



Control Number: 48629



Item Number: 376

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DeAnn T. Walker
Chairman

Arthur C. D'Andrea
Commissioner

Shelly Botkin
Commissioner

John Paul Urban
Executive Director



Greg Abbott
Governor

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Public Utility Commission of Texas

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

All Parties of Record

FROM: Office of Policy & Docket Management

RE: **Open Meeting of October 11, 2019**
PUC Docket No. 48629
SOAH Docket No. 473-19-5246 – *Application of CenterPoint Energy Houston Electric, LLC to Amend a Certificate of Convenience and Necessity for a 345-kV Transmission Line in Brazoria, Matagorda, and Wharton Counties*

DATE: September 19, 2019

Enclosed is a copy of the Proposed Order in the above-referenced docket. The Commission will consider this docket at an open meeting currently scheduled to begin at 9:30 a.m. on Friday, October 11, 2019, at the Commission's offices, 1701 North Congress Avenue, Austin, Texas. The parties shall file corrections or exceptions to the Proposed Order on or before Thursday, October 3, 2019.

On January 3, 2019, the Commission referred this proceeding to the State Office of Administrative Hearings. Subsequently, the docket was returned to the Commission.

If there are no corrections or exceptions, no response is necessary.

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PUC DOCKET NO. 48629
SOAH DOCKET NO. 473-18-1857

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|--------------------------------------|----------|----------------------------------|
| APPLICATION OF CENTERPOINT | § | PUBLIC UTILITY COMMISSION |
| ENERGY HOUSTON ELECTRIC, LLC | § | |
| TO AMEND A CERTIFICATE OF | § | OF TEXAS |
| CONVENIENCE AND NECESSITY FOR | § | |
| A 345-KV TRANSMISSION LINE IN | § | |
| BRAZORIA, MATAGORDA, AND | § | |
| WHARTON COUNTIES | § | |

PROPOSED ORDER

This Order addresses the application of CenterPoint Energy Houston Electric, LLC to amend its certificate of convenience and necessity (CCN) to construct, own, and operate the Bailey-to-Jones Creek 345-kilovolt (kV) transmission line in Brazoria, Matagorda, and Wharton counties. CenterPoint Energy, Commission Staff, and certain intervenors filed an unopposed settlement agreement resolving certain issues among the parties to this proceeding. The Commission amends CenterPoint Energy's CCN number 30086 to the extent provided by this Order.

I. Findings of Fact

The Commission makes the following findings of fact.

Applicant

1. CenterPoint Energy is an investor-owned electric utility providing service under CCN number 30086.

Application

2. On September 12, 2018, CenterPoint Energy filed an application to amend its CCN to build a new, double-circuit 345-kV transmission line in Brazoria, Matagorda, and Wharton counties that will connect the CenterPoint Energy-owned Bailey and Jones Creek substations (the transmission facilities).
3. CenterPoint Energy retained POWER Engineers, Inc. to prepare an environmental assessment and routing analysis, which CenterPoint Energy attached to its application.
4. On February 15, 2019, CenterPoint Energy filed errata to the application.

Description of the Transmission Facilities

5. The 345-kV transmission line proposed in the application is 53.9 to 84.3 miles long, depending on the route selected.
6. CenterPoint Energy will construct the transmission line on double-circuit lattice steel towers with a vertical phase configuration, though tubular steel poles or delta lattice towers may be necessary for certain terrain and crossings, extending from CenterPoint Energy's existing Bailey substation in Wharton County to CenterPoint Energy's existing Jones Creek substation in Brazoria County.
7. The estimated construction costs of the filed routes range from \$481,720,000 to \$695,201,000.
8. The routes are based on a right-of-way width of 100 feet, of which CenterPoint Energy possesses 1.2% to 3.3%, depending on the route selected.
9. CenterPoint Energy will own, operate, and maintain all of the transmission facilities.
10. CenterPoint Energy's application included one route—alternative route 5—CenterPoint Energy contends best addressed the requirements of PURA¹ and the Commission's rules and 30 additional alternative routes for the transmission facilities.
11. CenterPoint Energy estimated that it would finalize engineering and design by September 2020, acquire all right-of-way and land by December 2020, procure material and equipment by September 2021, complete construction by April 2022, and energize the proposed transmission facilities by April 2022.

Public Input

12. CenterPoint Energy held public meetings to gather information on community values for the transmission facilities on February 6, February 8, and February 13, 2018.
13. CenterPoint Energy directly mailed 2,398 individual written notices of the public meetings to affected landowners.
14. One-hundred and forty-seven people signed in as attending the public meetings.

¹ Public Utility Regulatory Act, Tex. Util. Code §§ 11.001–66.016.

15. Seventy-seven attendees of the meetings completed questionnaires and submitted them to CenterPoint Energy or POWER Engineers for consideration.
16. CenterPoint Energy evaluated and incorporated information from the public meetings and from local, state, and federal agencies into the selection of recommended and alternative routes.

Notice of Application

17. On September 12, 2018, CenterPoint Energy did the following: (a) mailed written notice by first-class mail of the application to county and municipal officials in Brazoria, Matagorda, and Wharton counties; (b) mailed written notice by first-class mail of the application to each neighboring utility providing similar utility service within five miles of the proposed routes; (c) mailed written notice by first-class mail of the application to pipeline owners; (d) mailed written notice by first-class mail of the application to each landowner, as stated on current county tax rolls, who would be directly affected if the requested CCN amendment were granted; (e) hand-delivered notice of the application to the Office of Public Utility Counsel; (f) mailed written notice by first-class mail of the application to the Department of Defense Siting Clearinghouse; and (g) provided a copy of the environmental assessment and alternative route analysis to the Texas Parks and Wildlife Department by first-class mail.
18. On October 2, 2018, CenterPoint Energy filed an affidavit attesting to notice of the application to municipalities, counties, neighboring utilities, the Department of Defense Siting Clearinghouse, the Office of Public Utility Counsel, and directly affected landowners; publication of notice of the application in newspapers having general circulation in the counties where CenterPoint Energy requested a CCN; and the authenticity of attached publisher's affidavits.
19. On October 10, 2018, Commission Staff filed its first recommendation on the sufficiency of the application and notice, which recommended that the Commission republish notice in the *Texas Register* with additional language pertaining to the Coastal Management Program, as required by 16 Texas Administrative Code (TAC) § 25.102(d)(1).

20. On October 12, 2018, the Commission submitted a revised *Texas Register* notice including the language required by 16 TAC § 25.102(d)(1) regarding the Coastal Management Program.

Intervenors

21. In Order No. 2 issued on October 2, 2018, the Commission ALJ granted intervenor status to the following parties: CBH Farms, LTD, the Texas Industrial Energy Consumers, ViceBee LLC, Kimberley and Linda Carmichael, William Ritter, and Jim Alford.
22. In Order No. 3 issued on October 16, 2018, the Commission ALJ granted intervenor status to the following parties: Pamala Chandler, the Electric Reliability Council of Texas, Inc. (ERCOT), Jane E. Orchard, Donnie Stratton, Valhalla Interests, LLC, Linda Anderson, Agnes Morgan, Willie Rivas, Reba D. Allen, Michael Morgan, Albert Reyes, Judge Nate McDonald on behalf of Matagorda County constituents, Matagorda County, the Matagorda County Trustee, and the Matagorda County Treasurer.
23. In Order No. 5 issued on October 25, 2018, the Commission ALJ granted intervenor status to the following parties: Lower Colorado River Authority (LCRA), Raymond Booker, Corby Gotcher, Sam Guarino, Randall Tate, Keith Cunningham, Penny Garrett, Randy Hargett, Sr., Harold Hinkle, Kent Kerr, Raul Ramirez, Tommy Carter, Pedro Martinez, and American Midstream Offshore (Seacrest), LP.
24. In Order No. 6 issued on November 7, 2018, the Commission ALJ granted intervenor status to the following parties: Tracy Hester, James Parmer on behalf of JPF Leasing, LLC, James Parmer on behalf of Hickory Bayou Ranch, LLC, Joseph Mallory, Clarence L. Orchard II, John S. Runnells, III, Runnells Pierce Ranch, Brenda Fleshman, Martin P. and Joan Atwood, Ken Eury, Oddie and Owana Fields III, Phyllis (Adkins) Davila, Tom Holcomb, The Sweeny Group, George and Jo C. Stutts, Amy Pendergraft, William (Bill) Pendergraft, Everett H. and Sandra P. Kersh, Alice Sandra Kersh, Thomas Kersh, Ted O. Kaspar, Kenneth Ray Kaspar, the Texas Parks and Wildlife Department, Douglas Jenkins, Sandra Jenkins, Tracy Henderson, Matthew Kubena, Doris Watkins, Monty and Paula Pril, John Marsh, Manuel Ortiz, Jr., Stephen Silva on behalf of Stephen T. Sliva Inc. (dba Sliva Turf Farms), Katheryn Rollins, Larry Lamb, Jr., Eugene Garratt, Alice Hood, David T. Spencer,

Gayle Whitehead, Sue Keith, Herbert Pavlovsky, Larry Fulkerson, Tenaris Bay City, Inc., Katy Prairie Conservancy and Wylie Ventures LLC, Carrie Thomas, Larry and Winona Williams, Wade Harvey Buchanan Estate, Roy Buchanan, Cathy Hall, and Eugene Miles.

25. In Order No. 7 issued on December 4, 2018, the Commission ALJ granted intervenor status to the following parties: Jacqueline Tims, Gary Hood, David Simmons, Jr., Anthony Edison, Clayton Fields, Irene Ocanas, Estate of Javier De La Cerda, et al., Marquis Powell, Lynette Curtis, Steve Tyler, Brandy Croft, John P. Thomas, Delores Sanders, DCVK, LP, Robert Vineyard on behalf of BRM3 Interests, LP, Russell Brigance, Richard Bundick, John Kessler, Haskell Simon, Richard Goolsby, Jr., Douglas Huebner, Paul Brunner, III, Lydia Treviño, Leo and Ruby Borak, Alma Mcentire, Lisa Zimmerman, Gene Honeycutt, Daniel Anderson, Sally Alford Lynch, and David Gotcher.
26. In Order No. 9 issued on December 13, 2018, the Commission ALJ granted intervenor status to Jerriel Evans, Jr. and Marcus Bonner.
27. In Order No. 10 issued on December 21, 2018, the Commission ALJ denied intervenor status to the following parties because they are not directly affected landowners: Payge Moreno, Theron Jones, Cynthia Gale Edwards, Nancy Jones, Michelle Townsend, Erstine Burton, Tracy Adigu, Monica Reedy, Stacy Adetunji (Edwards), Keva Hwaizu, Christine Ladet, Henrietta Glass, Brushawn Lewis, Shannon Higgins, Marquis Powell, Douglas Smith, Terry Perry, Gracie Sennette, and Terry Knoxon.
28. In State Office of Administrative Hearings (SOAH) Order No. 2 issued on January 25, 2019, the SOAH ALJ granted intervenor status to Allen Glass and the Olin Corporation and denied intervenor status to Elicia McVey and Betty Sykes because they were not directly affected landowners.

Alignment of Intervenors

29. No parties noticed a voluntary alignment, nor was any alignment requested or ordered.

Route Adequacy

30. CenterPoint Energy's application presented 30 geographically diverse routes utilizing a combination of 164 routing links.

31. The application's 30 geographically diverse routes are an adequate number of differentiated routes to conduct a proper evaluation.

Statements of Position and Pre-filed Testimony

32. On September 12, 2018, CenterPoint Energy filed the direct testimonies of their witnesses Rob R. Reid, Ryan K. Bayer, Wesley D. Woitt, Matthew D. Cox, and Lesli B. Cummings.
33. On November 13, 2018, CenterPoint Energy filed errata to the direct testimony of Robert R. Reid.
34. On March 20, 2019, the following parties filed statements of position: ERCOT; Olin Corporation; LCRA; Texas Industrial Energy Consumers; William R. and Amy Pendergraft; and John S. Runnells, III and Runnells Pasture Co., Ltd.
35. On March 20, 2019, Stephen Silva filed direct testimony on behalf of Stephen T. Silva, Inc., dba Silva Turf Farms; Tom Holcomb filed direct testimony on behalf of himself; Roberto E. De Hoyos filed direct testimony on behalf of Tenaris Bay City; Katy Prairie Conservancy and Spread Oaks Ranch (Wylie Ventures LLC) filed the direct testimony of its witness, Don C. Nelson; the Texas Parks and Wildlife Department filed the direct testimony of its witnesses, Matt Nelson and Rachel Lange; CBH Farms, Ltd. filed the direct testimony of its witness, Brian C. Andrews; the City of Sweeny, Texas filed the direct testimony of its witness, Sandra Blane; and The Sweeny Group, Brenda Fleshman, and Kent and Teresa Kerr jointly filed the direct testimony of their witness, Mohammed Ally.
36. In SOAH Order No. 3 issued on April 11, 2019, the SOAH ALJs dismissed the following parties for failure to file direct testimony or a statement of position by the March 20, 2019, deadline: Vicebee, LLC; Kimberly and Linda Carmichael; William Ritter; Jim Alford; Jerriel Evans, Jr.; Marcus Bonner; Pamala Chandler; Donnie Stratton; Jane E. Orchard; Valhalla Interests, LLC; Agnes Morgan; Linda Anderson; Willie Rivas; Matagorda County Constituents (Nate McDonald); Matagorda County; Matagorda County TR; the Matagorda County Trustee; Michael Morgan; Reba D. Allen and Albert Reyes; Corby Gotcher; San Guarino; Randall Tate; Raymond Booker; Randy Hargett, Sr.; Raul Ramirez; Harold Hinkle; Keith Cunningham; Penny Garrett; Pedro Martinez; Tommy Carter; Joseph Mallory; Clarence L. Orchard, II; Tracy Hester; Martin P. and Joan Atwood; Ken Eury;

Phyllis Akins Davila; Oddie and Owana Fields, III; Everett H. and Sandra P. Kersh; Alice Sandra Kersh; Ted O. Kaspar; George and Jo C. Stutts; Thomas Kersh; Douglas Jenkins; Sandra Jenkins; Tracy Handerson; Matthew Kubena; Doris Watkins; Monty and Paula Pril; John Marsh; Manuel Ortiz, Jr.; Larry Fulkerson; Herbert Pavlosky; Alice Hood; Gayle Whitehead; Eugene Garratt; Larry Lamb, Jr.; Katheryn Rollins; Sue Keith; Carrie Thomas; Larry and Winona Williams; Cathy Hall; Roy Buchanan; Wade Harvey Buchanan Estate; Eugene Miles; Jacqueline Tims; Gary Hood; Irene Ocanas; Estate of Javier De La Cerda, et al; Clayton Fields; Lynette Curtis; Brandy Croft; Steve Tyler; John P. Thomas; BRM3 Interests, LP; Delores Sanders; Leo and Ruby Borak; Lydia Y. Trevino; Paul Brunner, III; Douglas Huebner; Richard Goolsby, Jr.; Haskell Simon; John Kessler; DCVK, LP; Russell Brigance; Richard Bundick; Gene Honeycutt; Sally Alford Lynch; Daniel Anderson; Anthony Edison; David Gotcher; Lisa Zimmerman; Allen Glass; David Simmons, Jr.; Alma McEntire; and American Midstream Offshore (Seacrest), LLP.

37. In SOAH Order No. 4 issued on April 18, 2019, the SOAH ALJs dismissed Kenneth Ray Kaspar for failure to file direct testimony or a statement of position by the March 20, 2019, deadline.
38. On April 18, 2019, Commission Staff filed the direct testimony of its witness, John Poole.
39. On May 15, 2019, CenterPoint Energy filed the rebuttal testimonies of its witnesses Lesli B. Cummings, Rob R. Reid, and Matthew D. Cox.
40. On August 15, 2019, CenterPoint Energy filed the settlement testimonies of its witnesses Rob R. Reid and Matthew D. Cox.

Referral to SOAH for Hearing

41. On November 13, 2018, Commission Staff requested a hearing to develop the evidentiary record.
42. On January 3, 2019, the Commission issued an order of referral and preliminary order, referring this application to SOAH for assignment of an ALJ to conduct a hearing and issue a proposal for decision, if necessary; and specified issues to be addressed in this proceeding.

43. In SOAH Order No. 1 issued on January 8, 2019, the SOAH ALJs provided notice of a prehearing conference at 10:00 a.m. on January 22, 2019, at SOAH's hearing facility in Austin, Texas.
44. In SOAH Order No. 2 issued on January 25, 2019, the SOAH ALJs memorialized the prehearing conference held on January 22, 2019, addressed the intervenor status of several persons, adopted an agreed procedural schedule, provided notice of a hearing on the merits at SOAH's Austin, Texas hearing facility beginning at 9:00 a.m. on June 17, 2019, ruled that CenterPoint Energy's application and notice were sufficient, and established service and filing procedures.
45. In SOAH Order No. 5 issued on May 5, 2019, the SOAH ALJs granted CenterPoint Energy's request to extend the procedural schedule to facilitate settlement discussions, ordered CenterPoint Energy to file a status report on the first day of July and August of 2019, and changed the date for the hearing on the merits to a date between August 27, 2019 through August 29, 2019.
46. In SOAH Order No. 7 issued on August 5, 2019, the SOAH ALJs granted CenterPoint Energy's request for the suspension of the remaining deadlines in the procedural schedule and ordered CenterPoint Energy to file a status report by August 16, 2019.
47. On August 15, 2019, CenterPoint Energy, Commission Staff, and the undersigned intervenors filed a joint notice of an unopposed agreement resolving all issues between them, including approval of stipulated-modified route 5 (the agreed route); the agreement; and a map showing the location of the agreed route.
48. On August 16, 2019, Commission Staff filed the memorandum of John Poole in support of the settlement agreement.
49. In SOAH Order No. 9 issued on August 19, 2019, the SOAH ALJs granted CenterPoint Energy's motion to admit evidence and remand the docket to the Commission. The SOAH ALJs admitted the application of CenterPoint Energy filed on September 12, 2018; the direct testimonies of Westley D. Woitt, Lesli B. Cummings, Rob R. Reid, Ryan K. Bayer, and Matthew D. Cox on behalf of CenterPoint Energy filed on September 12, 2018; ERCOT's reevaluation report filed on December 13, 2018; the direct testimony of John

Poole, on behalf of Commission Staff filed on April 18, 2019; Texas Parks and Wildlife Department's letter to Ms. Karen Hubbard dated November 12, 2018 filed on November 16, 2018; the testimonies of Rob R. Reid and Matthew D. Cox on behalf of CenterPoint Energy in support of the agreement filed on August 15, 2019; Commission Staff's memorandum in support of the agreement filed on August 16, 2019; and the agreement and its exhibits filed on August 15, 2019.

Description of the Agreed Route

50. The agreed route is 55.5 miles long.
51. The agreed route consists of segments B, D, C, L, P, U, V, X, Y, modified Z, BI, BJ, BK, BM, CS, CT, CU, CW, CY, DC, modified IZ, modified JA, and FP.
52. Modified segment JA affects two landowners. The first, Perry Corridor LLC, was unaffected by segment JA as filed and did not receive mailed notice of CenterPoint Energy's application. The second, Perry's Landing Partners, L.P., received mailed notice of CenterPoint Energy's application, but was affected by modified segment JA in a different manner than by segment JA as filed. Both landowners signed affidavits, filed as attachments to the settlement agreement, waiving their right to notice of segment JA's modification and agreeing to the routing of the agreed route across their property.
53. Modified segment JA changes the original alignment of segment JA as it crosses the Justin Hurst Wildlife Management Area owned by the Texas Parks and Wildlife Department, so that the segment follows an existing CenterPoint Energy 138-kV and 345-kV transmission line corridor through the entire length of the wildlife management area. On February 20, 2019, Texas Parks and Wildlife Department filed a response to Commission Staff's amended first request for information stating its support for the agreed route's routing across the wildlife management area. TWPD did not oppose the agreement.
54. Modified segment Z alters the alignment of segment Z as it crosses the property of Tom Holcomb, a signatory to the agreement.

Adequacy of Existing Service and Need for Additional Service

55. Significant forecasted load growth from industrial customers in the Freeport, Texas area served by CenterPoint Energy necessitates the construction of transmission facilities along the agreed route.
56. In an independent review of CenterPoint Energy's Freeport master plan project, ERCOT determined there is a need to improve the transmission system in the Freeport, Texas area in the near-term and long-term due to significant forecasted industrial load growth; this application addresses the long-term issues identified in the review.
57. CenterPoint Energy eliminated alternatives to the proposed transmission facilities due to significant construction challenges, the inability of some alternatives to address the size of the forecasted load growth, and the higher cost of some alternatives with comparable or worse expected results.

Effect of Granting the Application on CenterPoint Energy and Probable Improvement of Service or Lowering of Cost to Consumers

58. CenterPoint Energy is the only electric utility involved in the construction of the transmission facilities.
59. The agreed route begins and terminates at existing CenterPoint Energy substations.
60. Transmission line crossings and paralleling of lines owned and operated by different utilities are common in the electric utility industry and there are well established engineering techniques for avoiding adverse effects during construction or operation of lines that cross or parallel other lines. Utilities typically work together to coordinate construction and operation of facilities that are in proximity to one another.
61. CenterPoint Energy can address crossings and paralleling of existing transmission lines by the new transmission facilities along the agreed route through coordination between CenterPoint Energy and the applicable utilities and the application of common engineering measures.
62. The Commission does not expect the construction of the proposed transmission facilities along the agreed route to adversely affect service by other utilities in the area.

63. The proposed transmission facilities will provide additional transmission capacity necessary to serve anticipated industrial load growth in the Freeport, Texas area.
64. The proposed transmission facilities represent the ERCOT recommended solution to long-term issues arising from forecasted industrial load growth in the Freeport, Texas area, a solution ERCOT reaffirmed in its December 14, 2018 reevaluation report of the transmission facilities proposed in the application.
65. The Commission expects the construction of the proposed transmission facilities along the agreed route to improve system reliability in the ERCOT region.

Estimated Costs

66. The estimated construction costs of the 30 filed routes range from \$481,720,000 to \$695,201,000.
67. The estimated cost for the construction of transmission facilities along the agreed route is \$482,968,000.
68. The agreed route is the third least expensive route filed in the application, costing \$212,233,000 less than the most expensive route and only \$1,248,000 more than the least expensive route, alternative route 5—the route CenterPoint Energy determined best addresses the requirements of PURA and the Commission’s substantive rules.
69. The cost of the agreed route is reasonable considering the range of the cost estimates for the routes.
70. Easements across state-owned property will require an upfront payment and additional yearly payments not included in the estimated cost of \$482,968,000.

Prudent Avoidance

71. Prudent avoidance, as defined by 16 TAC § 25.101(a)(6), is the “limiting of exposures to electric and magnetic fields that can be avoided with reasonable investments of money and effort.”
72. Over its 55.5-mile length, the agreed route has 182 habitable structures within 500 feet of the center line of its right-of-way.

73. The construction of transmission facilities along the agreed route complies with the Commission's policy of prudent avoidance.

Community Values

74. To ascertain community values for the transmission facilities, CenterPoint Energy held public meetings on February 6, February 8, and February 13, 2018.
75. POWER Engineers' routing analysis and CenterPoint Energy's eventual selection of the routes filed in the application incorporated information received from the public meetings and from local, state, and federal agencies.
76. POWER Engineers, in consultation with CenterPoint Energy, used information received from public meetings to modify several preliminary segments and to eliminate an option that would have expanded the size of the Bailey substation.
77. The principal concerns expressed in the 77 questionnaire responses from the public meetings were potential health effects, minimizing damage to agricultural lands and the environment in general, and maximizing paralleling of existing rights-of-way.
78. The agreed route adequately addresses the expressed community values.

Using or Paralleling Compatible Rights-of-Way and Paralleling of Property Boundaries

79. CenterPoint Energy evaluated the use and paralleling of existing compatible rights-of-way and apparent property boundaries when developing the alternative routes.
80. The alternative routes are adjacent or parallel to existing transmission lines, other existing rights-of-way, or apparent property lines 72% to 89% of the length of the route depending on the route selected.
81. The agreed route is adjacent and parallel to existing transmission lines, other existing rights-of-way, and apparent property lines for 78% of its length.
82. The agreed route uses 3.9 miles of existing transmission-line easement and will require 51.6 miles of new right-of-way.
83. The agreed route uses or parallels existing compatible rights-of-way and apparent property lines to a reasonable extent.

Engineering Constraints

84. CenterPoint Energy evaluated engineering and construction constraints, reliability issues, and estimated costs to evaluate the alternative routes that relate to the requirements of PURA and Commission rules.
85. CenterPoint Energy did not identify any known existing engineering constraints in the application that would prevent the construction of transmission facilities along the agreed route.

Other Comparisons of Land Uses and Land Types

a. Radio Towers and Other Electronic Installations

86. There are no identified commercial AM radio transmitters within 10,000 feet of the centerline of the agreed route.
87. There are nine identified FM radio transmitters, microwave relay stations, or other electronic installations within 2,000 feet of the centerline of the agreed route.
88. The Commission does not expect the presence of transmission facilities along the agreed route to adversely affect communication operations in the proximity of the agreed route.

b. Airstrips and Airports

89. There are no Federal Aviation Administration-listed (FAA) airports equipped with runways shorter than or exactly 3,200 feet within 10,000 feet of the centerline of any of the proposed alternative routes.
90. There is one FAA-listed airport equipped with a runway longer than 3,200 feet within 20,000 feet of the centerline of 14 of the proposed alternative routes.
91. There are between one to four private airstrips within 10,000 feet of the centerline of the proposed alternative routes, depending on the route selected.
92. There are up to three heliports within 5,000 feet of the centerline of the proposed alternative routes, depending on the route selected.
93. There are no FAA-listed airports within 20,000 feet of the centerline of the agreed route.
94. There are two private airstrips within 10,000 feet of the centerline of the agreed route.

95. There are no heliports within 5,000 feet of the centerline of the agreed route.
96. The Commission does not expect the presence of transmission facilities along the agreed route to adversely affect any airports, airstrips, or heliports in the proximity of the agreed route.

c. Irrigation Systems

97. Proposed segment GO crosses agricultural lands with known mobile irrigation systems for 0.1 miles.
98. The proposed alternative routes cross up to one-tenth of a mile of agricultural lands with known mobile irrigation systems, depending on the route selected.
99. The agreed route does not cross any agricultural lands with known mobile irrigation systems.
100. The Commission does not expect the presence of transmission facilities along the agreed route to adversely affect any agricultural lands with known mobile irrigation systems.

d. Other Route Attributes

101. There are a variety of land uses within the study area including residential, commercial, industrial, agricultural, recreational and park areas, and oil and gas development.

Recreational and Park Areas

102. Modified segment JA crosses 6.3 miles of the Justin Hurst Wildlife Management Area.
103. The proposed alternative routes cross up to 6.3 miles of recreational and park areas, depending on the route selected.
104. There are between one to six additional recreational or park areas within 1,000 feet of the centerline of the proposed alternative routes, depending on the route selected.
105. The agreed route, which includes modified segment JA, crosses 6.3 miles of parks and recreational areas.
106. The Texas Parks and Wildlife Department staff supports the alignment of modified segment JA subject to CenterPoint Energy's acquisition of an easement from Texas Parks

and Wildlife Department for the portions of the transmission line that cross the Justin Hurst Wildlife Management Area.

- 107. There are three additional parks and recreational areas within 1,000 feet of the centerline of the agreed route.
- 108. The Commission does not expect the presence of transmission facilities along the agreed route to adversely affect the use and enjoyment of parks and recreational areas.

Historical and Archaeological Values

- 109. The agreed route crosses no recorded historical and archaeological sites.
- 110. There are six recorded historical or archaeological sites within 1,000 feet of the centerline of the agreed route.
- 111. There are no properties listed on or determined eligible for listing on the National Register of Historic Places within the right-of-way of the agreed route.
- 112. There are two properties listed on or determined eligible for listing on the National Register of Historic Places within 1,000 feet of the centerline of the agreed route.
- 113. The agreed route crosses 25.5 miles of land with high potential for archaeological and historic sites.
- 114. The agreed route is not one of the three alternative routes—route 3, route 7, and route 27—with the greatest potential to affect recorded archeological sites.
- 115. The Commission does not expect the presence of transmission facilities along the agreed route to adversely affect archaeological or historical resources.

Aesthetic Values

- 116. The agreed route falls within the foreground visual zone of the United States and state highways for 8.1 miles.
- 117. The agreed route falls within the foreground visual zone of farm-to-market and county roads for 6.9 miles.
- 118. The agreed route falls within the foreground visual zone of a park or recreational area for 12.3 miles.

119. The Commission does not expect the presence of transmission facilities along the agreed route to adversely affect the aesthetic quality of the surrounding landscape.

Environmental Integrity

120. The environmental assessment and alternative route analysis analyzed the possible effects of the transmission facilities on numerous different environmental factors.
121. CenterPoint Energy and POWER Engineers performed an evaluation of the effects of the transmission facilities on the environment, including endangered and threatened species.
122. The agreed route crosses 10.9 miles of upland woodlands.
123. The agreed route crosses 3.4 miles of bottomland or riparian woodlands.
124. The agreed route crosses 5.94 miles of National Wetland Inventory mapped wetlands.
125. The agreed route crosses 0.75 miles of United States Army Corps of Engineers-designated Columbia Bottomlands.
126. The agreed route does not cross any National Wetland Inventory mapped wetlands within United States Army Corps of Engineers-designated Columbia Bottomlands.
127. The agreed route does not cross the known habitat of any federal endangered or threatened species of plant or animal.
128. CenterPoint Energy will cooperate with the United States Fish and Wildlife Service to the extent that field studies identify threatened or endangered species' habitats.
129. CenterPoint Energy will mitigate any effect on federally listed plant or animal species according to standard practices and measures taken in accordance with the Endangered Species Act.
130. It is appropriate that CenterPoint Energy minimize the amount of flora and fauna disturbed during construction of the transmission facilities.
131. It is appropriate that CenterPoint Energy re-vegetate cleared and disturbed areas using native species and consider landowner preferences in doing so.
132. It is appropriate that CenterPoint Energy avoid, to the maximum extent reasonably possible, inflicting adverse environmental effects on sensitive plant and animal species and

their habitats as identified by the Texas Parks and Wildlife Department and the United States Fish and Wildlife Service.

133. It is appropriate that CenterPoint Energy implement erosion control measures and return each affected landowner's property to its original contours and grades unless otherwise agreed by the landowners; however, it is not appropriate that CenterPoint Energy restore original contours and grades where different contours and grades are necessary to ensure the safety or stability of any transmission line's structures or the safe operation and maintenance of the transmission lines.
134. It is appropriate that CenterPoint Energy exercise extreme care to avoid affecting non-targeted vegetation or animal life when using chemical herbicides to control vegetation within the right-of-way and such herbicide use must comply with the rules and guidelines established in the Federal Insecticide, Fungicide, and Rodenticide Act and with the Texas Department of Agriculture regulations.
135. It is appropriate that CenterPoint Energy protect raptors and migratory birds by following the procedures outlined in the following publications: *Reducing Avian Collisions with Power Lines: State of the Art in 2012*, Edison Electric Institute and Avian Power Line Interaction Committee, Washington, D.C. 2012; *Suggested Practices for Avian Protection on Power Lines: The State of the Art in 2006*, Edison Electric Institute, Avian Power Line Interaction Committee, and California Energy Commission, Washington, D.C. and Sacramento, C.A. 2006; and the *Avian Protection Plan Guidelines*, Avian Power Line Interaction Committee and United States Fish and Wildlife Service, April 2005.
136. It is appropriate that CenterPoint Energy use best management practices to minimize any potential harm the agreed route presents to migratory birds and threatened or endangered species.
137. The Commission does not expect the presence of transmission facilities along the agreed route to adversely affect the environmental integrity of the surrounding landscape.

Texas Parks and Wildlife Department's Comments and Recommendations

138. On November 16, 2018, the Texas Parks and Wildlife Department filed a comment letter making various comments and recommendations regarding the transmission facilities.

139. The Texas Parks and Wildlife Department letter addressed issues relating to effects on ecology and the environment but did not consider the other factors the Commission and utilities must consider in CCN applications.
140. CenterPoint Energy will comply with all applicable environmental laws and regulations, including those governing threatened and endangered species.
141. CenterPoint Energy will comply with all applicable regulatory requirements in constructing the transmission facilities, including any applicable requirements under section 404 of the Clean Water Act.
142. POWER Engineers relied on habitat descriptions from various sources, including the Texas Natural Diversity Database, other sources provided by Texas Parks and Wildlife, and observations from field reconnaissance to determine whether habitats for some species are present in the area encompassing the transmission facilities.
143. CenterPoint Energy will cooperate with the United States Fish and Wildlife Service and Texas Parks and Wildlife if field surveys identify threatened or endangered species' habitats.
144. If construction affects federally listed species or their habitat or affect water under the jurisdiction of the United States Army Corps of Engineers or the Texas Commission on Environmental Quality, CenterPoint Energy will cooperate with the United States Fish and Wildlife Services, United States Army Corps of Engineers, and the Texas Commission on Environmental Quality as appropriate to coordinate permitting and perform any required mitigation.
145. The standard mitigation requirements included in the ordering paragraphs of this Order, coupled with CenterPoint Energy's current practices, are reasonable measures for a transmission services provider to undertake when constructing a transmission line and sufficiently address Texas Parks and Wildlife's comments and recommendations.
146. This Order addresses only those Texas Parks and Wildlife Department recommendations for which there is record evidence.

147. The recommendations and comments made by Texas Parks and Wildlife Department do not necessitate any modifications to the proposed transmission facilities.

Permits

148. Before beginning construction of the proposed transmission facilities, CenterPoint Energy will obtain any necessary permits from the Texas Department of Transportation if the facilities cross state-owned or maintained properties, roads, or highways.
149. Before beginning construction of the proposed transmission facilities, CenterPoint Energy will obtain any necessary permits or clearances from federal, state, or local authorities.
150. Before beginning construction of the proposed transmission facilities, it is appropriate for CenterPoint Energy to conduct a field assessment of the agreed route to identify water resources, cultural resources, potential migratory bird issues, and threatened and endangered species' habitats disrupted by the transmission line before beginning construction of the proposed transmission facilities. As a result of these assessments, CenterPoint Energy will identify all necessary permits, and will comply with the relevant permit conditions during construction and operation of the transmission facilities along the agreed route.

Coastal Management Program

151. The agreed route crosses 6.5 miles of land within the coastal management program boundary, as defined in 31 TAC § 503.1(a).
152. Under 16 TAC § 25.102(a), the Commission may grant a certificate for the construction of transmission facilities within the coastal management program boundary only when it finds that the proposed facilities comply with the goals and applicable policies of the Coastal Management Program or that the proposed facilities will not have any adverse effect on any of the applicable coastal natural resource areas specified in 31 TAC § 501.3(b).
153. Coastal natural resource areas, as defined under Texas Natural Resources Code § 33.203 and 31 TAC § 501.3(b), include waters of the open Gulf of Mexico, waters under tidal influence, submerged lands, coastal wetlands, submerged aquatic vegetation, tidal sound and mud flats, oyster reefs, hard substrate reefs, coastal barriers, coastal shore areas, gulf

- beaches, critical dune areas, special hazard areas (floodplains, etc.), critical erosion areas, coastal historic areas, and coastal preserves.
154. Coastal barrier resource system units and other areas are identified and generally depicted on the maps on file with the United States secretary of state entitled “Coastal Barrier Resources System,” dated October 24, 1990, as replaced, modified, revised, or corrected under 16 United States Code § 3505.
 155. The coastal-facility designation line, as defined by 31 TAC § 19.2(a)(21), delineates the area seaward of which facilities, such as transmission facilities, may be subject to the certification requirements of 31 TAC § 19.12.
 156. The agreed route does not cross any coastal barrier resource system units or other protected areas seaward of the coastal-facility designation line.
 157. CenterPoint Energy will construct transmission facilities along the agreed route in accordance with the Coastal Management Program’s goals under 31 TAC § 501.12 and policies under 31 TAC § 501.16(a).
 158. The proposed construction of transmission facilities along the agreed route complies with the applicable goals of the Coastal Management Program due to CenterPoint Energy’s minimization of adverse effects on coastal natural resource areas by routing adjacent and parallel to existing rights-of-way and in previously disturbed areas where practicable; routing of the agreed route according to best management practices; issuance of notice to the public, directly affected landowners, landowners with land within 520 feet of the centerline of the agreed route, municipalities, counties, pipeline owners, and state, local, and federal agencies; and by receiving public comment filings, landowner interventions, and input from state, local, and federal agencies.
 159. The proposed construction of transmission facilities along the agreed route complies with the applicable policies of the Coastal Management Program due to CenterPoint Energy’s alignment of the agreed route outside any coastal barrier resource system units or other protected areas and by aligning the portion of the agreed route located seaward of the coastal-facility designation line adjacent and parallel to existing rights-of-way and in previously disturbed areas when practicable.

Effect on the State's Renewable Energy Goal

160. The Texas Legislature established a goal in PURA § 39.904(a) for 10,000 megawatts of renewable capacity to be installed in Texas by January 1, 2025. This goal has already been met.
161. The Commission does not expect the presence of transmission facilities along the agreed route to adversely affect the goal for renewable energy development established in PURA § 39.904(a).

Limitation of Authority

162. It is reasonable and appropriate for a CCN order not to be valid indefinitely because it is issued based on the facts known at the time of issuance.
163. Seven years is a reasonable and appropriate limit to place on the authority granted in this order to construct the transmission facilities.

Good Cause Exception

164. On behalf of CenterPoint Energy, POWER Engineers corresponded with the Department of Defense Siting Clearinghouse regarding the transmission facilities before CenterPoint Energy held public meetings on February 6, February 8, and February 13, 2018.
165. On October 20, 2017, the Department of Defense Siting Clearinghouse informed CenterPoint Energy that its informal review concluded that the transmission facilities proposed in the application would have a minimal effect on military operations conducted in the area.
166. The Department of Defense Siting Clearinghouse had actual notice of the proposed transmission facilities before CenterPoint Energy held public meetings on February 6, February 8, and February 13, 2018.

Informal Disposition

167. More than 15 days have passed since the completion of notice provided in this docket.
168. All intervenors and Commission Staff have withdrawn their opposition to the application and requests for a hearing.
169. No hearing is necessary.

170. Commission Staff recommend approval of the application.
171. This decision is not averse to any party.

II. Conclusions of Law

The Commission makes the following conclusions of law.

1. CenterPoint Energy is a public utility as defined in PURA § 11.004 and an electric utility as defined in PURA § 31.002(6).
2. CenterPoint Energy must obtain the approval of the Commission to construct the proposed transmission line and to provide service to the public using the line.
3. The Commission has authority over this application under PURA §§ 14.001, 32.001, 37.051, 37.053, 37.054, and 37.056.
4. SOAH exercised jurisdiction over the proceeding in accordance with PURA § 14.053 and Texas Government Code § 2003.049.
5. Good cause exists under 16 TAC § 22.5 to grant an exception to the requirement in 16 TAC § 22.52(a)(4) that notice be provided to the Department of Defense Siting Clearinghouse of the public meetings held by CenterPoint Energy on February 6, February 8, and February 13, 2018.
6. The application is sufficient under 16 TAC § 22.75(d).
7. CenterPoint Energy provided notice of the application according to PURA § 37.054 and 16 TAC § 22.52(a).
8. The hearing on the merits was set and notice of the hearing was provided in compliance with PURA § 37.054 and Texas Government Code §§ 2001.051 and 2001.052.
9. The Commission processed this docket in accordance with the requirements of PURA, the Administrative Procedure Act,² and Commission rules.

² Administrative Procedure Act, Tex. Gov't Code §§ 2001.001–.902.

10. The transmission facilities using the agreed route are necessary for the service, accommodation, convenience, or safety of the public within the meaning of PURA § 37.056(a).
11. The transmission facilities using the agreed route comply with the Texas Coastal Management Program's requirements under 16 TAC § 25.102, goals under 31 TAC §§ 501.12, and applicable policies under 31 TAC § 501.16(a).
12. The proceeding meets the requirements for informal disposition under 16 TAC § 22.35.

III. Ordering Paragraphs

In accordance with these findings of fact and conclusions of law, the Commission issues the following orders:

1. The Commission amends CenterPoint Energy's CCN number 30086 to include the construction and operation of a new double-circuit 345-kV transmission line and associated facilities along the agreed route extending from the existing Jones Creek substation to the existing Bailey substation.
2. CenterPoint Energy must consult with pipeline owners or operators in the vicinity of the approved route regarding the pipeline owners or operators' assessment of the need to install measures to mitigate the effects of alternating-current interference on existing natural gas pipelines paralleled by the proposed electric transmission facilities.
3. CenterPoint Energy must conduct surveys, if not already completed, to identify metallic pipelines potentially affected by the proposed transmission line and cooperate with pipeline owners in modeling and analyzing potential hazards due to alternating-current interference affecting metallic pipelines being paralleled.
4. CenterPoint Energy must obtain all permits, licenses, plans, and permission required by state and federal law that are necessary to construct the proposed transmission facilities, and if CenterPoint Energy fails to obtain any such permit, license, plan, or permission, it must notify the Commission immediately.
5. CenterPoint Energy must identify any additional permits that are necessary, consult any required agencies (such as the United States Army Corps of Engineers and United States

Fish and Wildlife Service), obtain all necessary environmental permits, and comply with the relevant conditions during construction and operation of the proposed transmission facilities.

6. In the event CenterPoint Energy or its contractors encounter any archaeological artifacts or other cultural resources during transmission line construction, work must cease immediately in the vicinity of the artifact or resource, CenterPoint Energy must report the discovery to, and act as directed by, the Texas Historical Commission.
7. Before beginning construction, CenterPoint Energy must undertake appropriate measures to identify whether a potential habitat for endangered or threatened species exists and must respond as required.
8. CenterPoint Energy must use best management practices to minimize the potential harm to migratory birds and threatened or endangered species presented by the agreed route.
9. CenterPoint Energy must follow the procedures to protect raptors and migratory birds as outlined in the following publications: *Reducing Avian Collisions with Power Lines: State of the Art in 2012*, Edison Electric Institute and Avian Power Line Interaction Committee, Washington, D.C. 2012; *Suggested Practices for Avian Protection on Power Lines: The State of the Art in 2006*, Edison Electric Institute, Avian Power Line Interaction Committee, and the California Energy Commission, Washington, D.C. and Sacramento, CA, 2006; and the *Avian Protection Plan Guidelines*, Avian Power Line Interaction Committee and the United States Fish and Wildlife Service, April 2005. CenterPoint Energy must take precautions to avoid disturbing occupied nests and take steps to minimize the burden of the construction of the transmission facilities on migratory birds during the nesting season of the migratory bird species identified in the area of construction.
10. CenterPoint Energy must exercise extreme care to avoid affecting non-targeted vegetation or animal life when using chemical herbicides to control vegetation within the right-of-way. Herbicide use must comply with rules and guidelines established in the Federal Insecticide, Fungicide, and Rodenticide Act and with Texas Department of Agriculture regulations.

11. CenterPoint Energy must minimize the amount of flora and fauna disturbed during construction of the transmission facilities, except to the extent necessary to establish appropriate right-of-way clearance for the transmission line. In addition, CenterPoint Energy must re-vegetate using native species and must consider landowner preferences and wildlife needs in doing so. Furthermore, to the maximum extent practical CenterPoint energy must avoid adverse environmental effects on sensitive plant and animal species and their habitats, as identified by the Texas Parks and Wildlife Department and the United States Fish and Wildlife Service.
12. CenterPoint Energy must implement erosion control measures as appropriate. Erosion control measures may include inspection of the right-of-way before and during construction to identify erosion areas and implement special precautions as determined reasonable to minimize the effect of vehicular traffic over the areas. Also, CenterPoint Energy must return each affected landowner's property to its original contours and grades unless otherwise agreed to by the landowner or the landowner's representative. The Commission does not, however, require CenterPoint Energy to restore original contours and grades where a different contour or grade is necessary to ensure the safety or stability of the structures or the safe operation and maintenance of the line.
13. CenterPoint Energy must minimize to the greatest practicable extent any potential adverse effects of the construction of the transmission facilities on coastal natural resource areas by designing and constructing the transmission facilities according to best management practices.
14. CenterPoint Energy must cooperate with directly affected landowners to implement minor deviations in the approved route to minimize the disruptive effect of the proposed transmission line. Any minor deviations to the approved route must only directly affect the landowners who CenterPoint Energy sent notice of the transmission line in accordance with 16 TAC § 22.52(a)(3) and landowners who have agreed to the minor deviation.
15. The Commission does not permit CenterPoint Energy to deviate from the approved route in any instance in which the deviation would be more than a minor deviation without first further amending the relevant CCN.

16. If possible, and subject to the other provisions of this Order, CenterPoint Energy must prudently implement appropriate final design for the transmission lines to avoid being subject to the FAA's notification requirements. If required by federal law, CenterPoint Energy must notify and work with the FAA to ensure compliance with applicable federal laws and regulations. The Commission does not authorize CenterPoint Energy to deviate materially from this Order to meet the FAA's recommendations or requirements. If a material change would be necessary to meet the FAA's recommendations or requirements, then CenterPoint Energy must file an application to amend its CCN as necessary.
17. CenterPoint Energy must include the transmission facilities approved by this Order on its monthly construction progress reports before the start of construction to reflect the final estimated cost and schedule as required by 16 TAC § 25.83(b). In addition, CenterPoint Energy must provide final construction costs, with any necessary explanation for cost variance, after completion of construction when CenterPoint Energy identifies all charges.
18. Entry of this Order does not indicate the Commission's endorsement or approval of any principle or methodology that may underlie the agreement and must not be regarded as precedential as to the appropriateness of any principle or methodology underlying the agreement.
19. The Commission limits the authority granted by the Order to a period of seven years from the date the Order is signed unless, before that time, the transmission line is commercially energized.
20. The Commission denies all other motions and any other requests for general or specific relief that the Commission has not expressly granted.

Signed at Austin, Texas the _____ day of _____ 2019.

PUBLIC UTILITY COMMISSION OF TEXAS

DEANN T. WALKER, CHAIRMAN

ARTHUR C. D'ANDREA, COMMISSIONER

SHELLY BOTKIN, COMMISSIONER

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