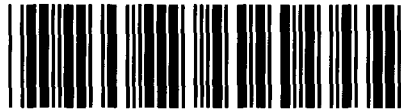


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OPEN MEETING COVER SHEET

COMMISSIONER MEMORANDUM

MEETING DATE: August 30, 2018

DATE DELIVERED: August 29, 2018

AGENDA ITEM NO.: 10

CAPTION: Docket No. 47691; SOAH Docket No. 473-18-1796 - *Joint Application of Brazos Electric Power Cooperative, Inc. and AEP Texas, Inc. to Amend Certificates of Convenience and Necessity for the Gyp to Benjamin 138-kV Transmission Line in King and Knox Counties*

ACTION REQUESTED: Chairman Walker Memo

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Public Utility Commission of Texas

TO: Chairman DeAnn T. Walker
Commissioner Arthur C. D'Andrea
Commissioner Shelly Botkin

All Parties of Record (*via electronic transmission*)

FROM: Petrus Wassdorf 
Commission Advising

RE: *Joint Application of Brazos Electric Power Cooperative, Inc. and AEP Texas, Inc. to Amend Certificates of Convenience and Necessity for the Gyp to Benjamin 138-kV Transmission Line in King and Knox Counties, Docket No. 47691, SOAH Docket No. 473-18-1796.WS, August 30, 2018 Open Meeting, Item No. 10*

DATE: August 29, 2018

Please find enclosed a memorandum by Chairman Walker regarding the above-referenced docket. No other commissioner will file a memorandum in this docket.

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Public Utility Commission of Texas

Memorandum

TO: Commissioner Arthur C. D'Andrea
Commissioner Shelly Botkin

FROM: Chairman DeAnn T. Walker 

DATE: August 29, 2018

RE: Open Meeting of August 30, 2018 – Agenda Item No. 10
Docket No. 47691; SOAH Docket No. 473-18-1796, *Joint Application of Brazos Electric Power Cooperative, Inc. and AEP Texas, Inc. to Amend Certificates of Convenience and Necessity for the Gyp to Benjamin 138-kV Transmission Line in King and Knox Counties*

Ordering paragraph 1 of the proposed order states that the Commission amends the certificates of convenience and necessity (CCNs) for Brazos Electric Power Cooperative and AEP Texas “to include the construction and operation of the proposed transmission line along the settlement route, consisting of links 58, 59, 3, 5, 10, 13, 18, 23, 28, 48, 33, 37, 38, 44, and 45 as provided by this Order.” However, Brazos Electric and AEP Texas will not individually construct and operate the entirety of the transmission line. The parties propose to each construct and operate approximately one-half of the transmission line.

If the Commission approves the amendments to the CCNs, those amendments should be reflective of the actual portions of the transmission line that Brazos Electric and AEP Texas will construct and operate individually. As such, I request that representatives of Brazos Electric and AEP Texas be present at the August 30, 2018 open meeting and be prepared to discuss the specific portions of the transmission facilities that each proposes to construct and operate. Once the Commission has the information, then the order should amend each CCN held by each utility to cover only the portions to be owned and operated by that utility.

In addition, I also recommend the following changes to the order.

Finding of fact 15 should be modified as follows to more clearly state the financing for the parties.

15. Brazos Electric proposes to use United States Department of Agriculture Rural Utilities Service loans to fund its portion of the transmission line. AEP Texas proposes to use short-term borrowing and owner equity to fund its portion of the transmission line. Financing of Brazos Electric's portion of the proposed transmission line will use United States Department of Agriculture Rural Utilities Service loan funds. Financing of AEP Texas's portion of the proposed transmission line will use funds from short-term borrowings and owner equity.

Finding of fact 16 should be corrected to delete a duplicative word.

16. A notice of public meeting ~~notice~~ was submitted to landowners who own property located within 300 feet of the preliminary alternative link centerlines. A total of 59 notices were mailed to landowners and entities for the public meeting. Applicants obtained the property owners' names and addresses from the tax rolls in the counties traversed by the preliminary alternative routing links.

Finding of fact 33 should be modified to more clearly state the reason for dismissing the intervenor.

33. In SOAH Order No. 4 issued on May 3, 2018, the State Office of Administrative Hearings (SOAH) ALJs dismissed intervenor Finnice Turnbow for failure to, ~~who did not~~ file direct testimony or a statement of position.

Finding of fact 45 should be modified for clarity.

45. On April 20, 2018, a nonunanimous settlement agreement was filed in which the signatory parties agreed to amendment of the applicants' CCNs for the proposed transmission line using filed-route C (the settlement route). The applicants also filed a proposed order.

Finding of fact 105 should be modified to more accurately align with the corresponding ordering paragraph.

105. It is appropriate that applicants revegetate cleared and disturbed areas using native species and must consider landowner preferences and wildlife needs in doing so.

Finally, I propose delegating to Commission Advising and Docket Management staff the authority to modify the order to conform to the *Citation and Style Guide for the Public Utility Commission of Texas* and to make other non-substantive changes to the order for such matters as capitalization, spelling, grammar, punctuation, style, correction of numbering, and readability.

I look forward to discussing this matter with you at the open meeting.