear in PURA § 37.056(c)(4), 16 TAC § 25.101(b)(3)(B), and the Commission's CCN Application Form.

Q14. WHO PARTICIPATED IN THE PREPARATION OF THE EA?

A. A team of professionals under my direction, representing various environmental disciplines, was assembled from the Burns & McDonnell staff and was involved in data acquisition, routing analysis, and environmental impacts assessment of the Project.

Q15. PLEASE DESCRIBE THE STEPS TAKEN IN PREPARING THE EA.

A. The steps completed were designed to address the requirements of PURA § 37.056(c)(4)(A)-(D) and 16 TAC § 25.101(b)(3)(B), including the Commission's policy of prudent avoidance, and CCN application requirements. The tasks performed by Burns & McDonnell included:

- Scoping and study area delineation;
- Agency contact and data collection;
- Constraints mapping;
- Preliminary alternative segment and route identification;
- Review and adjustment of alternative routes;
- Consideration of open-house input;
- Alternative route analysis and impact assessment; and,
- Evaluation of the routes to be proposed in the application.

A more detailed description of these tasks can be found in the EA (Attachment 1 to the CCN Application Form).

Q16. WHAT DID BURNS & MCDONNELL TAKE INTO ACCOUNT TO DETERMINE PRELIMINARY ALTERNATIVE ROUTES FOR THIS PROJECT?

A. Data used by Burns & McDonnell in the delineation and evaluation of alternative routes were drawn from a variety of sources, including published literature (documents, reports, maps, aerial photography, etc.), file and record reviews at various state agencies, available Geographic Information System data, in-house data from prior projects, and information from local, state, and federal agencies. Recent aerial photography, U.S. Geological Survey topographic maps, various roadway maps, county appraisal district land parcel boundary maps, and a ground reconnaissance survey were used during the selection and evaluation of proposed routes. Ground reconnaissance of the study area was performed by Burns & McDonnell on April 15-16, 2015, and was utilized for both refinement and evaluation of routes. Ground reconnaissance was conducted along public roads and public ROW. No Burns & McDonnell staff entered private property. The data collection effort, although concentrated in the early stages of the Project, was an ongoing process and continued up to the point of selection of the final routes. A constraints mapping process, which delineated the geographic locations of environmentally sensitive and other restrictive areas within the study area, was used to select and refine possible alternative routes. A description of the study area is provided in Section 4.1 of the EA.

Q17. WAS THE APPLICANT INVOLVED IN REVIEW OF THE PRELIMINARY ALTERNATIVE ROUTES?

A. Yes. Garland representatives reviewed and approved the route analysis and the recommended preliminary alternative routes.

Q18. PLEASE DESCRIBE THE DIFFERENCE BETWEEN THE PRELIMINARY, PRIMARY, AND PROPOSED ROUTES.

A. The preliminary alternative routes are those routes developed prior to the public open houses and shown to the public during the open houses. The primary routes are the set of 96 routes remaining after modifications were made to the preliminary route alternatives following the public open houses as a result of comments made by the public and agencies during the public participation program. The proposed routes are a subset of twelve primary routes that are evaluated in Chapter 8 of the EA and which are filed for PUCT consideration as part of the application.

Q19. PLEASE DESCRIBE THE STEPS TAKEN BY BURNS & MCDONNELL IN FORMULATING THE PRIMARY ROUTES.

A. Since a number of potential routes could be drawn to connect the two termination points, a constraints-mapping process was used in selecting and refining possible routes. The geographic locations of environmentally sensitive and other restrictive areas within the study area were identified and considered, including those identified in PURA § 37.056(c)(4), 16 TAC § 25.101(b)(3)(B), and the

Commission's CCN Application Form, as well as considering the Commission's policy of prudent avoidance. The information collected during the various data collection activities was utilized to develop an environmental and land use constraints map. Figure 3-2 of the EA (map pocket) depicts the environmental and land use constraints compiled by Burns & McDonnell. This process resulted in the reduction in the overall impact of proposed routes by avoiding, to the extent reasonably possible, such constraints as residences and businesses, airports and airstrips, cemeteries, known historic and archaeological sites, wetlands, parks, and schools. Impacts also were reduced by efforts to parallel existing compatible ROW, transmission lines, roads and property lines, where reasonable and practical.

Burns & McDonnell used the data, reviews, and considerations discussed above; the locations of towns and cities; the environmental and land use constraints map and property boundary maps; and the Commission's rules and criteria for the routing of electrical transmission lines to delineate a network of segments for preliminary alternative routes. The preliminary alternative segments were refined as additional data was collected. This resulted in the development of the segment network of preliminary alternative routes presented at two public open-house meetings held near the study area in December, 2015. Following the public open houses, and additional environmental and engineering review by the Project team, adjustments were made to the preliminary segments and routes, as described in Chapter 7.0 of the EA.

Q20. PLEASE DESCRIBE THE PROCESS UTILIZED IN COMPARING THE PRIMARY ROUTES.

A. The 12 proposed routes were thoroughly evaluated by Burns & McDonnell, considering potential impacts to ecological, land use, aesthetics, and archaeological resources. The goal was to evaluate the transmission line routes and to identify the routes that best address the requirements of PURA and PUCT Substantive Rules.

The evaluation involved studying a variety of environmental criteria that encompass the factors set forth in PURA § 37.056(c)(4) and 16 TAC § 25.101(b)(3)(B), using the data and information collected as discussed above. In evaluating the proposed routes, 39 criteria were considered. Burns & McDonnell professionals with experience in different environmental disciplines (e.g., wildlife biology, wetland ecology, land use/planning, and archaeology) evaluated the proposed routes based upon environmental conditions present along each route and the general routing methodology used by Burns & McDonnell, which was approved by Garland and Rusk.

To identify the final 12 proposed routes, Burns & McDonnell used a statistical z-score analysis, as described in Section 8.1 in the EA, to transform the variable measurements into comparable units, to screen the alternative routes, and to identify a set of proposed routes warranting further investigation and comparison. Using the total route z-scores, Burns & McDonnell ranked the 96 primary alternative routes and then selected the top ranking routes from each geographic corridor, as well as additional routes that were the highest ranked

routes that also, when combined, included every acceptable route segment. This resulted in the selection of the final 12 proposed routes that were then compared based on their potential natural and social impacts. The results of Burns & McDonnell's efforts are presented in Chapter 8.0 of the EA. Table 8-5 shows the environmental data for each proposed route. The routes are shown on Figure 8-1 (map pocket) of the EA.

Q21. PLEASE DESCRIBE THE PUBLIC INPUT PROCESS YOU MENTIONED PREVIOUSLY.

A. Garland and Rusk held two public open-house meetings in December 2015 where the preliminary alternative segments were presented. The public open-house meetings were held as follows:

- December 1 and 2, 2015 – Carthage Civic Center, 1702 South Adams, Carthage, Texas, from 4:00 – 7:00 pm.

These meetings were intended to solicit comments from citizens, landowners, and public officials concerning the Project. The meetings had the objective of promoting a better understanding of the Project, including the purpose, need, potential benefits and impacts; informing and educating the public with regard to Garland's and Rusk's routing procedures, schedule, and decision-making process; and ascertaining that the decision-making process accurately identified and considered the values and concerns of the public and community leaders.

Public involvement contributed both to the evaluation of issues and concerns by Garland, Rusk, and Burns & McDonnell, and to the identification of the set of alternative routes that best addressed both PURA and PUCT Substantive Rules. Garland and Rusk invited local elected officials, as well as landowners within 500 ft. of the alternative segments, to attend the public open house meetings.

The meetings followed an information station format for one-on-one discussion about particular aspects of the Project with interested attendees, and included computer stations for documenting landowner concerns digitally. This format was chosen to encourage more interaction from those attendees who might be hesitant to participate in a speaker-audience format. Questionnaires were collected from attendees and provided online to solicit concerns. Garland, Rusk, and Burns & McDonnell representatives were present and participated in both of the public meetings for this Project, as well as developed the questionnaire and evaluated the responses to the questionnaires received. Section 6.4 of the EA explains the public meeting format and summarizes the input received from the questionnaires.

Q22. PLEASE DESCRIBE HOW AND WHEN IN THE PROCESS BURNS & MCDONNELL UTILIZED INPUT IN THE FORM OF COMMENTS OR OTHER INFORMATION FROM THE PUBLIC.

A. Public input included discussions with individuals at the open-house meetings, responses to questionnaires received at the meeting, afterwards by mail, and via

the online questionnaire, and public input relayed by Garland and Rusk from their discussions and communications with key stakeholders. The input was used to evaluate issues and concerns, and to select the proposed routes. After the open-house meetings, additional reviews were performed to look at areas of concern discussed at the public meetings and communicated with individual landowners before or after the open houses. The public comments were evaluated to consider revisions to the preliminary routes. In response to public and landowner concerns, some segments were added, deleted, or revised, as described in Chapter 7.0 of the EA. The alignments of six segments (Segments 8, 14, 33, 42, 45, and 49) were modified to reduce impacts to structures and other features identified by landowners at the open houses. Two segments (Segments 40 and 47) were removed from consideration to avoid impacts to a proposed airstrip, a recreation area, and wetlands. One segment was added to parallel a portion of an existing line (Segment 52). The resulting set of route alternatives is referred to as the primary routes. Following the route adjustments, newly-affected landowners within 500 ft. of the new or modified segments and previously notified landowners where the route location was modified on their property were notified by letter. They were provided with a map of the modified segment, documentation depicting the open house materials, and a link to the website for additional project information. They were also provided an opportunity to comment on the adjustments via the website or a questionnaire that was mailed with the letter and map.

Q23. DID BURNS & MCDONNELL CONSIDER INPUT FROM GOVERNMENTAL AGENCIES?

A. Yes.

Q24. PLEASE DESCRIBE HOW AND WHEN IN THE PROCESS BURNS & MCDONNELL UTILIZED THE COMMENTS AND/OR INFORMATION FROM GOVERNMENTAL AGENCIES.

A. As discussed in Section 6.1 of the EA, Burns & McDonnell sent letters to solicit information and comments from a variety of state and federal agencies with responsibilities in the areas of natural and cultural resources, as well as officials of counties, municipalities, and regional authorities in the area. A complete list of the agencies that were contacted can be found in Section 6.1 and Appendix A of the EA. Agency responses to Burns & McDonnell's information request letters are summarized in Section 6.2 of the EA. Copies of Burns & McDonnell's letters and the responses received at the time of the publication of the document can be found in Appendix A of the EA. Burns & McDonnell used the comments and information from governmental agencies in the preparation of the environmental sections of the EA, preparation of the constraints map, and selection and evaluation of proposed routes.

Q25. PLEASE SUMMARIZE THE BASIS FOR BURNS & MCDONNELL'S SELECTION OF THE ROUTE IT DETERMINED BEST ADDRESSES THE REQUIREMENTS OF PURA AND THE PUCT'S SUBSTANTIVE RULES.

A. All of the routes proposed in this filing comply with the requirements of PURA and the PUCT's Substantive Rules. Burns & McDonnell selected Route RP5 as its recommended route from an environmental, land use, and cultural perspective, based on its overall ranking in the z-score analysis (top-ranked), as well as on its comparative advantages among the 39 objective criteria that encompass the factors set forth in PURA § 37.056(c) and 16 TAC § 25.101(b)(3)(B), including that:

- It is the second shortest route;
- It would be constructed largely along existing corridors, the majority of which are existing transmission lines;
- While it has a higher habitable structure count than some routes, most of these are located along an existing transmission line and thus the overall impact would be relatively less for these residents compared to residents that would be affected by an entirely new ROW;
- It has the least amount of forested wetlands;
- It has the least amount of total wetlands within the proposed ROW;
- It has the second fewest number of recorded cultural sites within 1,000 ft.; and,

- It has the second shortest length through cultural High Probability Areas ("HPAs").

IV. INFORMATION ADDRESSING THE COMMISSION'S CCN CRITERIA AND ISSUES OF COMMUNITY VALUES, RECREATIONAL AND PARK AREAS, HISTORIC AND AESTHETIC VALUES, AND ENVIRONMENTAL INTEGRITY

Q26. HOW WAS THE INFORMATION COMPILED BY BURNS & MCDONNELL USED FOR PURPOSES OF THE APPLICATION?

A. Burns & McDonnell collected and quantified environmental and land use information for the primary routes. This data was used to complete several specific questions in the CCN Application Form, as discussed above in Section II.

Q27. PLEASE PROVIDE A GENERAL DESCRIPTION OF THE AREA TRAVERSED BY THE PROPOSED PRIMARY ROUTES.

A. The proposed transmission line is located in Rusk and Panola Counties in the eastern portion of Texas. Land use throughout the study area is dominated by timberland interspersed with areas of pastureland. Much of the study area is also occupied by oil and gas wells and platforms, gathering systems, and interconnecting oil and gas pipelines. The terrain within the study area is gently rolling with some small hills. Lake Murvaul occupies the west-central portion of the study area, and the Sabine River and associated floodplains and wetlands run generally north/south in the eastern portion of the study area. The City of