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Addendum StartPage: 0

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APPLICATION OF THE CITY OF  
GARLAND TO AMEND A  
CERTIFICATE OF CONVENIENCE  
AND NECESSITY FOR THE RUSK TO  
PANOLA DOUBLE-CIRCUIT 345-KV  
TRANSMISSION LINE IN RUSK AND  
PANOLA COUNTIES

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BEFORE THE PUBLIC UTILITY COMMISSION  
P.O. BOX 12000  
AUSTIN, TEXAS 78711-0200

STATE OFFICE OF  
ADMINISTRATIVE HEARINGS

**THE CITY OF GARLAND'S PROPOSED FINDINGS OF FACT,  
CONCLUSIONS OF LAW AND ORDERING PARAGRAPHS**

**I. Findings of Fact**

**General Project Background**

1. The City of Garland, Texas (Garland) doing business as Garland Power & Light (GP&L), is a not-for-profit municipally owned utility providing service under Certificate of Convenience and Necessity (CCN) No. 30063.
2. On February 25, 2016, Garland filed an application with the Public Utility Commission of Texas (Commission) proposing, in conjunction with Rusk Interconnection LLC (Rusk), an affiliate of Southern Cross Transmission LLC (SCT), to design and construct a new double-circuit 345-kilovolt (kV) transmission line connecting Oncor Electric Delivery Company LLC's (Oncor) proposed Rusk Switching Station, located approximately eight miles northeast of Mount Enterprise in Rusk County, Texas, to GP&L's proposed Panola Switching Station, located on the eastern edge of Panola County adjacent to the Louisiana border, approximately nine miles north of Joaquin (Garland Project). The proposed transmission line would be approximately 37 – 40 miles in length.
3. Garland's application was filed pursuant to PURA § 37.051(c-1), (c-2), (g) and (i) as enacted by the 2015 Texas Legislature. Subsections (c-1) and (g) require filing of a CCN application for a facility that enables additional power to be imported into or exported out of the ERCOT power grid and for a municipally owned transmission facility located outside the boundaries of the municipality.
4. Subsections (c-2) and (i) direct the Commission, not later than the 185<sup>th</sup> day after the application is filed, to approve an application under subsections (c-1) or (g) for a facility

that is to be constructed under an interconnection agreement appended to an offer of settlement approved in a final order of the Federal Energy Regulatory Commission (FERC) issued in Docket No. TX11-01-001, directing physical connection between the ERCOT and SERC regions under Sections 210, 211, and 212 of the Federal Power Act (FPA), and authorize the Commission to prescribe reasonable conditions to protect the public interest that are consistent with the FERC order.

5. The statute is referring to the order in FERC Docket No. TX11-1-001, *Southern Cross Transmission LLC*, 147 FERC ¶ 61,113 (2014) (*Southern Cross*), which directs physical connection between the ERCOT and SERC regions under Sections 210, 211, and 212 of the FPA.
6. The Garland Project will interconnect the new Rusk Switching Station in Rusk County to the new Panola Switching Station in Panola County at the Texas-Louisiana border. The Rusk Station will be interconnected with the ERCOT grid and the Panola Station will be interconnected to a new high-voltage direct current (HVDC) converter station to be owned by SCT adjacent to the Panola Station across the border in Louisiana.
7. FERC ordered Garland to provide the interconnection in accordance with the interconnection agreements attached to the offer of settlement filed in *Southern Cross*. FERC's Order in *Southern Cross* finds that the interconnection is in the public interest, and determines that the interconnection will not cause any ERCOT utility or other entity that is not already a public utility under the FPA to become a public utility under the FPA.
8. The proposed transmission line is located in Rusk and Panola Counties in the eastern portion of Texas. Land use throughout the project area is dominated by timberland interspersed with areas of pastureland. Much of the study area is occupied by oil and gas wells, and platforms 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 wetland run generally north/south in the eastern portion of the study areas. The City of Carthage is located mostly outside the north-central edge of the study area and Gary City is located in the central portion of the study area, east of Lake Murvaul.

## **Procedural History**

9. Garland filed its Application on February 25, 2016. PURA § 37.051 (c-2) and (i), as enacted during the 2015 Texas Legislature, direct the Commission to act on such an application not later than the 185<sup>th</sup> day after the application is filed, or by August 29, 2016.
10. Southern Cross Transmission LLC filed its motion to intervene and direct testimony supporting Garland's application on the day the application was filed, February 25, 2016.
11. The Commission referred this matter to the State Office of Administrative Hearings (SOAH) on February 29, 2016.
12. In SOAH Order No. 1, issued March 2, 2016, the Administrative Law Judge (ALJ) concluded that the 185-day deadline for decision in this case is August 29, 2016, assumed jurisdiction, and convened a prehearing conference for March 9, 2016.
13. SOAH Order No. 2, issued March 15, 2016, memorialized the prehearing conference, established the procedural schedule, and provided notice that the Hearing on the Merits would occur on May 31 – June 3, 2016. SOAH Order No. 2 also established discovery procedures; notified the parties of certain procedural requirements, including filing and document service, and other important actions necessary for parties to take prior to and during the Hearing on the Merits; approved and adopted a Protective Order; and granted the interventions of SCT; Centerpoint Energy Houston Electric, LLC (Centerpoint); the Electric Reliability Council of Texas, Inc. (ERCOT); Texas Industrial Energy Consumers (TIEC); Jeb James; and Terry Hooper.
14. The Commission issued a Preliminary Order on March 22, 2016, identifying a list of issues to be addressed in this docket as well as issues not to be addressed.
15. On March 28, 2016, pursuant to the procedural schedule, SCT filed its supplemental direct testimony on Preliminary Order Issues.
16. SOAH Order No. 3 was issued on April 6, 2016, and suspended traditional service.
17. A settlement/technical conference was held at the Carthage Civic Center in Carthage, Texas on April 20, 2016.
18. SOAH Order No. 4, issued on April 15, 2016, granted TIEC's Motion to Compel SCT to respond to TIEC's RFI 1-15, clarified that no route adequacy hearing would be held, and granted intervention status to the following parties: Thomas Patten; Beverly Patten;

Bobby LaVaughn Anderson II; Gloria Moffett; Luminant Generation Company, LLC; Luminant Energy Company, LLC; Justin Wagstaff; Joe Beard; East Texas Area Council of the Boy Scouts of America; Andrew Brockett; Teresa Stein; Deep East Texas Electric Cooperative, Inc.; Sandra Stein; Amanda R. Choate, Billy Broadaway, Sharon Kirchner, John Davis (Daniel Heritage Farms); Panola-Harrison Electric Cooperative, Inc.; Denese McDaniel-Toler; Meredith Ingram-Gautier; Rusk County Electric Cooperative, Inc.; Wiley D. Boothe; William and Betty Lou Wood; Elizabeth Lane; Weldon Gray; Joann Miller; Connie Meschke; Jimmy D. Hutchinson; the NRG Companies (NRG Texas Power, LLC; Reliant Energy Retail Services, LLC; and NRG Power Marketing, LLC); Southwestern Electric Power Company; Texas Competitive Power Advocates; Mary Lillibridge on behalf of the W.M. Family Trust; Brian Lillibridge on behalf of the Esther B. Holmes LP; Kay Mauritzen; Sylvia Hunt; Jason Heinkel; Morris Howard; Kenneth Hazel; Tiffany and Stephen Hull; Carl Carswell; Mary Latham; David Langford; Riley Boothe; Jim Holder; Tom and Joan Williams; Bobby Muhlhauser; Billy Langford; Dennis Mark Langford; Vickie Langford Lacy; Craig and Joy Gibbs; Francis G. Gil Barker; Julia H. Gregg; John Carroll; Ed and Sandra Burrows; Danny Milan; Michael Lillibridge (individually and on behalf of W.M. Living Trust); Sue Ann McMillan Ware; Stella M. Johnson (Irrevocable Trust Life Estate); Gloriann Spiller; Fannie Watson (individually and on behalf of the Estate of Clarence C. Baldwin); Ruth Stephens (individually and on behalf of the Estate of Clarence C. Baldwin); Shirley Hamilton; Charles Spears; and Clive W. Fields.

19. SOAH Order No. 5, issued April 27, 2016, granted intervenor status to Sherri Waters, Johnny Holmes, and Jason Spiller, denied intervenor status to Larry Fields, and denied TIEC's motion to compel concerning TIEC RFI 1-18.
20. Pursuant to the procedural schedule, certain intervenors filed 28 statements of position and 33 direct testimonies on or before April 27, 2016. Two direct testimonies were late filed on May 16, 2016.
21. SOAH Order No. 6, issued May 5, 2016, granted Larry Fields' request for reinstatement as an intervenor, dismissed Terry Hooper as an intervenor, and scheduled a prehearing conference on May 13, to address issues arising from TIEC's Motion to Compel SCT to respond to TIEC RFI 2-12 and TIEC RFI 3-1.

22. Pursuant to the procedural schedule, Commission Staff filed its direct testimony on May 11, 2016.
23. SOAH Order No. 7, issued May 19, 2016, denied TIEC's motions to compel SCT's response to TIEC RFI 2-12 and TIEC RFI 3-1.
24. Garland filed rebuttal testimony and intervenors filed cross-rebuttal testimony on May 24, 2016.
25. The hearing on the merits was held on May 31-June 3, 2016.
26. SOAH Order No. 8, issued June 3, 2016, dismissed certain intervenors who failed to file a statement of position or direct testimony pursuant to the procedural schedule and granted John Paul Davis' request to withdraw from the proceeding.
27. On June 8, 2016, the intervening landowners, Garland and SCT filed an unopposed Stipulation Concerning Transmission Line Route (Route Stipulation) and a motion to admit the Route Stipulation into evidence.
28. On June \_\_, 2016, the ALJs issued SOAH Order No. 9, admitting the Route Stipulation into evidence.

#### **Jurisdiction**

29. The Commission has jurisdiction over this matter pursuant to the Public Utility Regulatory Act (PURA), Texas Utilities Code § 37.051.
30. SOAH has jurisdiction, pursuant to Texas Government Code § 2003.049 and PURA § 14.053, over all matters relating to the conduct of a hearing in this matter.

#### **Notice**

31. Garland provided notice and hosted public open-house meetings as required under 16 Tex. Admin. Code (TAC) § 22.52(a)(4).
32. On December 1 and 2, 2015, two open houses were held at the Carthage Civic Center located at 1702 South Adams, Carthage, Texas.
33. Direct notice was mailed to approximately 631 owners of approximately 1,078 properties within 500 feet of the centerline for each of Garland's proposed routes presented at the open-house meetings.
34. On February 25, 2016, Garland provided written notice by first class mail to the owners of land, as stated on the current county tax rolls in Rusk and Panola Counties, Texas, who are directly affected by the Garland Project.

35. Garland sent notices of the application to utilities providing similar service within five miles of the Garland Project by priority mail on February 25, 2016.
36. Notice of the application was sent to the county officials in Rusk and Panola Counties and to the Mayors of the cities within five miles of the Garland Project by priority mail on February 25, 2016.
37. Written notice was sent to the Office of Public Utility Counsel (OPUC) on February 25, 2016.
38. A copy of the Environmental Assessment and Alternative Route Analysis (EA) was delivered to the Texas Parks and Wildlife Department (TPWD) on February 25, 2016.
39. Garland caused notice of the Application to be published in the *Henderson Daily News* and in the *Panola Watchman* on February 28, 2016.
40. On March 22 and 23, 2016, Garland sent supplemental notice to certain affected landowners after Garland was informed that those landowners did not receive the original notice.
41. Notice of Garland's application was published in the *Texas Register* on March 11, 2016.<sup>1</sup>
42. On April 26, 2016, notice was provided pursuant to Chapter 26 of the Texas Parks and Wildlife Code to the Texas Parks & Wildlife Department and the Sabine River Authority. Also, pursuant to Ch. 26 of the of the Texas Parks and Wildlife Code, notice was published in the *Henderson Daily News* and *Panola Watchman* on May 8, May 15, and May 22, 2016.

### **Project Description**

43. The proposed Garland Project is a new 37- to 40-mile double-circuit 345-kV transmission line from the new Rusk Switching Station in Rusk County, Texas to the new Panola Switching Station in Panola County, Texas, adjacent to the border with Louisiana. The Rusk Switching Station will be constructed and owned by Oncor and the Panola Switching Station will be constructed by Rusk and owned by Garland.
44. The transmission line will be built using primarily single-pole steel structures; however, it is possible that some lattice structures will also be utilized. The proposed transmission line structures are expected to use drilled pier foundations. The typical structure for the

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<sup>1</sup> 41 TexReg 2033.

Garland Project will range from 135 to 145 feet in height (depending on clearance requirements) and requiring a right-of-way width of approximately 150 feet.

45. The Garland Project is being constructed pursuant to the order of the FERC in *Southern Cross*, directing Garland to connect the Southern Cross project to the ERCOT grid in accordance with the Offer of Settlement in that case.
46. The Panola Switching Station will connect at the Texas-Louisiana border to a new HVDC converter station to be owned by SCT adjacent to the Panola Switching Station across the border in Louisiana.
47. Garland, Oncor, and SCT executed an Offer of Settlement in *Southern Cross* agreeing to the interconnections.
48. Garland will be the sole owner of the Garland Project when it is placed in service. Rusk will fund the Project during construction but will convey it to Garland before it is placed in service. Garland and Rusk will cooperate in implementing the Garland Project, as set out in the Transmission Line Agreement (TLA) attached to the Direct Testimony of Darrell W. Cline.

#### **Adequacy of Application**

49. No party challenged the sufficiency of Garland's application.
50. No party challenged the adequacy of Garland's proposed routes.
51. Garland's application is sufficient and Garland presented an adequate number of reasonably differentiated routes.

#### **Conditions**

##### **Costs and Benefits of the SCT Project**

52. The Commission declines to adopt proposed conditions that would change the existing methods for allocating costs of transmission system upgrades, ancillary services, and ERCOT studies to allocate such costs directly to SCT instead of to ERCOT load.
53. The Commission has longstanding and consistently-applied methods of allocating the costs of transmission system upgrades, ancillary services, and ERCOT studies to system load, which benefits from those costs.
54. Existing methodologies appropriately allocate transmission system and ERCOT settlement charges, including ancillary services costs, to load outside ERCOT served by



DC ties through charges to Qualified Scheduling Entities (QSEs) engaged in exporting power over the ties.

55. QSEs exporting power from the ERCOT system are assessed transmission rates for their use of the ERCOT system. Revenues from QSE exports offset transmission revenue requirements that would otherwise be collected from ERCOT loads. As a result, non-ERCOT loads served by DC tie exports from ERCOT contribute to the ERCOT transmission system revenue requirement similar to other loads in ERCOT.
56. The existing postage stamp method of recovering transmission system costs in ERCOT is simple to administer and has performed well to promote investment in the system.
57. Attempting to allocate transmission system upgrades to specific groups or entities, as is done outside of ERCOT, could create numerous disputes over cost responsibility that could consume resources and impair the ability to add needed facilities.
58. Ancillary services exist to ensure the delivery of energy to load. As the beneficiary of ancillary services, loads bear the cost of such services. This has been a fundamental structural feature of the ERCOT market design since its inception.
59. Imposing costs on SCT not previously applied to other similarly-situated entities could raise concerns about disparate treatment.
60. An expedited CCN proceeding with limited stakeholder participation is not well-suited to consider a significant change to cost allocation methodologies for the ERCOT system.
61. It is reasonable to expect that the SCT tie will provide substantial benefits to ERCOT customers and Texas citizens. Such benefits include millions of dollars of annual production costs savings, consumer energy benefits and export charge revenues, as well as significant reliability support to ERCOT during system emergencies, benefits to landowners and local economies from increased renewable energy production, and support for the local economy in Rusk and Panola Counties in the form of payments in lieu of taxes and the economic impact of a large construction project.
62. FERC has previously concluded that the SCT tie is in the public interest.

*ERCOT Standard Form Market Participant Agreement*

63. It is reasonable to prescribe a condition that SCT execute the ERCOT Standard Form Market Participant Agreement (SFMPA) prior to energization of the Garland Project, and

that ERCOT makes the necessary changes to the SFMPA and its Bylaws, Protocols and systems to enable SCT to execute the SFMPA no later than June 1, 2017.

64. The SCT Project does not currently meet the requirements to be defined as any one of the existing eight market participant types on the SFMPA form.
65. ERCOT should revise the SMPA and its Bylaws, Protocols, and systems as necessary to create a new Independent DC Tie Operator market participant type under which SCT can register as a market participant and execute the SFMPA.
66. The revisions identified in the previous finding of fact should be completed no later than June 1, 2017, before SCT closes its construction financing. This is necessary in order that the terms of that SFMPA are known to the financing counterparties so that they can be assured that the business and operations of the SCT Project are appropriately structured and organized and that compliance with the SFMPA and associated ERCOT requirements can be reasonably assured.
67. SCT will also need to be placed within one of the existing ERCOT market segments. ERCOT should make any necessary changes to its Bylaws and other binding documents to accomplish this requirement.

Coordination Agreement

68. It is reasonable to prescribe a condition that ERCOT execute a coordination agreement with the balancing authority that the SCT Project connects to in the southeast. The coordination agreement should be executed no later than June 1, 2017, before SCT closes its construction financing.

Congestion Management Plan/Special Protection Scheme (CMP/SPS)

69. The Commission declines to adopt a proposed condition that ERCOT implement a congestion management plan or special protection scheme (CMP/SPS) for the transmission system in northeast Texas in the area of the SCT tie.
70. Implementation of a CMP/SPS may benefit ERCOT customers, generators in the area of the SCT tie, and SCT by allowing greater utilization of the transmission grid in the area.
71. ERCOT should evaluate implementation of such a CMP/SPS through the stakeholder process and should implement a CMP/SPS if it can feasibly be done consistent with the provision of reliable electric service.

### Reactive Power and Primary Frequency Response

72. The Commission declines to adopt a proposed condition that SCT be required to provide reactive power and primary frequency response (PFR).
73. A DC tie does not have the same capabilities as a generator to provide reactive power and PFR. In addition, the ability to supply such services varies widely among different generation technologies.
74. Existing DC ties in ERCOT are not required to provide reactive power and PFR.
75. Qualified Scheduling Entities (QSEs) that schedule DC Tie exports and Load-Serving Entities (LSEs) that rely upon DC Tie imports are each currently responsible for meeting their ERCOT-assigned ancillary services obligations which are procured from ERCOT resources that meet reactive power and primary frequency response requirements.
76. SCT will provide reactive support to the ERCOT grid by adding capacitors near the Panola substation to compensate for the transmission losses on the Rusk to Panola transmission line and for the reactive consumption of the HVDC terminals.
77. HVDC control systems do have some capabilities where, with cooperation between power systems on both ends of the SCT tie, some services like PFR could be provided.
78. ERCOT does not have rules today that would allow SCT to participate in supplying PFR, so the ERCOT stakeholders would have to consider rule changes through the revision request process to allow HVDC facilities to supply PFR.
79. The better the tasks expected of an HVDC facility can be defined in the early stages of design of the HVDC facility, the better the results that would be expected. Making changes to the HVDC facility controls after the facility is designed and constructed would be very costly.
80. ERCOT should coordinate with SCT to evaluate whether the SCT facility could provide PFR and other services.

### Ramp Restrictions

81. The Commission declines to adopt a proposed condition that ERCOT resolve issues concerning ramping of the SCT tie prior to the Garland Project being energized. This is a technical issue appropriate for resolution by ERCOT and in the ERCOT stakeholder process.

- 82. ERCOT stakeholders have a successful history of developing and implementing ramp rate limitations for various network elements as necessary, such as when ERCOT adopted PRR 771 to impose ramp rate limits on wind turbines.
- 83. SCT agrees with ERCOT that changes in DC tie flows should not be allowed to exceed the ramp rate capability of the ERCOT system. SCT has agreed to work with ERCOT and stakeholders to address and resolve ERCOT's concerns about ramp rates over the SCT tie. The solutions for this issue are straightforward and not controversial.

ERCOT Planning Criteria

- 84. The Commission declines to adopt a proposed condition that ERCOT study whether changes should be made to planning assumptions or criteria to identify transmission upgrades that may address congestion related to power flows over the SCT tie in a cost-effective manner prior to the Garland Project being energized. This is a technical issue appropriate for development by ERCOT and in the ERCOT stakeholder process.

Outage Coordination

- 85. The Commission declines to adopt a proposed condition that ERCOT study and, to the extent necessary, implement any new systems or tools necessary to coordinate outages before the Garland Project is energized. This is a technical issue appropriate for development by ERCOT and in the ERCOT stakeholder process.

Cost Recovery by Garland

- 86. The Commission declines to adopt a proposed condition that no costs related to the Rusk or Panola Substations or to the Rusk to Panola Line shall be allowed in transmission cost of service (TCOS) under any circumstances.
- 87. Garland has entered into a Transmission Line Agreement (TLA) with SCT affiliate Rusk under which Rusk will pay the costs of constructing and decommissioning the Garland facilities, as well as reasonable operations and maintenance expenses.
- 88. The Rusk and Panola Substations and the Rusk to Panola Line are likely to be in service for more than 50 years and will be ERCOT open access facilities. It is not possible to predict or prejudge the costs that may be related to them during their useful lives.
- 89. In the event that Garland seeks recovery of any costs related to the Panola Substation or the Rusk to Panola line through TCOS, the Commission will have the opportunity to review those costs in a transmission rate case where the specific circumstances can be

considered and an informed decision could be made about whether to include the costs for TCOS recovery.

90. Garland could be required to incur a variety of costs related to the facilities during their 50+ year life, such as costs to interconnect new generation to these open access facilities under applicable Commission rules, costs to upgrade these facilities if necessary to comply with NERC reliability standards, and costs of upgrades required under the Commission's economic benefit test because the benefits of the upgrades exceed their costs. In each of these cases, and probably others not foreseeable at this time, Garland could be required to incur costs to upgrade the facilities under applicable legal and regulatory standards.

Condemnation of Easements

91. It is reasonable for the Commission to prescribe a condition, as agreed to by Garland, SCT and intervening landowners in the Route Stipulation, that Garland, Southern Cross, and Rusk will not, nor will they cause any of their affiliates to, seek condemnation of any landowner's land in Panola County for the Garland Project as described in the Direct Testimony of Darrell W. Cline, so long as the landowner provides access to the land for surveying and design purposes, until such time as Southern Cross provides the Public Utility Commission of Texas with evidence that it has secured the funding to construct the complete interconnection project, including the Garland Project and the Southern Cross Transmission Project as described in the Direct Testimony of David Parquet.

Proposed Affiliate Condition

92. The Commission declines to adopt a proposed condition that Garland be treated as an affiliate of SCT and the Pattern companies.
93. The proposed condition is based on a concern that a provision in the TLA between Garland and Rusk, under which Garland would upgrade the facilities at Rusk's request, could give Rusk and its affiliates a competitive advantage not available to other market participants.
94. SCT has agreed that Rusk will not ask Garland to upgrade the Rusk to Panola line under the TLA provision referenced in the preceding finding of fact.

95. Neither Garland nor SCT/Pattern own more than 5% of the voting securities of the other, nor does Garland exercise control over SCT/Pattern or vice versa, so there is no basis to treat them as affiliates.

*Put and Call Options*

96. It is reasonable for the Commission to prescribe a condition that, in relation to any exercise of the put and call options in the TLA, Garland and Rusk will abide by the provisions of PURA § 37.154 relating to Commission approval of a transfer of rights under a CCN.

*Disconnection of Facilities*

97. It is reasonable for the Commission to prescribe a condition that Garland will abide by its interconnection agreements with SCT and Oncor and will disconnect its facilities if FERC asserts jurisdiction over ERCOT due to the Rusk to Panola line.
98. The Commission declines to adopt a proposed condition that Garland disconnect its facilities if a synchronous connection is ever made to Garland's line outside the State of Texas.
99. No part of the Rusk to Panola line will be located outside Texas, and as a result there will be no physical way to connect to the line except inside Texas.
100. It is reasonable for the Commission to prescribe a condition that Garland will comply with any final and non-appealable Commission order that directs it to disconnect the Rusk to Panola line.

**Routing Issues**

101. Garland retained Burns & McDonnell Engineering Company, Inc. (Burns & McDonnell) to prepare an *Environmental Assessment and Alternative Route Analysis Report for the Rusk to Panola 345-kV Transmission Line Project* (EA) for the proposed Garland Project.
102. Garland (through Burns & McDonnell) evaluated routes using routing criteria addressing factors such as land use, aesthetics, cultural resources, the number of potentially affected habitable structures, and potential environmental impacts for each of the alternative routes. Garland balanced its environmental and land use analysis with engineering and construction constraints, costs, public input, and community values.

Route Stipulation

103. On June 8, 2016, the intervening landowners, Garland and SCT filed an unopposed Stipulation Concerning Transmission Line Route (Route Stipulation) that provides for approval of Route RP9 (Stipulation Route) by the Commission.
104. The Stipulation Route is supported by all of the intervening landowners and therefore reflects community values.
105. The Stipulation Route is comprised of noticed segments that were not changed or modified from the segments as filed in the application.
106. The Stipulation Route is a viable, feasible, and reasonable route considering the environmental, engineering, and land use constraints in the Garland Project area.
107. The Stipulation Route also satisfies the other criteria the Commission considers in selecting a transmission line route, as reflected in these findings of fact.
108. Consistent with the Route Stipulation, the Garland Project will be constructed on the Stipulation Route.

Effect of Granting the Certificate

109. Garland has been providing service to its ratepayers since 1923, owns and operates both high voltage transmission lines and electric generating stations, is a qualified scheduling entity (QSE) within ERCOT, and has strong bond ratings.
110. Garland has the capability to operate the facilities in this case reliably and effectively.
111. No existing facilities of other utilities will be utilized for the Garland Project.
112. Oncor prepared the Southern Cross HVDC Tie Study Report, the Facilities Study Report, and the Southern Cross HVDC Tie Short-Circuit Report, that analyzed the Garland Project's effects on other utilities and the ERCOT grid.
113. Based on those studies, the Order in *Southern Cross* found that nothing in the application indicated that the requested interconnection and transmission service would impair the continued reliability of the affected electric systems.
114. Existing utilities within the study areas include existing 115-kV, 138-kV, and 345-kV electric transmission lines and associated substations primarily owned and operated by Oncor and Southwestern Electric Power Company (SWEPCO). Cooperative utilities, including Deep East Texas Electric Cooperative (DETEC), Panola Harrison Electric

Cooperative (Panola EC), and Rusk County Electric Cooperative (Rusk EC), also own and operate transmission lines, distribution lines, and substations within the study area.

115. Garland and Rusk have executed agreements with SWEPCO and the cooperative utilities identified in the preceding finding of fact that provide for Garland to keep each utility informed about the Garland Project, to coordinate with each utility concerning such paralleling or crossing of facilities, and to avoid or mitigate impacts on their facilities.
116. Garland and Rusk have committed to make reasonable efforts to coordinate with these neighboring utilities to mitigate impacts of the Rusk to Panola line on their facilities
117. The FERC order also stated that compliance with the Order and the Offer of Settlement will not cause ERCOT, Oncor, CenterPoint, or any other ERCOT utility or other entity that is not already a public utility to become a “public utility” as that term is defined by section 201 of the FPA and subject to the jurisdiction of the Commission.

Community Values

118. The term “community values” is included as a factor for the consideration of transmission line route certification under PURA § 37.056(c)(4)(A). Although not formally defined by statute or in Commission rules, past decisions by the Commission have recognized community values to mean “a shared appreciation of an area or other natural resource by a national, regional, or local community.”
119. Garland executed a public involvement program to engage potentially impacted landowners, elected officials, and other stakeholders. The program consisted of one-on-one meetings with the County Judge of both counties in which the Garland Project will be constructed, county commissioners who represent the majority of the area, and local electric cooperatives who provide service in the area.
120. Garland also held two public open-house meetings within the community to solicit comments, concerns, and input from residents, landowners, public officials, and other interested parties concerning the proposed Garland Project, the preliminary alternative routes, and the overall transmission line routing process.
121. The preliminary alternative routes identified by Garland’s routing consultant, Burns & McDonnell, were presented at the open-house meetings. Participants at the open-house meetings received a written questionnaire to communicate their opinions and provide input into the routing process. Burns & McDonnell also provided computer stations at



the open houses, as well as an online option for landowners to provide input on their issues of greatest concern related to the Garland Project.

122. Following the open-house meetings, Burns & McDonnell modified the existing segments, and identified a total of 96 primary routes. After evaluating the 96 primary routes, 12 proposed routes were selected to carry forward through the rest of the evaluation process and to submit to the Commission.
123. Based on information gathered at the open houses, several segments were modified to reduce impacts to habitable structures and other land use features to the extent feasible, and some new segments were added and others deleted.
124. Local, state, and federal agencies and officials were contacted by letter in October and November 2015 to solicit comments, concerns and information regarding the potential impact of the proposed transmission line.
125. Responses from governmental agencies were considered in the selection and evaluation of alternative routes.
126. Stipulation Route RP9 is supported by all of the intervening landowners in the case, and therefore reflects community values.

#### Recreational and Park Areas

127. Parks and recreational areas are defined by the Commission in its application form as areas being owned by a governmental body or an organized group, club, or church.
128. Two of the proposed routes cross a park and recreational area – RP28 and RP82. Route RP28 (Central) crosses the George W. Pirtle Scout Reservation and Route RP82 (Southern) crosses land managed by the Sabine River Authority and identified by TPWD as Unit #630 hunting area. Both proposed routes appear to cross in areas of the properties that are not developed and are heavily wooded. Route RP82 does not have any park and recreational area within 1000 feet (excluding Unit #630 hunting area). Route RP16 (Northern) is the only proposed route that does not cross any park and has no identified park and recreational area within 1000 feet. All of the remaining proposed routes each have one park and recreational area located within 1000 feet of the route.
129. No significant impacts to the use or enjoyment of the parks and recreation facilities located within the study area are anticipated from any of the primary alternative routes.

130. No adverse impacts area anticipated for any of the fishing or hunting areas from any of the primary alternative routes.
131. Stipulation Route RP9 does not cross any recreational and park areas and has one recreational and park area located within 1,000 feet, like most of the other proposed routes.

*Historical and Aesthetic Values*

132. Cultural resources are defined as sites, features, structures, or properties that are 50 years old or older and that may hold significant cultural, historical, or scientific value.
133. High-Probability Areas (HPAs) are locations that are usually identified as having a high probability for the occurrence of prehistoric sites and include areas where the proposed Garland Project crosses water, stream confluences, drainages, alluvial terraces, wide floodplains, upland knolls, and areas where lithics (workable stone) could be found.
134. The Texas Historical Commission (THC), on November 4, 2015, indicated that previous surveys in the area have resulted in identification of archeological sites that could be affected by the Garland Project.
135. THC indicated that an archeological survey may be required for portions of the study area and that a project archeologist performing such a survey must first obtain an Antiquities Permit from THC's office.
136. Garland and Rusk will coordinate with the THC to determine whether significant cultural, historical, or archeological sites will be affected and what mitigation efforts could be required to limit impacts.
137. Garland's proposed routes cross between 57,740 feet and 102,100 feet of HPAs and would be located within 1,000 feet of between one and five recorded cultural sites.
138. Stipulation RP9 crosses 70,690 feet of HPAs, crosses no recorded cultural sites, and would be located within 1,000 feet of one recorded cultural site.

*Environmental Integrity*

139. Garland, through Burns & McDonnell, engaged in an extensive multi-step process to determine potential environmental impacts, and used the information gathered to engage in substantial mitigation of potential impacts through that process. The environmental study process involved delineating a study area, collecting agency input, gathering data regarding the study area, performing constraints mapping, identifying preliminary

alternative routes, and reviewing and adjusting alternative routes following field reconnaissance. Garland reviewed the preliminary alternative routes with regard to cost, construction, engineering, ROW maintenance issues, and constraints. Burns & McDonnell and Garland solicited information and comments from a variety of local offices and officials with interest in the Garland Project area.

140. Land use throughout the study area is dominated by timberland and oil and gas production, with some smaller areas for pastureland. The pastureland is fairly evenly dispersed throughout the study area, except for the area along the Sabine River, which is mostly forested. The developed land is found around the various towns in the study area, but there is also scattered residential development throughout the study area. The largest percentage (74%) of the land found in the study area is forested land.
141. Construction of the Garland Project is not anticipated to have any significant adverse effects on the physiographic or geologic features and resources in the area.
142. Construction and operation of the transmission line would not result in any significant impacts to the existing physiography, surface water features, groundwater and aquifers.
143. Construction and operation of the transmission line could result in some temporary adverse impacts to wildlife, primarily from the removal of large trees within or near the proposed Garland Project that could provide feeding, shelter, or nesting habitat for some species.
144. Impacts to most species would be temporary and short-term during construction and would consist primarily of displacement and disturbance.
145. Any potential impact to topography would be minimal and temporary in nature and would be from the use of heavy construction equipment and excavation required for the construction of new foundations and support structures.
146. The Garland Project would result in temporary, minor impacts to the soils within the ROW during construction activities.
147. No significant long-term impacts to soils are anticipated along any of the proposed routes.
148. Upon approval of a final route by the Commission, Garland and Rusk will conduct detailed environmental surveys along the proposed transmission line to identify any potential wildlife, water, or vegetation concerns and develop management measures to minimize adverse impacts.

149. Garland and Rusk will obtain permits and coordinate with the federal, local, and state agencies when appropriate.

Engineering Constraints

150. Garland and Rusk proposed using self-supporting tubular steel monopole structures. Depending on the selected route, the Garland Project could require tangent, double-circuit deadend, and single-circuit deadend structures. Lattice structures could be used in some places.
151. Design criteria will be in compliance with applicable statutes, the appropriate edition of the National Electrical Safety Code, and acceptable engineering design practice.
152. No long-term impacts are anticipated to the transportation system of the study area due to the construction of the proposed Garland Project. Short-term impacts may occur during construction, which could result in a temporary disruption of traffic service.
153. The proposed routes all cross 2 state or federal highways and between 24 and 30 other public roads. Routes RP28 (Central) and RP82 (Southern) cross the fewest other public roads (24 each).
154. Stipulation Route RP9 crosses 2 state or federal highways and 26 other public roads.
155. The Commission requires identification of all known private airstrips and all airports registered with the FAA that have no runway more than 3,200 feet in length within 10,000 feet of the route centerline. For private airstrips, no FAA notification is required. For all public-use airports registered with the FAA having no runway more than 3,200 feet in length, the FAA would be notified if the proposed transmission line structures exceed a 50:1 horizontal slope from the closest point of the closest runway.
156. The Commission also requires identification of all public-use airports registered with the FAA having at least one runway more than 3,200 feet in length within 20,000 feet of the route centerline. For all public-use airports registered with the FAA with at least one runway more than 3,200 feet in length, the FAA would be notified if the proposed transmission line structures exceed a 100:1 horizontal slope from the closest point of the closest runway.
157. The Commission also requires that all heliports within 5,000 feet of the route centerline be identified. For all public-use heliports, the Commission requests the utility identify

whether or not any transmission line structures will exceed a 25:1 horizontal slope from the closest point of the closest landing and takeoff area of the heliport.

158. Two of the Northern routes (RP16 and RP93) are within 20,000 feet of the Panola County-Sharpe Field, which is an FAA-registered airport with a runway greater than 3,200 feet in length.
159. No proposed routes are within 10,000 feet of any FAA-registered airstrips or airports with runways less than 3,200 feet in length.
160. One new private airstrip (Hilltop Springs Airport) was identified within 10,000 feet of the centerline of Routes RP5, RP8, and RP16 (Northern); RP10, RP28, RP41 (Central); and RP50, RP53, and RP82 (Southern).
161. No heliports were identified within 5,000 feet of any proposed route.
162. FAA notification will not be required for any airstrip as a result of the Garland Project. The proposed routes in proximity of the private airstrip are approximately 4,400 feet away (and lower in elevation), and the proposed routes are not anticipated to impact the airstrip, using a 20:1 approach slope.
163. Stipulation Route RP9 is not within 10,000 feet of any FAA-registered airstrips or airports with runways less than 3,200 feet in length or within 5,000 feet of a heliport.

#### Costs

164. Garland's estimated cost includes the costs of engineering, acquiring ROW, procurement of materials and supplies, construction labor and transportation, and administration. The total estimated cost for the Garland Project ranges from approximately \$103.8 million to \$109.9 million, depending on the route selected. These costs are only estimates as of the time of the filing of the Application. Once the final route has been approved by the Commission, Garland will survey the approved line route and final engineering design will be performed. After the final engineering design is completed, costs to construct the approved route will then be re-estimated based on material and construction bids.
165. The estimated cost of Stipulation Route RP9 is approximately \$109.0 million.
166. Garland has committed that it will not seek to recover the costs of developing, constructing, interconnecting, or financing the Garland Project or the Panola Switching Station through transmission service rates, but will own and operate those facilities as

open access transmission facilities subject to Commission rules, NERC standards, and ERCOT protocols applicable to such transmission facilities.

Moderation of Impact

167. Garland has identified a comparatively high amount of the Northern routes (16-25.7 percent) and a moderate amount of the Central route RP10 (11.1 percent) that will parallel existing transmission lines. The remaining Central routes and all of the Southern routes would not parallel any existing transmission line.
168. All of the proposed routes would parallel some property lines, and most of the proposed routes would also parallel roads (except Route RP82).
169. The study area contains a large number of oil and gas wells, as well as associated collection lines, pump stations, and compressor stations owned and operated by a number of different pipeline companies.
170. To the extent feasible, the proposed routes avoid being parallel and adjacent (within 500 feet) to existing oil/gas pipelines in an effort to avoid induction and to meet the requirement for cathodic protection on the pipelines, although the density of oil/gas pipelines in the study area made it difficult to not parallel them for at least some length.
171. The proposed transmission line, when paralleling existing utility corridors, will not share any right-of-way (ROW) with the existing utilities but instead will be located immediately adjacent to the existing ROWs.

Prudent Avoidance

172. Prudent avoidance is defined in 16 TAC § 25.101 as “the limiting of exposures to electric and magnetic fields that can be avoided with reasonable investments of money and effort.” The Commission’s policy of prudent avoidance is that the process of routing a proposed transmission line should include consideration of routing options that entail reasonably avoiding population centers and other locations where people gather with a reasonable investment of money.
173. Prudent avoidance does not mean that a proposed transmission line must avoid habitable structures at all costs, but that reasonable alternatives must be considered. The routes and route links proposed in the Garland Project conform to the Commission’s policy of prudent avoidance in that they reflect reasonable investments of money and effort in order to limit exposure to electric and magnetic fields.

174. The number of habitable structures located within 500 feet of the proposed route centerlines ranges between 13 and 27.
175. Stipulation Route RP9 has 13 habitable structures within 500 feet of the centerline.
176. Stipulation Route RP9 and the routes and route segments proposed in the Garland Project conform to the Commission's policy of prudent avoidance in that they reflect reasonable investments of money and effort to limit exposure to electric and magnetic fields.

*Alternative Routes/Configurations*

177. There are no alternative routes that would have a less negative impact on landowners. The routing and constraints mapping process employed by Burns & McDonnell for the alternative routes was designed to identify and reduce the impact to land use and environmentally sensitive areas, including individual residences, rural subdivisions, airstrips, mobile irrigation systems, cemeteries, known historic and archaeological sites, wetlands, parks, churches and schools, among others.
178. The routing process involved the delineation of numerous alternative routes. Information of the same general type on community values, parks and recreation areas, archeological and historic sites, aesthetics, and environmental integrity is presented for the alternative routes in the EA. These alternatives were selected to minimize landowner impact in accordance with the criteria specified in PURA and the Commission's Substantive Rules.

**Texas Parks and Wildlife Department Recommendations**

179. TPWD provided comments and recommendations on November 24, 2015 and April 27, 2016. These comments and recommendations regarding the Garland Project address potential impacts on sensitive fish/wildlife resources, habitats or other sensitive natural resources in the routing, construction and operation of the Garland Project. Overall, the concerns, comments, and recommendations are those typically provided by TPWD with regard to proposed transmission line projects.
180. Garland and Burns & McDonnell have already taken into consideration much of the substance of the comments and recommendations offered by TPWD.
181. After route selection, Garland will perform surveys to identify any potential wildlife, water, or vegetation concerns and develop management measures to minimize adverse impacts.

182. Garland witness Ms. Kristi Wise testified that Garland and/or Rusk will comply with TPWD's recommendations to the extent possible, consistent with the need to complete the Garland Project in a timely and cost-effective manner.
183. Staff witness Mr. Kevin Mathis testified that Garland has the resources and the procedures in place for accommodating the recommendations and comments by TPWD.
184. The routing conditions offered by Staff witness Mr. Mathis are typically included in the Commission's Ordering Paragraphs in CCN proceedings and sufficiently address TPWD's concerns.
185. No modifications need to be made to the proposed Garland Project based on TPWD's recommendations.
186. TPWD's recommendations focused on a single issue, protecting fish and wildlife resources and did not take into consideration PURA § 37.056 or Commission Substantive Rule § 25.101.
187. TPWD's recommendations and comments will be considered by Garland except to the extent that they conflict with other factors set out in the Commission's rules and applicable law and the decisions made by the Commission in balancing all of the factors that are required to be considered.
188. Garland and Rusk will comply with all applicable statutes and regulations.
189. Garland will make reasonable efforts to allow threatened species to vacate affected areas or be relocated to a suitable nearby area.
190. Garland and Rusk will coordinate with the U.S. Fish and Wildlife Service (USFWS), TPWD, and other agencies, as needed, once a route has been approved by the Commission.
191. No evidence was presented by TPWD that would preclude construction of Garland's proposed transmission line along any of the alternative routes or combination of segments proposed in Garland's application.
192. If any rule or regulation requires Garland and Rusk to develop a mitigation plan and provide compensatory mitigation, Garland and Rusk will work with the respective agencies to determine the appropriate measures and replacement ratio, if applicable.



193. Because the mitigation measures Garland has already put in place are sufficient to address TPWD's recommendations, no modifications to the proposed Garland Project are necessary.
194. The routing conditions offered by Commission Staff witness Mr. Kevin Mathis should be adopted in this proceeding. These conditions are typically included in the Commission's Ordering Paragraphs in CCN proceedings and sufficiently address TPWD's concerns.

**Texas Parks & Wildlife Code Chapter 26**

195. Tex. Parks & Wildlife Code § 26.001(a) provides that the Commission may not approve any project that requires the use or taking of any public land designated and used prior to the arrangement of the project as a park, recreation area, scientific area, wildlife refuge, or historic site, unless the Commission determines that: (1) there is no feasible and prudent alternative to the use or taking of such land; and (2) the program or project includes all reasonable planning to minimize harm to the land, as a park, recreation area, scientific area, wildlife refuge, or historic site, resulting from the use or taking
196. One of the line segments proposed by Garland in this case, Segment 39, crosses the Sabine River Authority's Unit # 630 recreational hunting area, and may therefore be subject to the provisions of Chapter 26 of the Texas Parks and Wildlife Code.
197. On April 26, 2016, pursuant to Tex. Parks & Wild. Code Ann. § 26.002(a), Garland representatives sent notice via Federal Express to TPWD and the Sabine River Authority.
198. Pursuant to Tex. Parks & Wild. Code Ann. § 26.002, Garland representatives published notice of the hearing in qualifying newspapers, *Henderson Daily News* and *Panola Watchman*, on May 8, 15, and 22, 2016.
199. Garland has complied with the requirements of Tex. Parks & Wild. Code Ann. §§ 26.001-.002.
200. Stipulation Route RP9 does not cross any public land implicated by Parks and Wildlife Code Chapter 26. As a result, Route RP9 is a feasible and prudent alternative to the use or taking of public land which is designated and used as a park, recreation area, scientific area, wildlife refuge, or historic site.
201. Garland included all reasonable planning to minimize any harmful impact on the study area by the proposed Transmission Line route.

202. Garland has conducted an adequate evaluation of potential environmental impacts of the proposed transmission facilities and committed to take the appropriate mitigation measures to protect the environmental integrity of the area.

## **II. Conclusions of Law**

1. Garland's Application to amend its certificate of convenience and necessity is hereby approved.
2. Garland's application was filed pursuant to PURA § 37.051(c-1), (c-2), (g) and (i) as enacted by the 2015 Texas Legislature. Subsections (c-1) and (g) require filing of a CCN application for a facility that enables additional power to be imported into or exported out of the ERCOT power grid and for a municipally owned transmission facility located outside the boundaries of the municipality.
3. Subsections (c-2) and (i) direct the Commission, not later than the 185<sup>th</sup> day after the application is filed, to approve an application under subsections (c-1) or (g) for a facility that is to be constructed under an interconnection agreement appended to an offer of settlement approved in a final order of the Federal Energy Regulatory Commission (FERC) issued in Docket No. TX11-01-001, directing physical connection between the ERCOT and SERC regions under Sections 210, 211, and 212 of the Federal Power Act (FPA), and authorize the Commission to prescribe reasonable conditions to protect the public interest that are consistent with the FERC order.
4. The statute is referring to the order in FERC Docket No. TX11-1-001, *Southern Cross Transmission LLC*, 147 FERC ¶ 61,113 (2014) (*Southern Cross*), which directs physical connection between the ERCOT and SERC regions under Sections 210, 211, and 212 of the FPA.
5. FERC ordered Garland to provide the interconnection in accordance with the interconnection agreements attached to the offer of settlement filed in *Southern Cross*. FERC's Order in *Southern Cross* finds that the interconnection is in the public interest, and determines that the interconnection will not cause any ERCOT utility or other entity that is not already a public utility under the FPA to become a public utility under the FPA.

6. This is an Application for a facility that is to be constructed under an interconnection agreement appended to the offer of settlement approved by FERC in *Southern Cross*, and this Application is therefore governed by PURA § 37.051(c-2) and (i).
7. The Commission has jurisdiction to adjudicate this case pursuant to PURA § 37.051.
8. SOAH has jurisdiction to conduct a hearing on the merits and to prepare a proposal for decision pursuant to PURA § 14.053 and, 9 Tex. Gov't Code §§ 2003.021(b)(2) and 2003.049 (Vernon 2008 and Supp. 2015).
9. Proper notice of the Application was provided in compliance with PURA § 37.054 and 16 TAC § 22.52(a).
10. Proper notice of the hearing on the Application was provided in accordance with the Administrative Procedure Act, Tex. Gov't Code § 2001.051 and Tex. Parks & Wild. Code Ann. § 26.002.
11. Garland's Application is sufficient and complete.
12. Garland presented an adequate number of routes in the Application to conduct a proper evaluation.
13. 16 TAC § 25.101 does not require that habitable structures be avoided in deciding prudent avoidance issues, but does require the limiting of exposures to electric and magnetic fields that can be avoided with reasonable investments of money and effort.
14. The routes proposed by Garland in its Application conform to the Commission's policy on prudent avoidance.
15. The Application does not fall within the Coastal Management Program boundary; therefore, no notice was necessary under 16 TAC 25.102.
16. Garland is entitled to approval of the Application as described in the findings of fact.
17. Garland's Application complies with 16 TAC § 25.101, and the requested certificate of convenience and necessity should be issued.

### **III. Ordering Paragraphs**

1. Garland's Application to amend its certificate of convenience and necessity is hereby approved. The Commission orders that Garland construct the Garland Project along Stipulation Route RP9 (comprised of segments 1, 7, 9, 13, 23, 24, 28, 31, 34, 41, and 43),

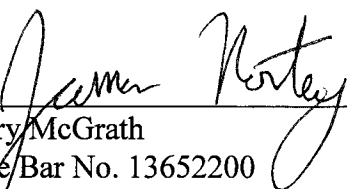
the route agreed to by the intervening landowners, Garland, and SCT in the unopposed Route Stipulation.

2. In the event Garland, Rusk, or their contractors encounter any artifacts or other cultural resources during Garland Project construction, work shall cease immediately in the vicinity of the resource and the discovery shall be reported to the Texas Historical Commission (THC). Garland, Rusk and their contractors will take action as directed by the THC.
3. Garland, Rusk, and their contractors shall follow the procedures outlined in the following publications for protecting raptors: *Suggested Practices for Raptor Protection on Power Lines, The State of the Art in 2006*, Avian Power Line Interaction Committee (APLIC), 2006, and the *Avian Protection Plan Guidelines* published by APLIC in April 2005. Also, Garland, Rusk and their contractors should consult *Reducing Avian Collisions with Power Lines: State of the Art in 2012*.
4. Garland, Rusk, and their contractors shall exercise extreme care to avoid affecting non-targeted vegetation or animal life when using chemical herbicides to control vegetation within the right-of-way (ROW) and such herbicide use shall comply with rules and guidelines established in the *Federal Insecticide Fungicide and Rodenticide Act* and with the Texas Department of Agriculture regulations.
5. Garland, Rusk, and their contractors shall minimize the amount of flora and fauna disturbed during construction of the proposed transmission line, except to the extent necessary to establish appropriate ROW clearance for the transmission line. In addition, Garland, Rusk, and their contractors shall revegetate using native species and shall consider landowner preferences in doing so. Furthermore, to the maximum extent practicable, Garland, Rusk, and their contractors shall avoid adverse environmental impacts to sensitive plant and animal species and their habitats as identified by the TPWD and the United States Fish and Wildlife Service.
6. Garland, Rusk, and their contractors shall implement erosion control measures as appropriate. Also, Garland, Rusk, and their contractors shall return each affected landowner's property to its original contours and grades unless otherwise agreed to by the landowner. Garland, Rusk, and their contractors shall not be required to restore original

contours and grades where different contour or grade is necessary to ensure the safety or stability of the project's structures or the safe operation and maintenance of the line.

7. Garland, Rusk, and their contractors shall cooperate with the directly-affected landowners to implement minor deviations in the approved route to minimize the impact of the transmission line. Any minor deviations to the approved route shall only directly affect landowners that received notice of the transmission line in accordance with 16 TAC § 22.52(a)(3) and that have agreed to the minor deviations.
8. Garland, Rusk, and their contractors shall be permitted to deviate from the approved route in any instance in which the deviation would be more than a minor deviation, but only if the following two conditions are met. First, Garland, Rusk, or their contractors shall receive consent from all landowners who would be affected by the deviation regardless of whether the affected landowner received notice of or participated in this proceeding. Second, the deviation shall result in a reasonably direct path towards the terminus of the line and not cause an unreasonable increase in cost or delay the Garland Project. Unless these two conditions are met, this paragraph does not authorize Garland, Rusk, or their contractors to deviate from the approved route except as allowed by the other ordering paragraphs in this Order.
9. Garland, Rusk, and their contractors shall conduct surveys to identify pipelines that could be affected by the proposed transmission line, if not already completed, and coordinate with pipeline owners in modeling and analyzing potential hazards because of alternating-current interference affecting pipelines being paralleled.
10. Garland, Rusk, and their contractors shall use best management practices to minimize the potential impact to migratory birds and threatened or endangered species.
11. Garland shall comply with the reporting requirements of 16 TAC § 25.83.
12. All other motions, requests for entry of specific findings of fact or conclusions of law, and any other requests for general or specific relief, if not expressly granted herein, are denied.

Respectfully submitted,

  
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Kerry McGrath

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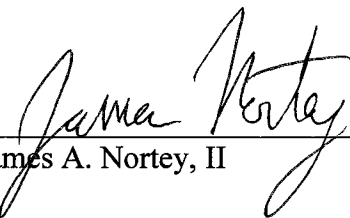
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**ATTORNEYS FOR THE CITY OF GARLAND**

**CERTIFICATE OF SERVICE**

I certify that a true and correct copy of this document was served to all parties on June 10, 2016 via the Public Utility Commission of Texas Interchange website pursuant to SOAH Order No. 3.

  
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James A. Nortey, II