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PUBLIC UTILITY COMMISSION  
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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 §

PUBLIC UTILITY COMMISSION  
OF TEXAS

**COMMISSION STAFF'S REPLY TO SOUTHERN CROSS'S MOTION FOR  
REHEARING**

**COMES NOW** the Staff (Staff) of the Public Utility Commission of Texas (Commission), representing the public interest, and files this Response to Southern Cross Transmission LLC's (Southern Cross) Motion for Rehearing. In support thereof, Staff shows the following:

**I. Introduction**

On April 3, 2017, Southern Cross filed a motion for rehearing in response to the Commission's March 14, 2017 Order on Rehearing. Pursuant to Tex. Gov't Code Ann. § 2001.146(b) (West 2016), Staff must file its reply not later than the 40th day after the date the Order on Rehearing was signed, April 24, 2017. Therefore, this reply is timely filed.

**II. Reply**

Southern Cross's motion should be denied. Southern Cross's motion, for the most part, asserts the same points of error as its previous motion for rehearing filed on October 3, 2016. Staff will not duplicate its response from its earlier filing but rather incorporates its responses from its October 18, 2016 filing.<sup>1</sup> Consequently, Staff only responds to points of error numbers 1 and 2.

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<sup>1</sup> Staff's Reply to Motions for Rehearing (Oct. 3, 2016).

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**A. Southern Cross's allegation of ambiguity in Ordering Paragraph 34 is unfounded (Point of Error No. 1)**

Southern Cross alleges the existence of ambiguity in Ordering Paragraph 34 that could make it responsible for open-ended transmission upgrade costs.<sup>2</sup> Southern Cross specifically wonders whether it could be held responsible for future upgrades to the Oncor substation that are for the purpose of connecting local generation.<sup>3</sup> Ordering Paragraph 34 states:

Any additional costs associated with the Garland line, the Garland substation, the Oncor substation, or the Southern Cross DC tie that would otherwise be borne by ERCOT ratepayers shall instead be borne by Southern Cross Transmission. Such costs include, but are not limited to, transmission-upgrade costs, ancillary-services costs, and the costs of negotiating and executing any coordination agreements with any necessary independent system operator, regional transmission organization, or reliability coordinator.<sup>4</sup>

Ordering Paragraph 34 clearly states the responsibility of Southern Cross and obviates Southern Cross's attempt to read ambiguity into it.

Consequently, Staff finds Southern Cross's point of error unfounded.

**B. Ordering Paragraph 20 clearly states the type of permits Southern Cross must obtain in Louisiana before construction can begin in Texas (Point of Error No. 2).**

Southern Cross maintains that Ordering Paragraph 20 could be interpreted so as to effectively require it to complete the portion of the project in Louisiana before it can begin construction in Texas.<sup>5</sup> This is not the first time Southern Cross has raised this issue. In the August 25, 2016 Draft Order, Ordering Paragraph 20 stated:

Southern Cross Transmission must provide evidence that it has obtained all necessary regulatory approvals in Louisiana for the Southern Cross DC Tie and all related interconnection facilities before Garland, Southern Cross, Rusk Interconnection, 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.<sup>6</sup>

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<sup>2</sup> Motion for Rehearing of Southern Cross Transmission LLC at 2-3, 5-6 (Apr. 3, 2017) (Second Motion for Rehearing).

<sup>3</sup> *Id.* at 6.

<sup>4</sup> Order on Rehearing at 59 (Mar. 14, 2017).

<sup>5</sup> Second Motion for Rehearing at 3-4, 6-7.

<sup>6</sup> Draft Order at 42 (Aug. 25, 2016).

Southern Cross raised its objection at the August 25, 2016 open meeting, stating: “some of those [permits] won’t be obtained until after construction.”<sup>7</sup> Commissioner Anderson clarified that the language in Ordering Paragraph 20 only referred to siting approval, and directed CADM to clarify this.<sup>8</sup> No clarification was made, and the proposed ordering paragraph was adopted unchanged.

Southern Cross re-raised the issue in its motion for rehearing.<sup>9</sup> The Commission subsequently modified Ordering Paragraph 20, which now reads:

Garland must provide evidence that all regulatory approvals in Louisiana necessary **to construct** the Southern Cross DC Tie, the Southern Cross line, and all related interconnection facilities have been obtained before any landowner's land in Panola County may be condemned for the Garland line, the Garland substation, or the Oncor substation, so long as the landowner provides access to the land for surveying and design purposes.<sup>10</sup> [emphasis added]

Ordering Paragraph 20 was considered and modified by the Commission as set forth above.

#### **IV. Conclusion**

Staff recommends the Commission deny Southern Cross’s motion for a rehearing.

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<sup>7</sup> Open Meeting Tr. at 10:20-21 (Aug. 25, 2016).

<sup>8</sup> *Id.* at 11:3-12.

<sup>9</sup> Motion for Rehearing of Southern Cross Transmission LLC at 18-19 (Oct. 3, 2016).

<sup>10</sup> Order on Rehearing at 58.

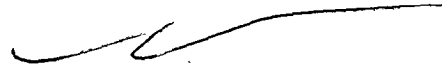
**Dated: April 21, 2017**

**PUBLIC UTILITY COMMISSION  
LEGAL DIVISION**

Respectfully Submitted,

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**CERTIFICATE OF SERVICE**

I certify that a copy of this document will be served on all parties of record on April 21, 2017, in accordance with 16 TAC § 22.74.



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Landon J. Lill