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**PUC DOCKET NO. 49302**

**APPLICATION OF ONCOR ELECTRIC  
DELIVERY COMPANY LLC TO AMEND  
ITS CERTIFICATE OF CONVENIENCE  
AND NECESSITY FOR A 138-KV  
TRANSMISSION LINE IN LOVING  
COUNTY (KYLE RANCH – QUARRY  
FIELD)**

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**PUBLIC UTILITY COMMISSION**

**OF TEXAS**

**ONCOR ELECTRIC DELIVERY COMPANY LLC’S RESPONSE TO ORDER NO. 1**

COMES NOW Oncor Electric Delivery Company LLC (“Oncor”) and files this Response to Order No. 1 (“Response”), respectfully showing as follows:

**I.  
INTRODUCTION**

On March 28, 2019, Oncor filed its Application to Amend its Certificate of Convenience and Necessity (“CCN”) for a 138-kV Transmission Line in Loving County (Kyle Ranch – Quarry Field) (“Proposed Transmission Line Project”). On April 2, 2019, Order No. 1 Requiring Information from Applicant and Recommendation from Commission Staff on Sufficiency of Application and Notice; Addressing Other Procedural Matters (“Order No. 1”) was issued. Order No. 1 identified four issues that the Public Utility Commission of Texas (“Commission”) requested to be addressed and directed Oncor to respond to such issues by April 11, 2019. Accordingly, Oncor timely provides this Response.

**II.  
RESPONSES**

- 1. Has the Electric Reliability Council of Texas (ERCOT) recommended the proposed transmission project as necessary to alleviate “existing and potential transmission and distribution constraints and system needs within ERCOT” in the annual report filed under PURA<sup>1</sup> § 39.155(b)? If not, is there a need for the proposed transmission project?**

**RESPONSE:** ERCOT’s *Report on Existing and Potential Electric System Constraints and Needs* issued in December 2018 discusses the needs and planned transmission improvement projects in

<sup>1</sup> Public Utility Regulatory Act, Tex. Util. Code §§ 11.001-66.016.

the Far West region of Texas, and it illustrates the Proposed Transmission Line Project in the context of planned transmission lines in the Culberson Loop area.<sup>2</sup>

ERCOT's Regional Planning Group, Technical Advisory Committee, and Board of Directors have recommended approval of the "Far West Texas Project 2" as a Tier 1 transmission project. In its Independent Review of the Far West Texas Project 2 (included with this CCN Application in Attachment No. 3), ERCOT recommended, among other things, construction of the Riverton – Kyle Ranch 138 kV transmission line<sup>3</sup> and construction of the new Quarry Field Switch Station on the Wink – Riverton 138-kV line. ERCOT's Independent Review also analyzed the Proposed Transmission Line Project as a project already in place in order to serve new loads, which ERCOT's Protocols consider as a Tier 4 neutral project. Thus, ERCOT's recommended solution contemplated creation of a 138-kV loop between the Quarry Field Switch, Kyle Ranch Substation, and Riverton Switch, as reflected on pages 5 and 16 of its Independent Review. The Proposed Transmission Line Project—in conjunction with the proposed Riverton – Kyle Ranch 138-kV line currently pending in Commission Docket No. 49304—will create a new 138-kV transmission circuit between the Quarry Field Switch Station and the Riverton Switch Station as envisioned in ERCOT's approval of the Far West Texas Project 2. ERCOT's letter and Independent Review of the Far West Texas Project 2 is included with this CCN Application as Attachment No. 3.

Oncor proposed the Proposed Transmission Line Project in this CCN Application due to continued load growth in the area, known as the Delaware Basin, particularly on the Wink – Culberson 138-kV and Yucca Drive – Culberson 138-kV lines (together, "Culberson Loop"). The Delaware Basin has experienced continued load growth due to oil and natural gas production, mid-stream processing, and associated economic expansion in the area. ERCOT's steady state contingency analysis identified single-contingency outages that would render the Culberson Loop lines unable to maintain adequate system operating conditions, resulting in unsolved contingencies during load flow analysis. The unsolved contingencies show an inability of the power system to maintain acceptable voltages on the Culberson Loop following a

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<sup>2</sup> ERCOT, *Report on Existing and Potential Electric System Constraints and Needs* at 19-25 (Dec. 2018), available at [http://www.ercot.com/content/wcm/lists/144927/2018\\_Constraints\\_and\\_Needs\\_Report.pdf](http://www.ercot.com/content/wcm/lists/144927/2018_Constraints_and_Needs_Report.pdf) (last visited Apr. 9, 2019). On page 23 of the report, Figure 4.5 illustrates the Kyle Ranch – Quarry Field 138 kV line in the context of planned transmission lines in the Culberson Loop area.

<sup>3</sup> See *Application of Oncor Electric Delivery Company LLC to Amend a Certificate of Convenience and Necessity for a 138-kV Transmission Line in Reeves and Loving Counties (Riverton – Kyle Ranch)*, Docket No. 49304 (pending).

disturbance, giving rise to potential voltage collapse along these lines that could cause all load on these lines to be dropped. As a result, ERCOT's power flow studies indicated voltage violations on the Culberson Loop under North American Electric Reliability Corporation Reliability Standard TPL-001-4 criteria.

Therefore, the Proposed Transmission Line Project is needed for continued reliability of the area transmission system because it will be one of the elements that creates a new 138-kV pathway from the Quarry Field Switch Station to the Riverton Switch Station as contemplated in ERCOT's Independent Review and project recommendations. As referenced in the ERCOT-approved Far West Texas Project 2, the Quarry Field Switch Station is the future site for dynamic reactive devices ("DRD"), and the Riverton Switch Station is the future site of a 345-kV injection. This new pathway requires the construction of the Proposed Transmission Line Project and will result in a more networked 138-kV system, allowing bi-directional flow in the area. Furthermore, this new pathway will allow for voltage support from the DRD and the 345-kV injection to address the reliability concerns during outage conditions discussed above.

In addition to helping to address transmission reliability concerns, the Proposed Transmission Line Project is needed to serve load growth in the area by establishing transmission service for new substations. Oncor needs to serve customers in the area north of the existing Wink – Riverton 138 kV line, yet it cannot continue to rely on long-distance distribution feeders from its existing El Mar and Mason substations, which have limited reach to customers in these portions of Loving County. Due to these limitations, more than 20 megawatts of load requests have been put on hold until the Kyle Ranch Substation is established. In conjunction with the proposed Riverton – Kyle Ranch 138-kV line (which, if approved in Docket No. 49304, would remain a radial line without interconnection to the Proposed Transmission Line Project), the Proposed Transmission Line Project will also allow for bi-directional, looped service that would allow the ability to segment this line via remote switches at the substations. This will provide operational flexibility to sectionalize the entire transmission line and maintain service to customers during construction, maintenance, or outages.

The need for the Proposed Transmission Line Project is fully addressed in Oncor's responses to CCN Application Question Nos. 14-15 and Attachment Nos. 3 and 4.

- 2. If such a need exists, is the proposed transmission project the best option to meet the need, based on an analysis taking into account considerations of efficiency, reliability, costs, and benefits?**

RESPONSE: Yes. Due to the existing system configuration and remote location of the surrounding transmission lines, alternatives to the Proposed Transmission Line Project that address all load growth and reliability concerns are limited. ERCOT's Independent Review of the Far West Texas Project 2 details the three alternatives analyzed, all of which included the Quarry Field – Kyle Ranch 138-kV line as a project already in place in order to serve new loads. Those three options are discussed in more detail in Oncor's responses to CCN Application Question Nos. 14-15 and Attachment No. 3. ERCOT determined that the option chosen would resolve the initial reliability concerns while providing better load serving capability to accommodate both the near-term and potential future load needs in the Culberson Loop area.

Other potential alternatives were analyzed and rejected, including but not limited to: upgrading the voltage of existing transmission facilities, bundling conductors, adding transformers, and different distribution alternatives. None of these alternatives would adequately address the issues the Proposed Transmission Line Project resolves. Rebuilding and upgrading the voltage of the existing 138-kV lines—the sole transmission facilities in the proximate area—would require a new 345 kV source that does not currently exist. Conductor bundling would also not address the reliability and operation issues because those circuits would be located on the same structures as existing 138-kV lines in the area, and the existing Wink – Riverton 138 kV line is already a double-circuit line. Adding transformers to existing stations would not address the distribution feeder or transmission reliability issues noted above.

Please see Oncor's responses to CCN Application Question Nos. 14-15 and Attachment Nos. 3 and 4 for additional detail.

**3. For utilities subject to the unbundling requirements of PURA § 39.051, is the proposed transmission project the best option when compared to employing distribution facilities to meet the specified need?**

RESPONSE: Yes. Distribution facilities are not practical alternatives to the Proposed Transmission Line Project in addressing the identified reliability and load growth needs. Distribution facilities would not improve the reliability and operational capability of the transmission system in the area or address the reliability criteria violations discussed above. Additionally, distribution alternatives are not practical in serving new load additions with the distribution system already strained. Without a new transmission line in the area and the subsequent new substation, numerous customer sites would still have difficulty being served

from the distribution system due to long feeders that will be prone to low voltage problems and suffer from insufficient motor start capability.

Please see Oncor's responses to CCN Application Question Nos. 14-16 and Attachment Nos. 3 and 4 for additional detail.

4. **For utilities not subject to the unbundling requirements of PURA § 39.051, is the proposed transmission project the best option when compared to employing distribution facilities, distributed generation, and/or energy efficiency to meet the specified need?**

RESPONSE: Not applicable. Oncor is subject to the unbundling requirements of PURA § 39.051.

Respectfully submitted,

By: Winston P. Skinner / 10 permission M.M.C.

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**ATTORNEYS FOR ONCOR ELECTRIC  
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**CERTIFICATE OF SERVICE**

It is hereby certified that a copy of the foregoing has been hand-delivered or sent via courier service, email, fax, overnight delivery, or first class United States mail, postage prepaid, to all parties of record in this proceeding, on the 11th day of April, 2019.

Winston P. Skinner