

199. Garland 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

200. 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.
201. All of the proposed routes would parallel some property lines, and most of the proposed routes would also parallel roads (except Route RP82).
202. 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.
203. To the extent feasible, the proposed routes avoid being parallel or 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.
204. The proposed transmission line, when paralleling existing utility corridors, will not share any ROWs with the existing utilities but instead will be located immediately adjacent to the existing ROWs.

Prudent Avoidance

205. The routes and route links proposed in the application for 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.
206. The number of habitable structures located within 500 feet of the proposed route centerlines ranges from 13 to 27.
207. Route RP9 has 13 habitable structures within 500 feet of the centerline.
208. Route RP9 and the routes and route segments proposed in the Garland Project reflect reasonable investments of money and effort to limit exposure to electric and magnetic fields.

Alternative Routes/Configurations

209. 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.
210. 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 & Wildlife Issues**

Texas Parks & Wildlife Department Recommendations

211. TPWD provided comments and recommendations regarding the Garland Project on November 24, 2015 and April 27, 2016. These comments and recommendations addressed potential impacts on sensitive fish and 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.
  212. TPWD did not file testimony or present a witness in this proceeding.
  213. TPWD's recommendations focused on a single issue, protecting fish and natural wildlife resources, and did not take into consideration other routing factors included in PURA § 37.056 of 16 Texas Administrative Code § 25.101.
  214. Garland and Burns & McDonnell have already taken into consideration many of the comments and recommendations offered by TPWD.
  215. After route selection, Garland and Rusk will perform surveys to identify any potential wildlife, water, or vegetation concerns and develop management measures to minimize adverse impacts.
  216. Garland and 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.
  217. Garland has the resources and the procedures in place for accommodating the recommendations and comments by TPWD.
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218. The routing conditions recommended by Staff are typically included in the Commission's Ordering Paragraphs in transmission line certification proceedings, and are sufficient to address TPWD's concerns.
219. No modifications to the Garland Project are required as a result of the recommendations and comments made by TPWD.
220. Garland and Rusk will implement TPWD recommendations that state-listed threatened species observed during construction be allowed to leave the site or be relocated by a permitted individual to a suitable nearby area.
221. 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 selected by the Commission.
222. It is appropriate that Garland and Rusk will use best management practices to minimize the potential impact to migratory birds and threatened species. If any rule or regulation requires Garland or 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 mitigation ratio(s), if applicable.
223. In the event Garland, Rusk, or their contractors encounter any archeological artifacts or other cultural resources during 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 and Rusk will take actions as directed by THC.
224. Garland and Rusk 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 and Rusk will consult *Reducing Avian Collisions with Power Lines: State of the Art in 2012*.
225. Garland and Rusk shall exercise extreme care to avoid affecting non-targeted vegetation or animal life when using chemical herbicide to control vegetation within the ROWs 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.
226. Garland and Rusk 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 and Rusk shall revegetate using native species and shall consider landowner preferences in doing so. Furthermore, to the maximum extent practicable, Garland and Rusk shall avoid adverse environmental impacts to sensitive plant and animal species and their habitats as identified by TPWD and USFWS.

227. To avoid erosion created during construction or as the result of operation of the transmission line, Garland and Rusk shall implement erosion control measures as appropriate. Also, Garland and Rusk will return each affected landowner's property to its original contours unless otherwise agreed to by the landowner. Garland and Rusk shall not be required to restore original contours and grades where different contour or grades are necessary to ensure the safety or stability of the project's structures or the safe operation and maintenance of the transmission line.

Texas Parks & Wildlife Code Chapter 26

228. One of the line segments proposed for the Garland Project, Segment 39, crosses the Sabine River Authority's Unit # 630 recreational hunting area.
229. On April 26, 2016, Garland representatives sent notice of the hearing on the merits in this case via Federal Express to the Executive Director of the TPWD and the Executive Vice President and General Manager of the Sabine River Authority.
230. Garland representatives published notice of the hearing in qualifying newspapers, *Henderson Daily News* and *Panola Watchman*, on May 8, 15, and 22, 2016.
231. Route RP9 does not cross any public land implicated by Texas Parks & 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.
232. Garland included all reasonable planning to minimize any harmful impact on the study area by the proposed Transmission Line route.
233. 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.

**VIII. CONCLUSIONS OF LAW**

1. The Commission has jurisdiction over this case pursuant to PURA § 37.051.
2. SOAH has jurisdiction to conduct a hearing on the merits and to prepare a proposal for decision pursuant to PURA § 14.053 and Texas Government Code §§ 2003.021(b)(2) and 2003.049.
3. PURA § 37.051(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. PURA § 37.051(c-2) and (i) direct the Commission, not later than the 185th 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 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 FPA.
5. Garland applied for a facility that is to be constructed under an interconnection agreement appended to the offer of settlement approved by FERC in its final order in Docket No. TX11-01-001; therefore, Garland's application is governed by PURA § 37.051(c-2) and (i).
6. PURA § 37.051(c-2) authorizes the Commission, in approving Garland's application, to prescribe reasonable conditions to protect the public interest that are consistent with the FERC Order.
7. Proper notice of Garland's application was provided in compliance with PURA § 37.054 and 16 Texas Administrative Code § 22.52(a).
8. Proper notice of the hearing on Garland's application was provided in accordance with Texas Government Code § 2001.051 and Texas Parks & Wildlife Code § 26.002.
9. Garland's application is sufficient and complete.
10. Garland presented an adequate number of reasonably differentiated routes in its application to conduct a proper evaluation.
11. 16 Texas Administrative Code § 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.
12. The routes proposed by Garland in its application conform to the Commission's policy on prudent avoidance.
13. Garland's application does not fall within the Coastal Management Program boundary; therefore, no notice was necessary under 16 Texas Administrative Code § 25.102.
14. Garland is entitled to approval of its application for the Garland Project as described in the findings of fact.
15. Garland's application complies with 16 Texas Administrative Code § 25.101, and the requested certificate of convenience and necessity should be issued, consistent with the following Ordering Paragraphs.

## IX. 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 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 encounters 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 Texas Administrative Code § 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 Texas Administrative Code § 25.83.
12. Garland and SCT must give effect and honor their representations made in FERC Docket No. TX11-01-001, and, specifically, SCT cannot seek to recover from ERCOT ratepayers and Garland cannot seek to recover from wholesale or retail customers in Texas the costs incurred in the construction of the interconnection facilities identified in the interconnection agreement between Garland and SCT
13. SCT must execute the ERCOT SFMPA prior to energization of the SCT DC Tie and the Garland Project, after ERCOT determines, through its stakeholder process, the appropriate market participation category for SCT, implements the modifications to the SFMPA and its protocols, bylaws, and systems required for SCT's participation, and determines the appropriate market segment for SCT.
14. Prior to energization of the SCT DC Tie and the Garland Project, ERCOT must execute a coordination agreement or agreements with the ISO/RTO and/or RC on the eastern end of the SCT Line, consulting SCT as needed during negotiations of such agreement(s) for technical input and guidance.
15. ERCOT must, through its stakeholder process and prior to the energization of the SCT DC Tie and the Garland Project, determine what ramp rate restrictions will be necessary to accommodate the interconnection of the SCT DC Tie and implement those restrictions.

16. ERCOT must, through its stakeholder process and prior to the energization of the SCT DC Tie and the Garland Project, develop and implement a methodology to reliably and cost-effectively coordinate outages following the interconnection of the SCT DC Tie.
17. SCT must provide the Commission with evidence that it has secured the funding to construct the Garland Project, the SCT DC Tie, and all related interconnection facilities before Garland, SCT, and Rusk, and their affiliates, are permitted to seek condemnation of any landowner's land in Panola County for the Garland Project, so long as the landowner provides access to the land for surveying and design purposes.
18. Garland and SCT must immediately disconnect the Garland Project from the SCT DC Tie if necessary to prevent ERCOT or any ERCOT utility from becoming subject to FERC rules.
19. Garland and SCT must disconnect the Garland Project from the SCT DC Tie if a synchronous connection is made with the transmission line outside of Texas.
20. SCT and Garland must obtain approval from the Commission pursuant to PURA § 37.054 prior to any transfer of the CCN for the Garland Project to Rusk.
21. Rusk is prohibited from requesting Garland to upgrade the Garland Project under the Transmission Line Agreement (TLA) between Garland and Rusk.
22. ERCOT, through its stakeholder process and prior to the energization of the SCT DC Tie and the Garland Project, must study and determine how best to model the SCT DC Tie in its transmission planning cases and make any necessary revisions to its standard and protocols as appropriate.
23. ERCOT must, through its stakeholder process and prior to energization of the SCT DC Tie and the Garland Project, study and determine what transmission upgrades, if any, are necessary to maintain congestion resulting from power flows over the SCT DC Tie.
24. ERCOT must, through its stakeholder process and prior to energization of the SCT DC Tie and the Garland Project: (a) study and determine whether some or all DC ties should be economically dispatched or whether implementation of a CMP or SPS would more reliably and cost-effectively manage congestion caused by DC tie flows; and (b) implement any necessary revisions to its protocols and standards as appropriate.
25. ERCOT must, through its stakeholder process and prior to the energization of the SCT DC Tie and the Garland project, study and determine whether SCT or any other entity scheduling flows across the SCT DC Tie should be required to provide or procure VSS or PFR, or their technical equivalents, and implement any necessary standard revisions as appropriate.
26. ERCOT must, through its stakeholder process and prior to the energization of the SCT DC Tie and the Garland Project, (a) evaluate what additional ancillary services, if any,



are necessary for the reliable interconnection of the SCT DC Tie and (b) implement any needed modifications to ancillary services procurement.

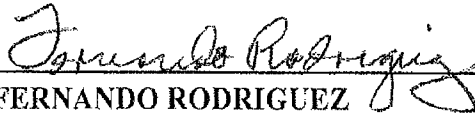
27. All other motions, requests for entry of specific findings of fact or conclusions of law, and any other requests for general or specific relief, if not expressly granted herein, are denied.

SIGNED July 27, 2016.



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CASEY A. BELL  
ADMINISTRATIVE LAW JUDGE  
STATE OFFICE OF ADMINISTRATIVE HEARINGS



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FERNANDO RODRIGUEZ  
ADMINISTRATIVE LAW JUDGE  
STATE OFFICE OF ADMINISTRATIVE HEARINGS