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Sharyland Utilities, L.L.C. Dallas Corporate Office 1900 North Akard Dallas, Texas 75201 Toll-free: (866) 354-3335

February 1, 2023

Via Electronic Filing

Chairman Peter M. Lake Commissioner Will McAdams Commissioner Lori Cobos Commissioner Jimmy Glotfelty Commissioner Kathleen Jackson 1701 N. Congress Avenue Austin, Texas 78701

Re: Docket No. 52682 – Project for Commission Ordered Transmission Facilities Sharyland Utilities, L.L.C.'s February 1, 2023 Quarterly Progress Report

Dear Commissioners:

Please find attached Sharyland Utilities, L.L.C.'s ("Sharyland") February 1, 2023 Quarterly Progress Report regarding the status of completing the construction of the transmission lines and facilities ordered by the Public Utility Commission of Texas ("Commission") at the September 23, 2021 open meeting. The Commission's written order was subsequently issued on October 14, 2021, in Project No. 52682.

The Commission's order in this project required that: (i) Sharyland, Electric Transmission Texas, LLC ("ETT"), and South Texas Electric Cooperative, Inc. ("STEC") construct a new second circuit on the existing double-circuit capable 345-kV transmission line between the San Miguel station and the Palmito station; and (ii) Sharyland and AEP Texas, Inc. ("AEP Texas") construct new 345-kV transmission facilities to close the loop from Palmito to North Edinburg. For the second circuit project, Sharyland will construct approximately 47 miles of the new circuit, beginning at Sharyland's Palmito station and progressing west toward AEP Texas's North Edinburg station, along with an expansion of the Palmito station to accept the second circuit. For the close-the-loop project, now known as the La Palma to Kingfisher project, Sharyland will construct the new Kingfisher station and half of the new 345-kV transmission line connecting the Kingfisher station to AEP Texas's La Palma station. Sharyland and AEP Texas filed a certificate of convenience and necessity ("CCN") application for the La Palma to Kingfisher project on June 29, 2022. That application was approved on December 15, 2022, and the Commission selected a transmission line route that will be approximately 4.94 miles in length.

As required by the order in Project No. 52682, the attached Quarterly Progress Report addresses, at a minimum:

• Tasks that are necessary to complete the construction of the transmission lines and facilities with time estimates for completing each task;



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- A log of tasks and construction that have been completed;
- The identification of all reliability and safety measures that are necessary to complete the construction of the transmission lines and facilities, including the progress to date on those measures;
- The identification of coordination efforts with the Electric Reliability Council of Texas, Inc. that are necessary to reliably complete the construction of the transmission lines and facilities, including the progress to date on those efforts; and
- Explanation of any delays, including supply-chain issues, with supporting documentation that explains the reason for any delay.

As addressed in the attached progress report, tasks completed for Sharyland's portion of the second circuit project, in addition to those addressed in Sharyland's November 1, 2022 report, include (i) 100% of design review for the new circuit; (ii) issuance of material purchase orders ("POs") for the new circuit; (iii) issuance of the construction contract to Michels Construction; (iv) notice letters sent to affected landowners; (v) 60% of design review for the Palmito expansion; and (vi) issuance of POs for major procurement packages for the Palmito expansion. For the La Palma to Kingfisher project, completed tasks, in addition to those addressed in the November 1 report, include approval of the CCN application by the Commission in Docket No. 53727.

If you have any questions regarding this Quarterly Progress Report, please feel free to contact me at (512) 721-2707 or jzerwas@huntutility.com.

Respectfully submitted,

/s/ John M. Zerwas, Jr.

John M. Zerwas, Jr. Vice President, Regulatory Affairs Sharyland Utilities, L.L.C.

Public Utility Commission of Texas LRGV Second Circuit Progress Report Executive Summary



Summary

1Q 2023 **Report Period** 47 **Line Miles** Cameron **Counties Affected** 80% % Complete - Design 65% % Complete - Procurement 0% % Complete - Construction **Contact Information** Rafic ElFakir (214) 855-6727 relfakir@huntutility.com

Program Description

The LRGV Second Circuit Project involves the installation of a second circuit on the existing double-circuit capable 345kV transmission line extending from the San Miguel 345kV Station, through Fowlerton, Lobo, Cenizo, Del Sol, Pomelo, North Edinburg and Stewart Road, terminating at Sharyland's Palmito 345kV Station ("Palmito"), located north of the Port of Brownsville. Sharyland owns the eastern-most portion of this transmission line, commencing at Palmito and proceeding westerly for approximately 47 miles. Sharyland will be responsible for engineering, designing and constructing the eastern most 47 miles of the 2nd circuit, as well as the expansion of Palmito to serve as the eastern-most terminus of the 2nd circuit. This report only addresses Sharyland's eastern-most 47 miles of the transmission line connecting North Edinburg to Palmito.

Overall Progress Summary

CompletedSee below project specific updateIn ProgressSee below project specific updateUpcomingSee below project specific update

Reliability and Safety Measures and Progress

No updates

ERCOT Coordination Efforts and Regulatory Issues

Multiple outages have been submitted for the first phase of the Second Circuit Project.

Public Utility Commission of Texas LRGV Second Circuit Progress Report Palmito Second Circuit Addition



Summary

Report Period	1Q 2023		
TSP Project Number	TPSU.21.000016		
Line Miles	47		
Counties Affected	Cameron		
% Complete – Design	100%		
% Complete – Procurement	80%		
% Complete - Construction	0%		
<u>Project Description</u>	Install a second 345-kV circuit on the Sharyland owned, eastern-most 47-mile portion of the existing 345-kV transmission line connecting		

North Edinburg to Palmito Station.



Project Progress Summary

<u>Completed</u>	100% design reviewed, all material purchase orders ("POs") have been issued and are within schedule, construction
	contract has been issued to Michels Construction, and notification has been sent to all affected landowners
In Progress	100% Detailed transmission line design review, temporary construction easements, and pre-construction meeting

100% Issued for Construction drawing package, receipt of materials, mobilization of Michels to project site

Project Tasks and Time Estimates							
Project Tasks	Plan	Baseline	Actual				
<u>Design Start</u>	OCT 21	JAN 22	JAN 22				
Design Finish	SEP 22	NOV 22	JAN 23				
Procurement Start	FEB 22	JUN 22	JUN 22				
Procurement Finish	NOV 23	JUN 23	TBD				
Construction Start	OCT 23	JAN 23	TBD				
Construction Finish	MAR 24	APR 24	TBD				
Energization	MAR 24	MAY 24	TBD				

Project Delays

No updates

Protected Information

Public Utility Commission of Texas

LRGV Second Circuit Progress Report Palmito Station Expansion



	Summa

1Q 2023 **Report Period** TPSU.21.000015 **TSP Project Number** N/A **Line Miles** Cameron **Counties Affected** 60% % Complete - Design 60% % Complete - Procurement 0% % Complete - Construction **Project Description** Expand Sharyland's existing 345kV Palmito Station to accept a second circuit.



Project Progress Summary

Completed 60% design review package, POs issued for major procurement packages

In ProgressUpcomingReview of updated construction schedule, and submission of required outages to ERCOT90% design review, balance of material POs to be issued to short lead time vendors

Project Tasks and Time Estimates						
Project Tasks	Plan	Baseline	Actual			
Design Start	OCT 21	JUN 22	JUN 22			
Design Finish	SEP 22	MAR 23	TBD			
Procurement Start	FEB 22	AUG 22	AUG 22			
Procurement Finish	JUL 23	JAN 24	TBD			
Construction Start	OCT 22	SEP 23	TBD			
Construction Finish	MAR 24	MAY 24	TBD			
Energization	MAR 24	MAY 24	TBD			

Project Delays

No updates

Protected Information

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ID	Task Name	Start	Finish	Duration	SONDJFMAMJ	J A S O N D	J F M A M J	J A S O N D	J F M A M]
0	SU PROGRAM	Sep-21	Mar-24	30 mos						
1	Palmito 2nd Circuit Addition*									
5	Engineering	Jan-22	Jan-23	11 mos	Eng	ineering				
6	Procurement	Jun-22	Jun-23	13 mos		Procurer	nent			
7	Construction	Jan-23	Apr-24	16 mos]			Construction		
7.1	Submitted Outages	Mar-23	Ma r-23	8 days]					
7.2	Submitted Outages	Apr-23	Apr-23	11 days						
8	Palmito 345kV Station Expansion									
9	Engineering	Jun-22	Ma r-23	10 mos		Engineering				
10	Procurement	Aug-22	Jan-24	18 mos			Procurement	ı		
11	Construction	Sep-23	Ma y-24	9 mos				Consti	ruction	

^{*} Sharyland is responsible for the engineering, design and construction of the eastern-most 47 miles of the transmission line connecting North Edinburg to Palmito

Public Utility Commission of Texas LRGV Closing the Loop Progress Report Executive Summary



Summary

1Q 2023 **Report Period** ~4.94 (~2.47 SU & ~2.47 AEP) **Line Miles** Cameron **Counties Affected** 0% % Complete - Design 0% % Complete - Procurement 0% % Complete - Construction **Contact Information** Rafic ElFakir (214) 855-6727 relfakir@huntutility.com

Program Description

The Close the Loop ("CLT") initiative will increase load serving capability and system resiliency in the LRGV by creating looped 345kV transmission service to the region. This will be accomplished by connecting AEP's existing La Palma 345kV station to Sharyland's new Kingfisher 345kV station. Sharyland will connect Kingfisher into Sharyland's existing Palmito to Stewart Road double-circuit capable 345kV transmission line (to which a second circuit will be added) in close proximity to La Palma, which will be expanded by AEP. A new single circuit 345kV transmission line will be constructed between La Palma and Kingfisher, effectively "closing the loop".

Overall Progress Summary

CompletedSee below project specific updateIn ProgressSee below project specific updateUpcomingSee below project specific update

Reliability and Safety Measures and Progress

No updates

ERCOT Coordination Efforts and Regulatory Issues

Joint CCN application approved by the PUC on Dec. 15, 2022.

Public Utility Commission of Texas LRGV Closing the Loop Progress Report La Palma to Kingfisher 345-kV Transmission Line



Summary

Report Period	1Q 2023
TSP Project Number	TPSU.21.000017
Line Miles	~4.94 (~2.47 SU & ~2.47 AEP)
Counties Affected	Cameron
% Complete – Design	5%
% Complete – Procurement	0%
% Complete - Construction	0%
Project Description	Build half of the 345-kV transmission line between Sharyland's new 345-kV Kingfisher switchvard and AEP's existing 345-kV La Palma



Project Progress Summary

Completed CCN has been approved

<u>In Progress</u> Develop project execution plan, contract scope/cost/schedule review

station.

Upcoming Detailed project schedule development, execute contract, preliminary design, easement acquisition

Project Tasks and Time Estimates						
Project Tasks	Plan	Baseline	Actual			
CCN Filing	MAY 22	JUN 22	JUN 22			
CCN Approval	NOV 22	DEC 22	DEC 22			
Design Start	JUN 23	TBD	TBD			
Design Finish	MAY 24	TBD	TBD			
Procurement Start	FEB 23	TBD	TBD			
Procurement Finish	DEC 25	TBD	TBD			
Construction Start	SEP 25	TBD	TBD			
Construction Finish	FEB 26	TBD	TBD			
Energization	FEB 26	TBD	TBD			

Project Delays

No updates

Protected Information

Public Utility Commission of Texas LRGV Closing the Loop Progress Report Kingfisher 345-kV Switchyard



Summary

Report Period	1Q 2023
TSP Project Number	TPSU.21.000018
Line Miles	N/A
Counties Affected	Cameron
% Complete – Design	2%
% Complete – Procurement	0%
% Complete - Construction	0%
Project Description	Build a new Kingfisher 345-kV switchyard.



Project Progress Summary

Completed CCN has been approved

<u>In Progress</u> Develop project execution plan, contract scope/cost/schedule review, land acquisition

<u>Upcoming</u> Detailed project schedule development, execute contract, preliminary design

Project Tasks and Time Estimates						
Project Tasks	Plan	Baseline	Actual			
Design Start	APR 23	TBD	TBD			
<u>Design Finish</u>	MAR 24	TBD	TBD			
Procurement Start	JAN 24	TBD	TBD			
Procurement Finish	JUN 25	TBD	TBD			
Construction Start	OCT 24	TBD	TBD			
Construction Finish	MAR 26	TBD	TBD			
Energization	MAR 26	TBD	TBD			

Project Delays

No updates

Protected Information

