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State Office of Administrative Hearings

Chief Administrative Law Judge

October 3, 2022

Stephen Journeay, Commission Counsel
Commission Advising and Docket Management
Public Utility Commission of Texas
William B. Travis State Office Building
1701 N. Congress, 7th Floor
Austin, Texas 78701

VIA EFILE TEXAS

Re: SOAH Docket No. 473-22-2156; PUC Docket No. 53053; Application of Oncor Electric Delivery Company LLC to Amend its Certificate of Convenience and Necessity for the Ivy League 138-kV Line in Collin County

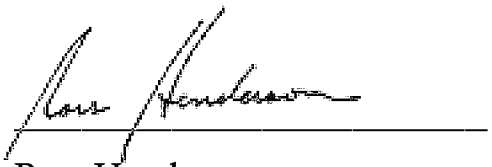
Dear Mr. Journeay:

Enclosed is the Proposal for Decision (PFD) in the above-referenced case. By copy of this letter, the parties to this proceeding are being served with the PFD.

Please place this case on an open meeting agenda for the Commissioners' consideration. Please notify the undersigned Administrative Law Judges and the parties of the open meeting date, as well as the deadlines for filing exceptions to the PFD, replies to the exceptions, and requests for oral argument.

Meaghan Bailey,

Presiding Administrative Law Judge



Ross Henderson,

Presiding Administrative Law Judge

Enclosure

CC:
All parties of record

SOAH Docket No. 473-22-2156 **Suffix: PUC**
PUC Docket No. 53053

BEFORE THE STATE OFFICE OF ADMINISTRATIVE HEARINGS

APPLICATION OF ONCOR ELECTRIC DELIVERY COMPANY LLC TO AMEND ITS CERTIFICATE OF CONVENIENCE AND NECESSITY FOR THE IVY LEAGUE 138-KV TRANSMISSION LINE IN COLLIN COUNTY

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LIST OF ACRONYMS AND ABBREVIATIONS

TERM	DEFINITION
ALJs	Administrative Law Judges
Applicant or Oncor	Oncor Electric Delivery Company LLC
Application	Oncor's application with the PUC to build a new 138-kV transmission line and associated facilities (including the Ivy League Substation) in Collin County, Texas
Arroyo	Arroyo Cap IA, LLC and Arroyo Cap II-2, LLC
Ashton	Ashton Dallas Residential L.L.C. and Starlight Homes Texas L.L.C.
BMPs	Beneficial Management Practices
BMWB Coalition	Neil LaBelle, on behalf of LiteHouse Village I, LLC, and Rita Springer
CCN	Certificate of Convenience and Necessity
Commission or PUC	Public Utility Commission of Texas
CR	Construction Recommendation
DoD	United States Department of Defense
EA	Environmental Assessment
ERCOT	Electric Reliability Council of Texas
FAA	Federal Aviation Administration
FEMA	Federal Emergency Management Agency
FM Road	Farm-to-Market Road
Halff	Halff Associates, Inc.
IC-SB - Comsor	IC-SB Princeton Land Partners, LP and Comsor Corp.

KB Home	KB HOME Lone Star Inc.
kV	Kilovolt
MVA	Megavolt ampere
MW	Megawatt
PFD	Proposal for Decision
Project	Proposed 138-kV transmission line and associated facilities (including the Ivy League Substation) in Collin County, Texas
PURA	Public Utility Regulatory Act
ROW	Right-of-Way
SOAH	State Office of Administrative Hearings
Staff	Staff of the Public Utility Commission of Texas
SWPPP	Stormwater Pollution Prevention Plan
TAC	Texas Administrative Code
TCEQ	Texas Commission on Environmental Quality
TCMP	Texas Coastal Management Program
TNMP	Texas-New Mexico Power
TPWC	Texas Parks and Wildlife Code
TPWD	Texas Parks and Wildlife Department
USACE	United States Army Corps of Engineers
USFWS	United States Fish and Wildlife Service
US HWY	United States Highway

SOAH Docket No. 473-22-2156 **Suffix: PUC**
PUC Docket No. 53053

BEFORE THE STATE OFFICE OF ADMINISTRATIVE HEARINGS

APPLICATION OF ONCOR ELECTRIC DELIVERY COMPANY LLC TO AMEND ITS CERTIFICATE OF CONVENIENCE AND NECESSITY FOR THE IVY LEAGUE 138-KV TRANSMISSION LINE IN COLLIN COUNTY

PROPOSAL FOR DECISION

On January 18, 2022, Oncor Electric Delivery Company LLC (Oncor or Applicant) filed an application (Application) with the Public Utility Commission of Texas (Commission or PUC) to amend its Certificate of Convenience and Necessity (CCN) to build a new single-circuit 138-kilovolt (kV) transmission line and the proposed Ivy League Substation in Collin County, Texas (Project).[1] The Project

[1] On January 21 and 24, 2022, Oncor filed supplemental project need data relating to its Application. *See* Oncor Ex. 10A (Stephens Direct Testimony (Dir.)), Ex. MCS-2 (non-confidential); Oncor Ex. 10B (Stephens Dir.), Ex. MCS-2

would connect the proposed Ivy League Substation, which is to be located approximately one mile southeast of the intersection of United States Highway (US Hwy) 380 and Farm-to-Market Road (FM Road) 982, to the existing Texas-New Mexico Power Company (TMNP) Longneck Substation, located northwest of Monte Carlo Boulevard and FM Road 75 in the City of Princeton, Texas.

Oncor presented 54 alternative routes for the transmission line ranging in length from approximately 2.8 to 5.7 miles and ranging in costs from approximately $8,724,000 to $20,043,000, excluding station costs.[2] The proposed Ivy League Substation is estimated to cost approximately $4,325,000.[3] Oncor identified Route 4626 as the route that best meets the applicable Public Utility Regulatory Act (PURA)[4] and Commission routing criteria. Route 4626 utilizes routing links A, B1, B5, G1, I1, K5, M1, N3, O, and Z6.[5] All intervenors whose direct testimony was admitted at the hearing[6] and the Commission staff (Staff) either support or do not oppose Route 4626. Additionally, the City of Princeton, Texas (the City) endorsed Route 4626 by passing Resolution No. 2022-04-11-R02 (the Resolution) formally

(Highly Sensitive Protected Materials (HSPM)). On February 3, 2022, Oncor filed errata to its Application to include revised right-of-way (ROW) cost estimates for each of the four alternative distribution options considered for the Project and to update the total estimated costs of those alternative options.

[2] Oncor Ex. 1A (Application (non-confidential)) at 4, 22-23, and Att. Nos. 3 and 7 at 1075-076.

[3] Oncor Ex. 1A at 7-8.

[4] Tex. Util. Code §§ 11.001-66.016.

[5] Staff. Ex. 1 (Poole Dir.) at 17.

[6] The following intervenors' direct testimony was admitted at the hearing: Maha Aboul-Fettouh; Osama Aboul-Fettouh; KB Home Lone Star Inc.; BMWB Coalition; M/I Homes of DFW, LLC; Core Spaces, Inc.; Arroyo Cap IA, LLC, Arroyo Cap II-2, LLC, Ashton Dallas Residential, L.L.C., and Starlight Homes Texas, L.L.C.; and IC-SB Princeton Land Partners, LP and Comsor Corp.

supporting the Project's construction.[7] No party to the proceeding recommended that any other preliminary alternative route be approved by the Commission as a route that best meets the applicable PURA and Commission routing criteria.

Pursuant to its authority under Texas Parks and Wildlife Code (TPWC) § 12.0011(b)(2)-(3), the Texas Parks and Wildlife Department (TPWD) recommended Route 1556 as the route that best minimizes adverse impacts to fish and wildlife resources.[8]

The Administrative Law Judges (ALJs) recommend approval of Route 4626 as the route that best meets the applicable PURA and Commission routing criteria.

I. JURISDICTION AND PROCEDURAL HISTORY

The Commission has jurisdiction over Oncor's Application under PURA §§ 14.001, 32.001, 37.051, 37.053, 37.054, and 37.056. The State Office of Administrative Hearings (SOAH) has jurisdiction to conduct a hearing and render a proposal for decision (PFD) on the Application under PURA § 14.053 and Texas Government Code §§ 2003.021 and 2003.049.

[7] Oncor Ex. 13 (Perkins Rebuttal Testimony (Reb.)), Exh. BJP-R3.

[8] TPWD is not a party to this proceeding.

On March 22, 2022, the Commission issued its Order of Referral and Preliminary Order referring the matter to SOAH, establishing a final decision deadline of January 18, 2023, and including a list of issues that must be addressed.[9]

On April 14, 2022, Oncor requested a hearing under Chapter 26 of TPWC to be held concurrent with the hearing on the merits.[10]

On July 12, 2022, SOAH ALJs Meaghan Bailey and Ross Henderson convened the hearing via the Zoom videoconferencing platform. The following parties appeared: Oncor; KB Home Lone Star Inc. (KB Home); BMWB Coalition;[11] M/I Homes of DFW, LLC; Core Spaces, Inc.; Arroyo Cap IA, LLC and Arroyo Cap II-2, LLC (collectively, Arroyo); Ashton Dallas Residential, L.L.C. and Starlight Homes Texas, L.L.C. (collectively, Ashton Woods) (for brevity, these two parties will now be referred to collectively as Arroyo); IC-SB Princeton Land Partners, LP and Comsor Corp. (collectively, IC-SB – Comsor); Maha Aboul-Fettouh, on behalf of herself and her husband, Osama Aboul-Fettouh; Kendall Tyree; and Staff.[12] The hearing ended the same day.

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[9] Order of Referral and Preliminary Order (Mar. 3, 2022).

[10] Oncor's Motion to enter Procedural Schedule Setting Concurrent Hearing on the Merits and Hearing under TPWC Chapter 26 (Apr. 14, 2022) (Oncor's motion was granted in SOAH Order No. 2).

[11] BMWB Coalition is comprised of the following intervenors: Neil LaBelle, on behalf of LiteHouse Village I, LLC, and Rita Springer.

[12] The following remaining intervenors did not appear at the hearing: Atchayya Paruchuri; Yuhua Qiu; Fanglin Wei; Alfred and Carolyn Hersh; and Robert Tesch.

Oncor, KB Home, BMWB Coalition, IC-SB – Comsor, Arroyo, and Staff filed initial briefs on July 22, 2022. Oncor, KB Home, and Staff filed reply briefs on August 5, 2022, at which time the record closed.[13]

II. APPLICABLE LAW

The Commission may take one of three actions after considering a CCN application for new transmission facilities: grant the certificate as requested, grant the certificate for a portion of the facilities, or refuse to grant the certificate.[14] To grant a CCN, the Commission must find that the certificate is necessary for the service, accommodation, convenience, or safety of the public.[15] In doing so, the Commission must consider numerous statutory and regulatory factors that include:[16]

(1) the adequacy of existing service;

(2) the need for additional service;

(3) the effect of granting the certificate on the recipient of the certificate and any electric utility serving the proximate area; and

(4) other factors, such as:

  (A) community values;

  (B) recreational and park areas;

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[13] The following intervenors did not file post-hearing briefs: Mr. and Mrs. Aboul-Fettouh; M/I Homes of DFW, LLC; Core Spaces, Inc.; Atchayya Paruchuri; Yuhua Qiu; Fanglin Wei; Alfred and Carolyn Hersh; and Robert Tesch.

[14] PURA § 37.056(b).

[15] PURA § 37.056(a); *see also* 16 Tex. Admin. Code (TAC) § 25.101(b).

[16] The various factors are listed in PURA § 37.056(c) and 16 TAC § 25.101(b)(3)(B).

(C) historical and aesthetic values;

(D) environmental integrity;

(E) the probable improvement of service or lowering of cost to consumers in the area if the certificate is granted, including any potential economic or reliability benefits associated with dual fuel and fuel storage capabilities in areas outside the ERCOT power region; and

(F) to the extent applicable, the effect of granting the certificate on the ability of this state to meet the goal established by Section 39.904(a) of [PURA];

(G) engineering constraints;

(H) costs;

(I) to the extent reasonable, whether the impact of the line on affected community and landowners can be moderated;

(J) whether the routes parallel or utilize existing compatible ROW for electric facilities;

(K) whether the routes parallel or utilize other existing compatible ROW, including roads, highways, railroads, or telephone utility ROW;

(L) whether the routes parallel property lines or other natural or cultural features; and

(M) whether the routes conform with the policy of prudent avoidance.[17]

[17] 16 TAC § 25.101(a)(6) defines the term "prudent avoidance" to mean "[t]he limiting of exposures to electric and magnetic fields that can be avoided with reasonable investments of money and effort."

Some of the factors are inherently in conflict, and neither PURA nor Commission rules specify the relative weight to be given to each factor. For example, the factors favor the paralleling of roads and maintaining environmental integrity, which could lead to the conclusion that transmission lines should be placed along roadways and avoid bisecting undeveloped land. However, the factors also favor moderating the impact to the community and consideration of community values (which, as is applicable in this case, often includes maximizing the distance from the proposed line to residences). Consideration of these factors could lead to the conclusion that the line should be placed as far from homes as possible. The Commission and the ALJs have the difficult task of considering the totality of all factors, even if individual factors, when considered in isolation, could lead to opposite outcomes. The Third Court of Appeals recognized this challenge when it held: "None of the statutory factors is intended to be absolute in the sense that any one shall prevail in all possible circumstances. In making these sometimes-delicate accommodations, the agency is required to exercise its 'expertise' to further the overall public interest."[18]

III. PRELIMINARY ORDER ISSUES RELATING TO THE APPLICATION

A. PRELIMINARY ORDER ISSUE NO. 1: IS ONCOR'S APPLICATION TO AMEND ITS CCN ADEQUATE?

[18] *Pub. Util. Comm'n of Tex. v. Texland Elec. Co.*, 701 S.W.2d 261, 267 (Tex. App.—Austin 1985, writ ref'd n.r.e.).

The record evidence establishes that Oncor's Application is sufficient and materially complete, and that Oncor presented an adequate number of reasonably differentiated alternative routes for the Commission to conduct a proper evaluation.

No party challenged the sufficiency of Oncor's Application and Staff recommended that it be found sufficient and materially complete.[19] On February 16, 2022, the Commission ALJ found Oncor's Application sufficient and materially complete.[20]

Moreover, Oncor witness Brenda J. Perkins provided testimony in support of the adequacy of Oncor's proposed alternative routes. She asserted that the "54 reasonably differentiated and geographically diverse alternative routes. . . are reasonably forward-progressing given the area constraints and are consistent with [PURA provisions and the Commission's rules]." She opined that, based on her experience, her inspection of the study area during reconnaissance visits, and her detailed review and evaluation of the data presented in the Environmental Assessment and Routing Study (EA) by Halff Associates, Inc. (Halff), the Application "contains an adequate number of alternative routes to conduct a proper evaluation."[21]

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[19] Commission Staff's Recommendations or Comments on Applicant's Responses to Questions Regarding Alternatives to the Project, Sufficiency of the Application and Notice, and Proposed Procedural Schedule at 2 (Feb. 16, 2022) (Staff's Recommendation).

[20] Order No. 4 Finding Responses Sufficient, Application Administratively Complete, Notice Sufficient, and Establishing Procedural Schedule at 1 (Feb. 16, 2022) (Commission Order No. 4).

[21] Oncor Ex. 1A, Att. No. 7 at 1075; Oncor Ex. 9 (Perkins Dir.) at 12-13.

No party raised a route adequacy challenge and Staff witness John Poole confirmed that the 54 routes presented in the Application represent an adequate number of reasonably differentiated alternative routes.[22]

B. PRELIMINARY ORDER ISSUE NO. 2: DID ONCOR PROVIDE NOTICE OF THE APPLICATION IN ACCORDANCE WITH 16 TAC § 22.52(a)(1)-(3)?

Oncor complied with the notice requirements of 16 Texas Administrative Code (TAC) § 22.52(a)(1)-(3), as demonstrated by the following.

On January 21, February 28, April 11, and May 13, 2022, Oncor filed proof of its notice and publication of the Application,[23] which included various affidavits of Miguel Alvarado, a Senior Regulatory Project Manager with Oncor's External Affairs. Within his affidavits, Mr. Alvarado attested to the following provisions of notice:

- On January 14, 2022, Oncor provided notice to:
  - all directly affected landowners;[24]
  - the municipalities in which any portion of the proposed facilities may be located;[25]

[22] Staff Ex. 1 (Poole Dir.) at 21.

[23] Oncor Exs. 2, 3, 4, 5, and 6.

[24] Oncor was overly inclusive of the requirements for directly-affected landowners set forth in 16 TAC § 22.52(a)(3), and provided notice to each landowner of record, according to current county tax rolls, of property within 320 feet (rather than 300 feet) of the centerline of all filed routes, irrespective of whether a habitable structure was located on the properties. Oncor Ex. 9 (Perkins Dir.) at 15.

[25] The following municipalities were provided notice: Princeton, Farmersville, Wylie, Melissa, McKinney, Lucas,

- the county government of the county in which any part of the alternative routes is located (exclusively Collin County);
- each neighboring electric utility located within five miles of the proposed facilities and the Permian Basin Petroleum Association and pipeline owner/operators;[26]
- the Texas Office of Public Utility Counsel; and
- the Department of Defense Siting Clearinghouse (DoD).[27]

- On February 14, 2022, Oncor provided notice to the alternate addresses for three directly affected landowners for which the original January 14, 2022 notices sent were returned by the U.S. Postal Service (USPS) marked as "Return to Sender – Unable to Forward."[28]

- On April 5, 2022, Oncor provided notice to an alternate address for one directly affected landowner for which the original January 14, 2022 notice sent was returned by the USPS marked as "Return to Sender – Unable to Forward."[29]

Mr. Alvarado indicated that notice was published once in *The Dallas Morning News*, a newspaper having general circulation in Collin County and provided the

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Fairview, Blue Ridge, New Hope, and Lowry Crossing.

[26] The following neighboring utilities and pipeline owners/operators were provided notice: TMNP, Grayson-Collin Electric Cooperative Inc., Fannin County Electric Cooperative Inc., Farmers Electric Cooperative, Atmos Pipeline – Texas, and the Permian Basin Petroleum Association.

[27] Oncor Exs. 2 and 5.

[28] Oncor Ex. 3.

[29] Oncor Ex. 4.

publisher's affidavit and tear sheet for the publication.[30] He also indicated that a copy of the EA and the Application were provided to TPWD on January 14, 2022.[31]

Staff recommended that Oncor's notice be found sufficient.[32] No party challenged Oncor's provision of notice, and the Commission ALJ ultimately found the notice sufficient.[33]

C. Preliminary Order Issue No. 3: Did Oncor Provide Notice of the Public Meeting in Accordance with 16 TAC § 22.52(a)(4)?

Oncor provided sufficient notice of its public meeting in accordance with 16 TAC § 22.52(a)(4).

Oncor mailed 458 individual written notices of its public meeting to all owners of property located within 320 feet of the centerline of the preliminary alternative routing links for the Project, and hosted the public meeting on September 12, 2021, in the City.[34] Oncor also provided notice of the public meeting to the DoD, seven homeowner associations, and a gas pipeline company within the project area and published notice of the meeting in the September 7, 2021 edition of *The Dallas Morning News*.[35] Attendees of the public meeting were given an informational packet,

[30] Oncor Ex. 6.

[31] Oncor Ex. 2.

[32] Staff's Recommendation.

[33] Commission Order No. 4.

[34] Oncor Ex. 1A at 23.

[35] Oncor Ex. 1A at 23.

including an explanation of the Project, a map of the preliminary alternative routing links, and a questionnaire soliciting comments on the Project.[36]

In light of the COVID-19 pandemic, Oncor also hosted a virtual participation website to solicit feedback from residents, landowners, public officials, and other interested parties concerning the Project, including the preliminary alternative routes and the overall transmission line routing process.[37] Electronic copies of the informational packet, questionnaire, and The State of Texas Landowner's Bill of Rights were also made available on the virtual public meeting website.[38]

D. Preliminary Order Issue No. 4: What Were the Principal Concerns Expressed in the Questionnaire Responses Received at or After Any Public Meetings Held by Oncor Regarding the Proposed Transmission Facilities?

The questionnaire requested input about transmission line routing issues regarding land use, paralleling existing corridors, and community values, and asked the respondent landowners to rank different factors concerning the Project as most or least favorable. Eighteen individuals signed in as attendees at the in-person public meeting, and 12 of those individuals submitted responses to the questionnaire. One individual submitted responses to the questionnaire via the virtual public meeting website, and another individual submitted a comment after the public meeting via

[36] Oncor Ex. 1A at 23.

[37] Oncor Ex. 1A at 24.

[38] Oncor Ex. 1A at 24.

email. No other questionnaire responses or comments were received at any later date.

The questionnaire responses indicated that the responding landowners preferred maximizing the distance of the Project from habitable structures and utilizing existing or future roadways, including the planned US Hwy 380 bypass corridor north of the City.[39]

Initially, Oncor and Halff identified numerous preliminary routing links that were presented to the public at the in-person meeting and via the website.[40] Oncor witness Perkins testified that Halff modified these preliminary routing links after the meeting to avoid recent residential, commercial, and road construction, and presented a total of 5,076 preliminary alternative routes for Oncor's review. Ultimately, Oncor selected 54 alternative routes that represent an adequate number of reasonable and geographically differentiated alternative routes.[41]

E. Preliminary Order Issue No. 5: Are the Proposed Facilities Necessary for the Service, Accommodation, Convenience, or Safety of the Public Within the Meaning of PURA § 37.056(a), Taking into Account the Factors Set Out in PURA § 37.056(c)?

[39] Oncor Ex. 1A, Att. No. 1 at 168-69.

[40] Oncor Ex. 1A, Att. No. 7; Oncor Ex. 9 (Perkins Dir.) at 8-9.

[41] Oncor Ex. 1A, Att. No. 7; Oncor Ex. 9 (Perkins Dir.) at 8-9.

As addressed in more detail below, the undisputed record evidence establishes the Project is necessary for the service, accommodation, convenience, and safety of the public.[42]

The Project is needed to provide a new substation source and transmission line near Oncor's singly-certificated service area in the peninsula south of the City (the Princeton Peninsula) and the nearby dually- and multiply-certificated areas Oncor serves so as to:[43]

1) add capacity to resolve existing and projected overloads on the existing distribution feeders and transformers serving the Princeton Peninsula;

2) accommodate expected system growth;

3) diversify the transmission sources powering the feeders serving the Princeton Peninsula and the nearby dually- and multiply-certificated areas served by Oncor;

4) address existing reliability issues, including system average interruption duration index (SAIDI) and system average interruption frequency index (SAIFI) reliability standard exceedances;

5) address power quality issues; and

6) facilitate backstand capability so that the area distribution feeders may be able to pick up load when one of the area feeders experiences an outage.[44]

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[42] This section addresses the factors set out in PURA § 37.056(c)(1)-(2). The remaining factors are discussed later in the PFD.

[43] Oncor Ex. 1A at 8-9 and Att. No. 4; Oncor Exs. 10A and 10B (Stephens Dir.)(including HSPM).

[44] Oncor Ex. 1A at 8-9; Oncor Ex. 10A (Stephens Dir.) at 4-5.

With regard to the first, second, and third items listed above, Oncor witness Michael C. Stephens, Jr. explained that the existing electric infrastructure in and around the Princeton Peninsula is limited and that Oncor has no substations located in the City to support load within the City or in the Princeton Peninsula.[45] In relation to the Princeton Peninsula, Oncor's nearest existing substations are located in McKinney, Texas.[46]

Due to numerous customer service requests located within the Princeton Peninsula and the need to provide service to those customers prior to Oncor's ability to construct the Project, Oncor recently funded a project to construct a new distribution feeder extension to that area from a substation located in Allen, Texas: the Allen North Substation Feeder 2832 (ALNTH 2832).[47] Oncor expects the ALNTH 2832 extension will be completed and able to begin serving the area by the fourth quarter of 2022.[48] At that time, ALNTH 2832 will join the two existing feeders currently serving the Princeton Peninsula: the McKinney Substation Feeder 1251 (MKNNY 1251) and the McKinney Southwest Substation Feeder 2601 (MKNSW 2601). As a result, these three feeders are anticipated to serve the Princeton Peninsula (collectively, the Princeton Peninsula Feeders). However, Mr. Stephens indicated that these feeders are already operating near or in excess

[45] Oncor Ex. 1A at 9; Oncor Ex. 10A (Stephens Dir.) at 5

[46] Oncor Ex. 1A at 9, 13; Oncor Ex. 10A (Stephens Dir.) at 4-5.

[47] Oncor Ex. 1A at 9; Oncor Ex. 10A (Stephens Dir.) at 5. The distance between McKinney and Princeton is approximately eight miles, whereas the distance between Allen and Princeton is over 10 miles.

[48] Once completed and energized, Oncor estimates that approximately 30% of ALNTH 2832's load will be located in the Princeton Peninsula. Oncor Ex. 10A (Stephens Dir.) at 6.

of their applicable facility ratings even when assuming the ALNTH 2832 extension is already in-service.[49] In sum, he opined that while ALNTH 2832 may alleviate some of the existing overload problems in this area in the short-term, it does not provide a reliable, long-term solution to the area's needs that the Project would accomplish.[50]

Mr. Stephens stressed that the Project is needed to accommodate the rapid load growth experienced in the Princeton Peninsula and surrounding area.[51] He testified that, since January 2020, Oncor has received load addition requests to serve new subdivisions totaling over 3,400 new homes in the area, equating to approximately 15 megawatts (MW) of load. These new homes are primarily all electric and are scheduled to come into Oncor's service territory to be served by the Princeton Peninsula Feeders by the end of 2024.[52] Due to the lack of local substation sources, the power to serve these residences must come from surrounding communities across long distribution feeders which are inherently subject to reliability issues, as discussed in greater detail below. As a result, Mr. Stephens warned that customers may be subject to extended outages due to existing infrastructure limitations.[53]

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[49] Oncor Ex. 10A (Stephens Dir.) at 5, 7-11.

[50] Oncor Ex. 10A (Stephens Dir.) at 10.

[51] Oncor Ex. 10A (Stephens Dir.) at 7.

[52] Oncor Ex. 1A at 13; Oncor Ex. 10A (Stephens Dir.) at 16-17.

[53] Oncor Ex. 1A at 13; Oncor Ex. 10A (Stephens Dir.) at 5, 16.

Additionally, Oncor has received multiple large industrial load requests from entities located near the McKinney Airport. For example, Oncor asserts it recently entered into a Facilities Extension Agreement with one such customer for 9 MW and that the customer's ultimate load may increase to 23 MW.[54] In sum, Mr. Stephens testified the Project will serve as a diversified local source for the Princeton Peninsula and will provide a long-term solution to serve the existing and projected load in the area.[55]

With regard to the fourth and fifth items listed above, Mr. Stephens explained that the Project is needed to address reliability and power quality issues concerning the Princeton Peninsula Feeders (i.e., long overhead distribution feeders). He noted that, due to their length and position, these feeders have an inherently higher probability of experiencing outages due to exposure to storms, wildlife, vegetation, automobile collisions, equipment failures, and similar issues arising from weather or physical impacts.[56] He also indicated these issues typically increase as a feeder's length and number of customers it serves increases, and that the Princeton Peninsula Feeders' reliability could be further impacted because a large number of customers are located on the end-portions of those feeders.[57]

SAIDI and SAIFI are industry standard metrics reported to the Commission that provide insights into the overall customer reliability experience. Mr. Stephens

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[54] Oncor Ex. 1A at 14.

[55] Oncor Ex. 1A at 13; Oncor Ex. 10A (Stephens Dir.) at 19-20, 33.

[56] Oncor Ex. 1A at 10.

[57] Oncor Ex. 10A (Stephens Dir.) at 6-7, 10.

reported that, since 2017, MKNNY 1251 and MKNSW 2601 have experienced SAIDI and/or SAIFI exceedances that constitute historical reliability issues, including consecutive years with outage occurrences or durations at roughly four times the system average.[58] Thus, he stressed the Project is needed to reduce the length that these feeders are exposed to the various elements that negatively impact them, which will mitigate their reliability issues and improve their SAIDI and SAIFI metrics. The Project would reduce the overall exposure length of the Princeton Peninsula Feeders to those elements by approximately 23.5 miles.[59]

Concerning power quality issues, Mr. Stephens noted that, in 2021, approximately 1,600 customer meters on MKNNY 1251 and approximately 1,700 customer meters on MKNSW 2601 recorded at least one low voltage event, as described in 16 TAC § 25.51 (concerning power quality) and ANSI Standard C84.1 (specifying the standard distribution system nominal voltage limits a utility must maintain).[60] Oncor contends that the power quality issues are exacerbated by the extreme weather in the area which results in heating, ventilation, and air conditioning systems running longer and at higher outputs to maintain temperature. For these reasons, Oncor contends the Project is needed to establish a local transmission source for the Princeton Peninsula, which will enhance voltage support and therefore address power quality issues.[61]

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[58] Oncor Ex. 10A (Stephens Dir.) at 12-13.

[59] Oncor Ex. 10A (Stephens Dir.) at 12-13.

[60] Oncor Ex. 1A at 12.

[61] Oncor Ex. 1A at 12-13; Oncor Ex. 10A (Stephens Dir.) at 19, 33.

Finally, Mr. Stephens explained that, because the Princeton Peninsula Feeders are already operating near or in excess of their applicable facility ratings, their ability to provide backstand support to each other in the event of an outage is quite limited.[62] He cautioned that a feeder's outage time may increase without access to such backstand support, and argued that the Project is needed to facilitate needed backstand capability in the Princeton Peninsula. He also asserted that the Ivy League Substation will better facilitate power restoration for the customers through switching if such a feeder outage occurs.[63]

No party challenged Oncor's need for the Project. Staff witness Poole confirmed the Project is needed for the service, accommodation, convenience, or safety of the public and that it is the best option when compared to other alternatives.[64]

1. How do the proposed transmission facilities support the reliability and adequacy of the interconnected transmission system?

As discussed above, the Project supports the reliability and adequacy of the interconnected system by addressing existing power quality and reliability issues (including SAIDI and SAIFI exceedances) and alleviating existing and projected overloads of the Princeton Peninsula Feeders. Additionally, the Project will provide

[62] Backstand support refers to the capability of a distribution feeder to serve both its own load and a portion of the load of a nearby feeder experiencing a temporary outage until it is repaired or upgraded. Oncor Ex. 1A at 10; Oncor Ex. 10A (Stephens Dir.) at 11-12, 16.

[63] Oncor Ex. 1A at 12; Oncor Ex. 10A (Stephens Dir.) at 12 and 19.

[64] Staff Ex. 1 (Poole Dir.) at 23-24. Oncor considered various options to the Project which are addressed further in Section III.H of the PFD.

new substation capacity to serve the growing load and diversify the transmission sources that serve the Princeton Peninsula area by delivering power from an additional transmission source.[65]

2. Do the proposed transmission facilities facilitate robust wholesale competition?

Yes; the Project will facilitate customer interconnection in Oncor's singly-certificated Princeton Peninsula area, and Oncor will also have the potential capacity to provide a point of interconnection to another utility for service within the nearby dually- and multiply-certificated areas that Oncor serves.[66]

3. What recommendation, if any, has an independent organization, as defined in PURA § 39.151, made regarding the proposed transmission facilities?

The Electric Reliability Council of Texas, Inc. (ERCOT) has not made a recommendation concerning the Project. According to Mr. Stephens, "ERCOT typically does not review radial transmission line projects designed to serve load because such projects are considered 'Neutral' under ERCOT Nodal Protocols § 3.11.4.3(1)(f)."[67]

4. Are the proposed transmission facilities needed to interconnect a new transmission service customer?

[65] Oncor Ex. 10A (Stephens Dir.) at 19.

[66] Oncor Ex. 10A (Stephens Dir.) at 24.

[67] Oncor Ex. 10A (Stephens Dir.) at 23-24.

Yes; the Project is needed to accommodate expected system growth, including growth driven by interconnections to serve new end-use residential customers located in the Princeton Peninsula and the nearby dually- and multiply-certificated areas.[68] Additionally, the Project is needed to accommodate multiple large industrial load requests near the McKinney Airport.[69]

F. Preliminary Order Issue No. 6: In Considering the Need for Additional Service Under PURA § 37.056(c)(2) for a Reliability Transmission Project, Please Address the Historical Load, Forecasted Load Growth, and Additional Load Currently Seeking Interconnection.[70]

The table below shows the actual, unadjusted historical loads (shown in MW) on the Princeton Peninsula Feeders for the past six winter seasons and the projected loads (shown in MW) for the next six winter seasons:

Table 1: Unadjusted Historical Winter Peak Loads (2015-2021) and Projected Winter Peak Loads (*2021-2027)[71]

	15-16	16-17	17-18	18-19	19-20	20-21	21-22*	22-23*	23-24*	24-25*	25-26*	26-27*
MKNNY 2601	20.0	24.2	27.9	24.0	20.6	29.4	26.1	29.8	33.7	37.4	38.9	40.3
MKNSW 1251	15.7	20.7	25.4	23.7	22.1	39.2	26.2	14.4	15.9	16.9	17.5	18.2
ALNTH 2832	6.9	8.5	8.9	8.6	7.9	8.5	15.7	17.5	19.5	21.6	22.5	23.3

[68] Oncor Ex. 10A (Stephens Dir.) at 4.

[69] Oncor Ex. 1A at 14.

[70] Except for Oncor, no party presented argument or evidence on this issue.

[71] Oncor Ex. 1A at 13; Oncor 10A (Stephens Dir.) at 18.

TOTAL	42.6	53.4	62.2	56.3	50.5	77.1	68.0	61.7	69.1	75.9	78.9	81.7

The Princeton Peninsula Feeders averaged 12.6% annual historical growth over the 2015-2021 winter seasons. Oncor projects an aggregate annual load growth of approximately 7.3% on these feeders over the 2022-2027 winter seasons.[72]

The recent residential load growth in the Princeton Peninsula and additional customer-requested future growth, as discussed above, informed Oncor's load projections.[73] The following table illustrates the current residential customer counts as well as the projected new residential customers and load requests on the Princeton Peninsula Feeders:

Table 2: New Residential Load Requests

Substation Feeder	Current Customer Count	Estimated New Load Requests (kW)	Estimated New Customer Meters
MKNNY 1251	1,521	4,892	1,600
MKNSW 2601	2,920	8,769	1,317
ALNTH 2832	1,711	1,340	500
Total	6,152	1,340	500

Additionally, as previously noted, Oncor has received multiple large industrial load requests.[74]

G. PRELIMINARY ORDER ISSUE NO. 7: IF THE PROPOSED TRANSMISSION FACILITIES ARE NOT NECESSARY TO

[72] Oncor Ex. 1A at 13; Oncor Ex. 10A (Stephens Dir.), Exh. MCS-2 (non-confidential); Oncor Ex. 10B (Stephens Dir.), Exh. MCS-2 (HSPM).

[73] Oncor Ex. 1A at 13-14.

[74] Oncor Ex. 1A at 14.

MEET STATE OR FEDERAL RELIABILITY STANDARDS AND ARE NOT INCLUDED IN A PLAN DEVELOPED UNDER PURA § 39.904(g), PLEASE ADDRESS THE ESTIMATED COST OF THE TRANSMISSION PROJECT FOR CONSUMERS AND THE ESTIMATED CONGESTION COST SAVINGS FOR CONSUMERS THAT MAY RESULT FROM THE TRANSMISSION PROJECT, CONSIDERING BOTH CURRENT AND FUTURE EXPECTED CONGESTION LEVELS AND THE TRANSMISSION PROJECT'S ABILITY TO REDUCE THOSE CONGESTION LEVELS.[75]

The Project is needed to address various reliability and power quality issues under 16 TAC §§ 25.51 and .52 on the existing distribution feeders serving the Princeton Peninsula.[76] Oncor asserts no congestion cost analysis was required or performed.

H. PRELIMINARY ORDER ISSUE NO. 8: ARE THE PROPOSED TRANSMISSION FACILITIES THE BETTER OPTION TO MEET THIS NEED WHEN COMPARED TO USING DISTRIBUTION FACILITIES? IF ONCOR IS NOT SUBJECT TO THE UNBUNDLING REQUIREMENTS OF PURA § 39.051, ARE THE PROPOSED TRANSMISSION FACILITIES THE BETTER OPTION TO MEET THE NEED WHEN COMPARED TO A COMBINATION OF DISTRIBUTED GENERATION AND ENERGY EFFICIENCY? IF THE PROJECT INCLUDES A RADIAL TRANSMISSION LINE, PLEASE ADDRESS ADDITIONAL FACTORS.[77]

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[75] Except for Oncor, no party presented argument or evidence on this issue.

[76] Oncor Ex. 1A at 8, 10-12.

[77] Except for Oncor and Staff, no party presented argument or evidence on this issue.

1. Alternative Distribution Options

Yes; the Project is the best option to meet the need in the Princeton Peninsula area compared to distribution facilities. Oncor considered four primary alternative distribution options for serving the area and determined they did not provide long-term solutions because they would not materially reduce the overall exposure length of the Princeton Peninsula Feeders and therefore would not adequately address the reliability and power quality issues inherent in such lengthy, overhead facilities.[78]

The four distribution alternative project options that Oncor considered are summarized below:

Alternative Distribution Option 1 (Option 1) would establish two new distribution feeders from the Weston Substation located in McKinney, Texas by installing a 138-25 kV, 46.7 megavolt amperes (MVA) transformer with two feeder breakers so as to offload two 25-kV feeders from the Weston Substation and reroute them to the Princeton Peninsula area. While these feeders would be newly constructed, Mr. Stephens noted they would be similar in length to the existing Princeton Peninsula Feeders and thus subject to the same reliability and power quality issues currently experienced by the Princeton Peninsula Feeders. He also noted that growth in McKinney, Texas and the Princeton Peninsula would impact the Option 1 feeders because they would need to serve proximate new loads. Option 1 is estimated to cost $22,884,250, which is similar to, and in some cases higher than,

[78] Oncor Ex. 10A (Stephens Dir.) at 25.

some of the 54 alternative transmission routes proposed by Oncor, including Route 4626. Option 1 is estimated to cost approximately $9,363,250 more than the total cost of Route 4626, including substation costs (the total estimated cost of Route 4626 is $13,521,000).[79]

Alternative Distribution Option 2 (Option 2) would establish two 25-kV, 20-MW distribution point of interconnections (POIs) at Rayburn Country Electric Cooperative's (Rayburn's) New Hope Substation that is currently under development. While the feeders associated with Option 2 are estimated to reduce the exposure length of the feeders serving the Princeton Peninsula to some extent, Mr. Stephens argued their total length would still be too long and would leave customers exposed to the reliability and power quality concerns described above. Additionally, he explained that all potential POIs from the New Hope Substation would be dependent on Rayburn's agreement to provide additional capacity to Oncor and the actual availability of such capacity at the New Hope Substation, which he stated is unknown at this time. For this reason, it is Mr. Stephens's opinion that Option 2 would limit Oncor's ability to reliably serve new and existing customers in and around the Princeton Peninsula. Option 2 is estimated to cost $17,937,900, which is similar to, and in some cases higher than, some of the 54 proposed transmission routes, including Route 4626. Option 2 is estimated to cost $4,416,900 more than the total cost of Route 4626.[80]

[79] Oncor Ex. 10A (Stephens Dir.) at 25-26.
[80] Oncor Ex. 10A (Stephens Dir.) at 27-28.

Alternative Distribution Option 3 (Option 3) would establish two 25-kV, 20-MW POIs at TNMP's Longneck Substation. Again, Mr. Stephens noted that while the feeders associated with Option 3 would potentially reduce the overall exposure of feeders serving the Princeton Peninsula by a certain extent (approximately 3.2 miles), the total feeder length would still be too long and would leave customers exposed to the reliability and power quality concerns described above. He further noted these new feeders would be constructed in areas outside of Oncor's certificated service territory, which may make easement acquisition and construction more difficult, time-consuming, and expensive. Additionally, he asserted that future growth beyond the total 40 MW of new capacity from these POIs would be dependant on TNMP providing additional capacity at its Longneck Substation, which limits Oncor' s ability to reliably serve its new and existing customers in and around the Princeton Peninsula. This alternative would cost an estimated $9,288,400, which is approximately $4,232,600 less than the total cost of Route 4626.

Mr. Stephens argued that Options 2 and 3 are insufficient and inferior to the Project because they are constrained by the ability to route feeders from another utility's or cooperative's facilities through non-Oncor certificated areas as well as multiply-certificated service areas where other distribution service providers have feeders present. As such, he opined that Options 2 and 3 would limit Oncor's ability to provide backstand switching capabilities in the direction of the Princeton Peninsula Feeders and result in Oncor's reliance on other entities to provide substation capacity to serve its customers and any load growth in its singly-

certificated service area.[81] Additionally, he noted that Options 2 and 3 would not provide a transmission source to a new substation in the rapidly growing Princeton Peninsula area, which he argued is the best and most reliable way to serve fast-growing areas.[82]

Alternative Distribution Option 4 (Option 4) would establish a new substation in the McKinney, Texas area and two new 25-kV circuit distribution feeders. As with Options 2 and 3, Mr. Stephens stated that while the feeders associated with Option 4 are estimated to reduce the overall feeder exposure to a certain extent (approximately 1.9 miles), their total length would still be too long and would leave customers exposed to the reliability and power quality concerns described above. Additionally, he stated the growth in McKinney would impact the feeders from Option 4's new substation because it would be needed to serve geographically closer load growth. The estimated cost for this alternative option is $11,280,000, which is $2,241,000 less than the total estimated cost of Route 4626. However, Option 4's new substation may require a CCN if there are no landowners willing to convey easements for the transmission line to serve it, which would increase the overall feeder length and the current estimated cost.[83]

Ultimately, according to Mr. Stephens, the needs of the area are based on reliability, power quality, and load-serving considerations that cannot be reliably

[81] Oncor Ex. 10A (Stephens Dir.) at 28-29.

[82] Oncor Ex. 10A (Stephens Dir.) at 29-30.

[83] Oncor Ex. 10A (Stephens Dir.) at 30-31.

addressed in the long-term through distribution alternatives absent construction of the Project to serve the Princeton Peninsula.[84]

No party challenges whether the Project is the best option to meet the area's need compared to distribution facilities and other alternatives, and Staff witness Poole confirmed the Project is the best option.[85]

The ALJs find the Project is the best option to meet the described need when compared to distribution facilities and other alternatives.

2. Radial Line Issues[86]

The Project is a radial, load-serving 138-kV transmission line.[87] As such, the ALJs provide the information requested in the subparts to Preliminary Order Issue No. 8 below:

a) The data used to calculate Oncor's load-growth projections that support the need for a transmission-line solution

The data Oncor used to calculate its load-growth projections for the area served by the Project are provided in Oncor's supplemental project need data filing

[84] Oncor Ex. 10A (Stephens Dir.) at 32.

[85] Staff Ex. 1 (Poole Dir.) at 23-24.

[86] Except for Oncor, no party presented argument or evidence on this issue.

[87] Oncor Ex. 10A (Stephens Dir.) at 24.

(the Supplemental Project Need Data) which is included in Exhibit MCS-2 of Mr. Stephens's direct testimony.[88]

b) The date, origin, and relevance of the data used to calculate Oncor's load-growth projections

Oncor's load-growth projections originate from and are calculated based on the methodology it employs in compiling the Annual Load Data Request (ALDR), which it provides to ERCOT annually. Oncor's ALDR methodology is further discussed in the following subsection.[89] Oncor's load-growth projections are from the 2021-2027 winter seasons, based on load requests made in the 2019-2021 timeframe.[90]

c) The assumptions made and relied on to generate the load-growth projections, including but not limited to the assumed rates of load growth, the factors (if any) applied to calculate forecasted loads to account for customer load served by any other electric utilities also providing electric service within Oncor's need study area

In calculating the load-growth projections referenced in the Supplemental Project Need Data, Oncor used its ALDR methodology. This load forecasting effort includes steps explained in HSPM Exhibit 3 of the Supplemental Project Need Data.[91] Regarding the factors applied to calculate forecasted loads for new

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[88] Portions of the Supplemental Project Need Data were designated as HSPM. Oncor Ex. 10A (Stephens Dir.), Exh. MCS-2 (non-confidential Exhibit 1); Oncor Ex. 10B (Stephens Dir.), Exh. MCS-2 at 8-9 (HSPM Exhibit 1 at 2-3).

[89] Oncor Ex. 10A (Stephens Dir.), Exh. MCS-2 at 42.

[90] Oncor Ex. 10A (Stephens Dir.), Exh. MCS-2 at 42 (non-confidential); Oncor Ex. 10B (Stephens Dir.), Exh. MCS-2 (HSPM).

[91] Oncor Ex. 10B (Stephens Dir.), Exh. MCS-2 at 10-13 (HSPM Exhibit 3 at 41-44).

developments in the need study area, Oncor's load projections contain "diversification factors" further explained in Mr. Stephens's direct testimony and accompanying exhibits.

A large portion of the recent new load requests in the need study area fall within Oncor's singly-certificated Princeton Peninsula service area. For those loads, Oncor did not apply an adjustment to account for the possibility of other utility service providers. For new load requests in dually- or multiply-certificated service areas, Oncor applied a diversification factor that it asserts accounts for the possibility that the customer who already formally requested service from Oncor may nevertheless ultimately choose another certificated provider.[92]

d) The location, described in writing and depicted on a map, of the boundaries and all existing transmission facilities (including proposed substations or switching stations) within the need study area used for the load-growth projections

Existing transmission facilities in and around the need study area, including the proposed Ivy League Substation and Rayburn's New Hope Substation, are shown in Attachment No. 5 to the Application. The need study area generally includes portions of the cities of McKinney, Allen, and Princeton north of Lavon Lake in Collin County, Texas.[93]

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[92] Oncor Ex. 10A (Stephens Dir.), Exh. MCS-2 at 43 (non-confidential); Oncor Ex. 10B (Stephens Dir.), Exh. MCS-2 at 10-13 (HSPM Exhibit 3 at 41-44).

[93] Oncor Ex. 1A, Att. No. 5.

e) If included in Oncor's load-growth projections, the nature, scope, and location depicted on a map of the following loads: (i) Oncor's current consumers, (ii) Oncor's pending load request, and (iii) future development projects included in Oncor's load-growth projections

Figure 2 of Attachment No. 4 to the Application is a map showing current Oncor customers in the area. Figures 4A, 4B, and 5 of the same attachment are maps showing new Oncor load requests in this area.[94] The numbered locations in Figure 5 (Nos. 1-42) correspond with the numbered list of new load requests provided on page 3 of Exhibit 1 to the Supplemental Project Need Data.[95]

f) The location depicted on a map of the existing load center, the load center including existing load and currently requested loads, and the load center including existing load, currently requested loads, and Oncor's projected load growth

Figures 2, 4A, 4B, and 5 of Attachment No. 4 to the Application illustrate the requested information.[96]

g) The location and identity of any existing transmission lines, whether inside or outside the need study are, that are as close as, or closed to, any load-serving substation proposed in this Application compare to the existing

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[94] Oncor Ex. 1B, Att. No. 4, Figures 2, 4A, 4B, and 5 (confidential); Oncor Ex. 10A (Stephens Dir.), Exh. MCS-2 at 43 (non-confidential).

[95] *Compare* Oncor Ex. 1B, Att. No. 4, Figure 5 (Confidential Figure of Project Need Attachment), *with* Oncor Ex. 10B (Stephens Dir.), Exh. MCS-2 at 9 (HSPM Exhibit 3 at 3).

[96] Oncor Ex. 1B, Att. No. 4, Figures 2, 4A, 4B, and 5 (Confidential Figures of Project Need Attachment); Oncor Ex. 10A (Stephens Dir.), Exh. MCS-2 at 43 (Non-confidential).

transmission line or substation used for the proposed interconnection or tap

All known existing transmission facilities in and around the need study area are shown in Attachment No. 5 to the Application. The existing TNMP radial transmission line and Longneck Substation that Oncor proposes for interconnection to the proposed Ivy League Substation is the closest existing transmission line and substation.[97]

h) The location and identity of any existing substations with remaining transformer capacity, whether inside or outside the need study area, that are as close as, or closer to, any load-serving substation proposed in this Application compared to the existing transmission line or substation used for the proposed interconnection or tap

Attachment No. 5 to the Application depicts and identifies all known existing utility substations in the proximate area of the proposed Ivy League Substation. TNMP's existing Longneck Substation that Oncor proposes for interconnection to the proposed Ivy League Substation is the closest existing substation.[98]

i) If other utilities are providing distribution service within Oncor's need study area, are the other utilities distribution facilities described in writing and depicted on a map that identifies the location and nature of the facilities

[97] Oncor Ex. 1A, Att. No.5 at 1072; Oncor Ex. 10A (Stephens Dir.) at 20-21.

[98] Oncor Ex. 1A, Att. No. 5 at 1072; Oncor Ex. 10A (Stephens Dir.) at 21.

The Princeton Peninsula, which is the primary need study area for the Project, is within Oncor's singly-certificated service area as shown in Figure 1 of Attachment No. 4 to the Application. Oncor provided the location of other providers' known distribution substations in the broader area as shown in Attachment No. 5 to the Application. None are located within the Princeton Peninsula or the immediately adjoining dually-certificated service area just north of the Princeton Peninsula, apart from TNMP's existing Longneck Substation and Rayburn's New Hope Substation. TNMP provided Oncor a map of its primary voltage, three-phase distribution conductors in the dually-certificated service area just north of the Princeton Peninsula that TNMP and Oncor share.[99]

j) An analysis of the feasibility, design, and cost effectiveness of a distribution-voltage-level alternative that uses the same point(s) of interconnection or tap and endpoint(s) and that is routed along the same alternative routes as the transmission-level radial line that is requested to be approved

As previously discussed, distribution alternatives would not satisfy the long-term load-serving needs of the area and would not provide the Project's reliability and power quality benefits. However, Oncor identified Option 3 as the most feasible route for a distribution alternative to the Project in response to Question No. 15 of the Commission's CCN Application.[100] The estimated construction cost for

[99] Oncor Ex. 10A (Stephens Dir.) at 21-22; Oncor Ex. 10B (Stephens Dir.), Exh. MCS-3 (HSPM).

[100] Oncor Ex. 1A at 16-21; Oncor Ex. 10A (Stephens Dir.) at 25, 32; Oncor Ex. 10A (Stephens Dir.), Exh. MCS-2 at 45 (non-confidential); Oncor Ex. 1C, Att. No. 4, Figure 10 (HSPM); Oncor Ex. 10A (Stephens Dir.), Exh. MCS-2 at 45 (non-confidential).

Option 3 is $9,288,400, which is approximately $4,232,600 less than the total cost of Route 4626.[101]

Oncor asserts the conservative cost estimates for distribution alternatives that utilize Option 3 along the shortest route (Route 4842) and longest route (Route 240) of the 54 proposed routes are $7,704,652 and $14,594,128, respectively.[102] On the other hand, Oncor asserts the optimistic cost estimates for distribution alternatives that utilize Option 3 along Routes 4842 and 240 are $5,322,953 and $7,429,920, respectively.[103] Mr. Stephens provided two sets of estimated cost information for the distribution alternatives routed along all 54 proposed alternative routes, the primary cost variables for which were route length and the degree of underground versus overhead installation.[104] Oncor argues one set of Mr. Stephens's estimated costs utilized optimistic assumptions regarding the amount of underground installation, whereas the other utilized more conservative, and likely more realistic, assumptions.[105] To the extent that these distribution alternatives are routed along the eastern corridor of the study area, there is a risk of non-viability in the near future because the eastern corridor routes pose a heightened risk of future impacts due to the number of rapid developments.[106]

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[101] Oncor Ex. 1A at 20.

[102] Oncor Ex. 10A (Stephens Dir.), Exh. MCS-5.

[103] Oncor Ex. 10A (Stephens Dir.), Exh. MCS-4.

[104] Oncor Ex. 10A (Stephens Dir.) at 22 and Exhs. MCS-4 and MCS-5.

[105] Oncor Ex. 10A (Stephens Dir.) at 22.

[106] Oncor Ex. 13 (Perkins Reb.) at 3.

k) Oncor's planning study or other reports reflecting the nature and scope of new-build distribution facilities or existing distribution-facility upgrades necessary for projected load growth anticipated before the projected load growth that is the basis for this Application.

Oncor determined that the growing area load required a third distribution feeder to serve the Princeton Peninsula last year. Therefore, Oncor began a construction project for the ALNTH 2832 feeder extension. Mr. Stephens provided the planning report and associated mapping relating to that project in Exhibit MCS-1 to his direct testimony.[107]

All the need-related data submitted in this proceeding assumes construction completion of the ALNTH 2832 feeder extension, demonstrating that Oncor's need studies for the Project incorporated distribution-level upgrades that are underway in this area. Oncor indicates that no single discrete new load triggered the need for a transmission rather than distribution option to serve this area; instead, the totality and rapid pace of load growth in the Princeton Peninsula and surrounding areas demonstrate the need for Project.[108]

l) A comparative cost analysis between all new-build distribution facilities or existing distribution-facility upgrades and the proposed radial transmission facilities that segregates the distribution-alternative costs to support the pending load requests and specific future

[107] Oncor Ex. 10A (Stephens Dir.) at 6, 23 and Exh. MCS-1 (non-confidential at 1-2); Oncor Ex. 10B (Stephens Dir.), Exh. MCS-1 (HSPM at 3-6).

[108] Oncor Ex. 10A (Stephens Dir.) at 23.

development loads from general load growth in the need study area.

A previously addressed, the cost estimates for Options 1-4 range from $9,288,400 to $22,884,250.[109] The cost estimates for the Project range from $8,724,000 for the least expensive route (Route 4842) to $20,043,000 for the most expensive route (Route 4630). The estimated Project substation costs for all filed routes are $4,325,000.[110]

Oncor asserts that none of the alternative distribution options discussed above address "general load growth" alone; however, the incurred costs to extend ALNTH 2832 into the Princeton Peninsula area, which arguably addresses the general load growth in the area, are not included in any of the estimated costs for Options 1-4.[111] Moreover, Oncor stresses Mr. Stephen's testimony that Options 1-4 would not satisfy the long-term load-serving needs of the area or provide the reliability benefits offered by the Project.[112]

IV. PRELIMINARY ORDER ISSUES RELATING TO ROUTES

A. BACKGROUND

Oncor plans to primarily construct the proposed transmission line using double-circuit 138-kV steel or concrete monopole structures with a typical height

[109] Oncor Ex. 1A at 18-21.

[110] Oncor Ex. 1A at 7-8 and Atts. 3 at 1058-059 and 7 at 1076.

[111] Oncor Ex. 10A (Stephens Dir.), Exh. MCS-2 at 46 (non-confidential).

[112] Oncor Ex. 1A at 8-21; Oncor Ex. 10A (Stephens Dir.), Exh. MCS-2 at 47 (non-confidential).

of 90 feet. The typical ROW will be approximately 70-feet wide.[113] The proposed Ivy League Substation is to be located approximately one mile southeast of the intersection of US Hwy 380 and FM Road 982.

As detailed below, the record evidence presented by Oncor in its Application (including the attached EA) and through testimony provides cost estimates and land use and environmental data for all of the proposed route alternatives. Oncor asserts Route 4626 best meets the factors set forth in PURA § 37.056(c) and 16 TAC § 25.101(b)(3)(B) because it:[114]

- is approximately 2.8 miles long, which is only 67 feet longer than the shortest of all the filed routes and approximately 2.9 miles shorter than the longest filed route;[115]
- is the second least expensive of all the filed routes at $9,196,000, excluding station costs, which is only $472,000 more than the least expensive filed route and $10,847,000 less than the most expensive filed route;[116]
- has 44 habitable structures within 300 feet of its centerline (the number of habitable structures within 300 feet for all of the filed routes' centerlines ranges from 14 to 197);[117]

[113] Oncor Ex. 1A at 3-5; Oncor Ex. 7 (Carlson Dir.) at 2-4.

[114] Oncor Ex. 1A at 23.

[115] Oncor Ex. 1A, Att. No. 1, Table 7-1 at 556; Oncor Ex. 9 (Perkins Dir.) at 10.

[116] Oncor Ex. 1A, Att. No. 3 at 1058; Oncor Ex. 9 (Perkins Dir.) at 10.

[117] Oncor Ex. 1A, Att. No. 1, Table 7-2 at 990.

- has no length of its route across lakes and ponds (i.e., open waters) or potential wetlands;[118]
- does not cross any recorded cultural resource sites along its centerline;[119]
- does not significantly impact community values, recreational and park areas, historical and aesthetic values, or the environmental integrity of the area traversed by the Project;[120] and
- limits exposures to electric and magnetic fields that can be avoided with reasonable investments of money and effort.[121]

Staff and the majority of intervenors[122] agree with Oncor's reasoning of its preferred route and filed testimony supporting Route 4626 as the route that best addresses the applicable routing criteria.[123] Two intervenors filed testimony opposing any route that would place electric towers on their property but did not oppose or support any specific route.[124] The remaining intervenors did not offer their prefiled testimony or position statements for admission into the evidentiary record.[125]

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[118] Oncor Ex. 1A, Att. No. 1, Table 7-2 at 990.

[119] Oncor Ex. 1A, Att. No. 1, Table 7-2 at 990.

[120] Oncor Ex. IA, Att. No. 7 at 1076-077; Oncor Ex. 9 (Perkins Dir.) at 11.

[121] Oncor Ex. 9 (Perkins Dir.) at 11.

[122] The intervenors who filed testimony recommending the Commission approve Route 4626 include: IC-SB - Comsor; BMWB Coalition; Arroyo; KB Home; Core Spaces, Inc; and M/I Homes of DFW, LLC.

[123] Staff Ex. 1; M/I Homes Ex. 1; KB Home Ex. 1; Core Spaces Ex. 1; BMWB Exs. 1 and 2; Arroyo Exs. 1 and 2; IC-SB - Comsor Exs. 1-3.

[124] Aboul-Fettouh Exs. 1 and 2. Neither exhibit identifies their property location within the project area. As a result, there is no evidence in the record that shows which, or if any, primary alternative route would place electric towers on their property.

[125] No party offered direct testimony or exhibits that challenged Oncor's preferred route or proposed another primary

PURA § 37.056(c) sets out factors the Commission must consider in determining whether to grant a CCN application.[126] The Commission's rules identify several additional factors to be considered in deciding the routing of transmission lines, as set forth in 16 TAC § 25.101(b)(3)(B). The evidence regarding these factors is discussed below, followed by the ALJs' recommendation of Route 4626, which weighs and takes into consideration all requisite factors.

B. Effect of Granting the Application on Oncor and Any Electric Utility Serving the Proximate Area (PURA § 37.056(c)(3)) and the Probable Improvement of Service or Lowering Cost to Consumers in the Area (PURA § 37.056(c)(4)(E))?[127]

The Project will connect to TNMP's existing Longneck Substation.[128] Oncor asserts the Project will result in a probable improvement of service for customers and a more reliable transmission system including: addressing reliability and power quality issues, adding capacity, accommodating expected system growth, diversifying transmission sources that power feeders serving the Princeton Peninsula area, and facilitating backstand capability. Oncor cites the City's Resolution, which stated that additional electric capacity is needed to support economic and population

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alternative route as the route that best addresses the Commission's routing criteria.

[126] The first two factors in PURA § 37.056(c)—adequacy of existing service and the need for additional service—have been addressed above in connection with the discussion of Preliminary Order Issue Nos. 5 and 6.

[127] Except for Oncor and Staff, no party presented evidence or argument on this factor.

[128] Oncor Ex. 1A at 7, Att. No. 2 at 1051-053.

growth in the City and to improve existing service.[129] Staff concludes that, since the Project will meet a need for additional service in the area, that this Project can also be considered to improve existing service.[130] There is no evidence regarding the probable lowering of costs to consumers.

The evidence establishes that the Project will improve service in the vicinity and will help meet a need for additional service in the area that is fueled by rapid growth.

C. Community Values (PURA § 37.056(c)(4)(A))

PURA § 37.056(c)(4)(A) requires consideration of impacts of proposed transmission facilities on community values. While "community values" is not defined in statute or rule, the Commission has previously defined community values as "a shared appreciation of an area or other mutual resource by a national, regional, or local community."[131] The Commission has described adverse effects upon community values as "those aspects of a proposed project that would significantly alter the use, enjoyment, or intrinsic value attached to an important area or resource by a community."[132]

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[129] Oncor Ex. 13 (Perkins Reb.), Exh. BJP-R3.

[130] Staff Ex. 1 (Poole Dir.) at 16-17.

[131] *Joint Application of Electric Transmission Texas, LLC and Sharyland Utilities to Amend Their Certificates of Convenience and Necessity for the North Edinburg to Loma Alta Double-Circuit 345-kV Transmission Line in Hidalgo and Cameron Counties, Texas*, Docket No. 41606, Order at 8-9, Finding of Fact (FoF) No. 51 (Apr. 11, 2014).

[132] *Application of Brazos Electric Power Cooperative, Inc. to Amend a Certificate of Convenience and Necessity for a 138-kV Transmission Line in Denton County*, Docket No. 44060, Order at FoF 29 (Jun. 13, 2016).

As described above, Oncor held a public meeting on September 14, 2021, in the City.[133] Oncor indicated that Respondents who completed questionnaires expressed a preference for maximizing the distances of the Project from habitable structures and utilizing future roadways.[134] Halff made modifications to the preliminary routing links after considering updated property data, guidance from Oncor, additional field investigations, and comments received from the public meeting.[135] Oncor also implemented route modifications after considering recommendations from certain development representatives.[136] Additionally, the City's Resolution expressed a preference for Route 4626 to "best protect park lands and the City's aesthetic values."

Based on those modifications, Oncor argues Route 4626 best addresses the shared community values expressed in the public meeting and by the City's Resolution. Arroyo and IC-SB - Comsor agree. Staff's position is more nuanced. Staff argues that the ongoing development in the area means that there is no route that performs particularly well for all the expressed community values. However, Staff argues that Route 4626 balances the values best when all of the factors are taken into consideration. Staff also relies on the City's Resolution and the overall support for Route 4626 as expressions of the community values.

The ALJs find that Route 4626 is the route that best addresses community

[133] Oncor Ex. 1A at 23.

[134] Oncor Ex. 1A, Att. No. 1 at 168-69.

[135] Oncor Ex. 1A, Att. No. 1 at 167.

[136] Oncor Ex. 1A, Att. No. 1 at 170.

values when all factors are balanced.

D. Recreational and Park Areas (PURA § 37.056(c)(4)(B))

TPWDs recommendations regarding the project are addressed later in the PFD.

The undisputed evidence shows the number of parks and recreational areas within 1,000 feet of the centerline of the alternative routes ranges from three to nine, with Route 4626 being within 1,000 feet of three.[137] Route 4626 crosses 1,315 feet of park or recreational areas.[138] Twenty-three of the alternative routes (including Route 4626) cross at least one park, and seven of these (not Route 4626) also cross a recreational area in addition to a park.[139] Route 4626 crosses JM Caldwell Sr. Community Park (Caldwell Park); however, it utilizes the least obtrusive route through the park because it traverses a less-used wooded portion of the park that is in the floodplain, thereby minimizing disturbance to park use and reducing the viewshed of the proposed transmission line.[140]

The ALJs find the evidence shows the Project will not adversely affect the use of any parks or recreational areas.

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[137] Staff Ex. 1 (Poole Dir.) at 28.

[138] Oncor Ex. 1A, Att. No. 1 at 990.

[139] Staff Ex. 1 (Poole Dir.) at 28.

[140] IC-SB-Comsor Ex. at 3 (Reinecke Dir.) at 10.

E. HISTORICAL AND AESTHETIC VALUES (PURA § 37.056(C)(4)(B))

Regarding archeological and historical values, the record shows the following:

- There is a cemetery within 1,000 feet of the centerlines of 15 of the alternative routes, including Route 4626.[141]
- Twenty-three alternative routes (including Route 4626) are within 1,000 feet of a historic site, while 14 of the 23 routes actually cross the historic site (not Route 4626).[142]
- There are three recorded cultural resource sites located within 1,000 feet of the centerline of Route 4626.[143]
- All of the alternative routes are within 1,000 feet of an archaeological site.[144]
- The length of routes crossing through areas of high potential for historical or archaeological sites ranges from 208.39 to 12,526.43 feet, with Route 4626 crossing such area for 9,112 feet.[145]

Oncor argues that the Project is not anticipated to adversely affect any archaeological or historical values. IC-SB - Comsor opines that this factor should be balanced with the other routing factors in favor of Route 4626.

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[141] Staff Ex. 1 (Poole Dir.) at 29.

[142] Staff Ex. 1 (Poole Dir.) at 29.

[143] Oncor Ex. 1A, Att. No. 1, Table 7-2 at 990.

[144] Staff Ex. 1 (Poole Dir.) at 30.

[145] Staff Ex. 1 (Poole Dir.) at 30.

Regarding aesthetic values, the record shows the following:

- An estimated 13,195 feet of Route 4626's ROW is within the foreground visual zone of a park or recreational area.[146]
- Route 4626 utilizes the least obtrusive route through Caldwell Park because it traverses a less-used wooded portion of the park that is in the floodplain.[147]
- An estimated 5,594 feet of Route 4626's ROW is within the foreground visual zone of United States and state highways.[148]
- The City's Resolution states that "Route 4626 would best protect ... [the City's] aesthetic values."[149]

Oncor witness Perkins testified the Project is not anticipated to adversely affect the aesthetic quality of the landscape.[150] On the other hand, Staff asserts that aesthetic values would be negatively impacted by any of the proposed routes.[151] However, Staff takes the position that Route 4626 would help mitigate aesthetic impacts, because it is the second shortest route (second by only 67.62 feet).[152]

The ALJs find the evidence shows the Project will not adversely affect any archaeological or historical values. Further, the evidence shows that, of the

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[146] Oncor Ex. 1A, Att. No. 1, Table 7-2 at 990.

[147] IC-SB-Comsor Ex. at 3 (Reinecke Dir.) at 10.

[148] Oncor Ex. 1A, Att. No. 1, Table 7-2 at 990.

[149] Oncor Ex. 13 (Perkins Reb.), Exh. BJP-R3.

[150] Oncor Ex. 9 (Perkins Dir.) at 10.

[151] Staff Ex. 1 (Poole Dir.) at 30.

[152] Staff Ex. 1 (Poole Dir.) at 30.

alternative routes, Route 4626 best balances the aesthetic values because it is one of the shortest routes and because it considers the City's expressed preferences.

F. Engineering Constraints (16 TAC § 25.101(b)(3)(B))

Oncor asserts that there are no known engineering constraints that would prevent construction of the proposed transmission line using Route 4626. Staff argues more broadly that there are no known engineering constraints that are not present in a usual transmission line project and note that all possible constraints can be adequately addressed by using design and construction practices and techniques that are usual and customary in the electric utility industry.[153] Oncor and Arroyo note that rapid development in the area of the Project may complicate its construction if the chosen route results in an increased number of habitable structures. Both emphasize that Route 4626 best ameliorates this concern by avoiding rapid development in the eastern corridor and by partially utilizing a floodplain.

G. Estimated Costs (16 TAC § 25.101(b)(3)(B))

The proposed routes range in cost from approximately $8,724,000 to $20,043,000, excluding station costs.[154] The cost of the proposed Ivy League Substation is approximately $4,325,000.[155] Route 4626 is the second least expensive of the 54 proposed routes (with estimated transmission line costs of $9,196,000 and

[153] Staff Ex. 1 (Poole Dir.) at 35.

[154] Oncor Ex. 1A, Att. No. 3.

[155] Oncor Ex. 1A at 7-8.

a total cost of $13,521,000 with station costs included).[156] Oncor asserts the Project will be financed through a combination of debt and equity.[157]

Staff and IC-SB - Comsor note that, although Route 4626 is the second least expensive route (behind Route 4842), it is still preferable because Route 4842 uses less paralleling or compatible ROW as a percentage of its total length, has more length across upland woodland, and more length across riparian areas.[158] Arroyo asserts that the eastern routes studied by Oncor are between 61% and 99% more expensive than the western routes (which includes Route 4626), essentially because the eastern routes are all much longer.[159] This, Arroyo asserts, should preclude the use of any eastern alternative route.

H. Using or Paralleling Compatible ROWs and Paralleling of Property Boundaries (16 TAC § 25.101(b)(3)(B)(i)-(iii))

The paralleling of existing transmission line ROW, existing public roads, highways, and railways for all 54 routes ranges from approximately 8.03% of total length to 60.63% of total length.[160] Route 4626 parallels or utilizes existing compatible ROW and apparent property lines for 20.38% of its length, the 45th highest of each route.[161] However, IC-SB - Comsor's witness Rudolph Reinecke

[156] Oncor Ex. 1A, Att. No. 3 at 1058.

[157] Oncor Ex. 1A at 7.

[158] Staff Ex. 1 (Poole Dir.) at 36; Oncor Ex. 1A, Att. No. 7.

[159] Arroyo and Ashton Ex. 1 (Andrews Dir.) at 17-18.

[160] Staff Ex. 1 (Poole Dir.) at 39.

[161] Staff Ex. 1 (Poole Dir.) at 39.

testified that Oncor did not consider that Route 4626 parallels an existing sanitary sewer line along Ticky Creek, which if considered a compatible ROW, would make Route 4626 the route with the most paralleling length (at over 70% of its total length).[162] Staff adds that one of the main benefits of paralleling compatible ROW is to minimize the impact on landowners and environmental integrity. Staff argues, even setting aside the sewer line easement and assuming Route 4626 parallels for only 20.38% of its length, Route 4626 still performs relatively well at minimizing impacts in comparison to the routes which would have more paralleling length. Staff emphasizes that, compared with those routes that exceed 20.38% paralleling length, Route 4626 is shorter and less expensive, crosses the least upland woodlands, impacts less habitable structures than 19 of the routes, and crosses less potential wetlands than 25 of the routes.[163]

I. PRUDENT AVOIDANCE (16 TAC § 25.101(b)(3)(B)(IV))

Commission rules define prudent avoidance as "[t]he limiting of exposures to electric and magnetic fields that can be avoided with reasonable investments of money and effort."[164] Staff states that limiting exposure can be accomplished by choosing a route with fewer habitable structures within close proximity.[165] The number of habitable structures within 300 feet of the centerline of the filed routes range from 14 to 197.[166] Route 4626 has 44 habitable structures within 300 feet of its

[162] IC-SB-Comsor Ex. at 3 (Reinecke Dir.) at 10.

[163] Staff Ex. l (Poole Dir.) at 42.

[164] 16 TAC § 25.101(a)(6).

[165] Staff's Initial Brief at 11.

[166] Oncor Ex. 1A, Att. No. 7, Table 2; Oncor Ex. 9 (Perkins Dir.) at 10.

centerline.[167] Oncor witness Perkins testified that Route 4626 and the other 53 filed routes comply with the Commission's policy of prudent avoidance.[168]

Staff witness Poole testified that the Project's routing links were designed to minimize, to the extent reasonable, the number of habitable structures located in close proximity to the routes.[169] Arroyo states that the rapid development of residential subdivisions will render current habitable structure counts out-of-date by the time the Project is constructed.[170] Therefore, Arroyo argues, the Commission should consider not only existing, but also planned and in-progress developments.

On this topic, Oncor witness Perkins testified that the eastern corridor routes generally have a heightened risk of future constructability impact compared to the western corridor routes, especially Route 4626, due to the rapid development that disproportionately affects the eastern corridor routes.[171] She also stated that Route 4626 largely avoids parcels that are in some stage of development planning because a portion of the route is through a floodplain as it crosses through Caldwell Park, which is more limited in potential uses and unconducive to residential or retail development like many other parts of the study area.[172]

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[167] Oncor Ex. 1A, Att. No. 1, Table 7-2 at 990; Oncor Ex. 9 (Perkins Dir.) at 10.

[168] Oncor Ex. 9 (Perkins Dir.) at 12.

[169] Staff Ex. 1 (Poole Dir.) at 45.

[170] Arroyo Initial Brief at 18; Core Spaces Ex. 1 (Pagoria Dir.) at 10.

[171] Oncor Ex. 13 (Perkins Reb.) at 11.

[172] Oncor Ex. 13 (Perkins Reb.) at 3, Exh. BJP-Rl.

The ALJs find that all of the routes under consideration conform to the Commission's policy of prudent avoidance in that they reflect reasonable investments of money and effort to limit exposures to magnetic and electric fields.[173] The ALJs further find that Route 4626 performs better than the proposed eastern corridor routes because it is not subject to the rapid development occurring in that area and because a portion of its length runs through an area of Caldwell Park that is not conducive to development.

J. Other Comparisons of Land Uses and Land Types

The undisputed evidence shows:

- No radio towers would be impacted by the alternative routes. However, there are 6 other communication towers located within 2,000 feet of the centerline of the alternative routes, with no route having less than five electronic installations within 2,000 feet, with Route 4626 having the maximum of six within 2,000 feet.[174]
- None of the alternative routes have an Federal Aviation Administration-registered (FAA-registered) airport with a runway greater than 3,200 feet in length within 20,000 feet of the route centerlines. Additionally, all of the alternative routes are within 10,000 feet of an FAA-registered airport without a runway greater than 3,200 feet.[175]
- There are no irrigation systems that are impacted by the alternative

[173] Staff Ex. 1 (Poole Dir.) at 40.

[174] Oncor Ex. 9 (Perkins Dir.) at 33; Oncor Ex. 1A at 27.

[175] Oncor Ex. 9 (Perkins Dir.) at 33; Oncor Ex. 1A at 27.

routes.[176]

Staff states that all of the alternative routes perform the same with regard to this criterion. No other party took a position on this factor.

K. Environmental Integrity

This section does not address Preliminary Order Issue No. 12 relating to TPWD's recommendations. That topic is covered later in the PFD.

Oncor states that the Project's potential impacts on the environment, including endangered and threatened species, were evaluated.[177] Oncor asserts that Route 4626 will not cross any known habitat of federally-listed endangered or threatened species and no known rare or unique plants are located within Route 4626's ROW.[178]

Oncor agrees that the Commission should include the standard mitigation measures in its order approving the Application, consistent with long-standing Commission precedent. Further, Oncor agrees to follow the standard mitigation measures provided in the Commission's ordering paragraphs during construction of the Project, which is consistent with Oncor's standard practice.[179]

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[176] Oncor Ex. 1A at 27.

[177] Oncor Ex. 1A at 22-23.

[178] Oncor Ex. 1A, Att. No. 1 at 176-89.

[179] Oncor Ex. 14 (Zarecky Reb.) at 14.

Staff asserts that the Project is expected to cause only short-term effects to water, soil, and ecological resources during the initial construction phase.[180] Staff notes that Oncor has confirmed it will employ erosion control during the construction phase, including development of a Stormwater Pollution Prevention Plan (SWPPP) to minimize impacts.[181] According to Staff, Route 4626 ranks the best or near the best compared to the other proposed alternative routes in most environmental integrity categories, specifically in regard to the length that crosses upland woodlands, the length that crosses potential wetlands, the length that crosses open waters, and the number of stream crossings.[182] Although, Staff also notes that Route 4626 ranks among the worst in the length that cross riparian areas. Staff posits that Route 4626 is acceptable and comparable to the other routes from an environmental perspective.[183]

IC-SB - Comsor argues that Route 4626 is the best alternative because it crosses only 55.83 feet across upland woodlands, only three stream crossings, and zero potential wetlands or open waters.[184] IC-SB - Comsor also argues that Route 4626 promotes environmental integrity, despite its length across riparian areas, because Ticky Creek's riparian corridor is a low quality natural resource that includes riparian woods less than 20 years of age; is dominated by either early

[180] Staff Ex. 1 (Poole Dir.) at 30.

[181] Staff Ex. 1 (Poole Dir.) at 32.

[182] Staff Ex. 1 (Poole Dir.) at 34.

[183] Staff Ex. 1 (Poole Dir.) at 35.

[184] Oncor Ex. 1A, Att. No. 7, Table 2.

successional or invasive vegetation that does not provide much the in the way of a variety of food for wildlife; and runs along a highly disturbed creek that has already been fragmented due to the construction of a sewer line.[185]

The ALJs find that the Project is expected to cause only short-term effects to water, soil, and ecological resources during the initial construction phase. Further, any short-term effects that occur should be adequately addressed by the Commission's standard mitigation measures. In sum, the ALJs conclude Route 4626 is among the best alternative routes for environmental integrity.

L. Preliminary Order Issue No. 10: Are there Alternative Routes or Facilities Configurations that Would Have a Less Negative Impact on Landowners? What Would be the Incremental Cost of Those Routes or Configurations?

No party proposed additional alternative routes or facility configurations, and Route 4626 is either supported or unopposed by all parties. Therefore, the ALJs find there are no alternative routes or facilities configurations that would have a less negative effect on landowners.

M. Preliminary Order Issue No. 11: Have the Affected Landowners Made Adequate

[185] IC-SB - Comsor Ex. at 3 (Reinecke Dir.) at 9, 11.

CONTRIBUTIONS TO OFFSET ANY ADDITIONAL COSTS ASSOCIATED WITH THE ACCOMMODATIONS?

No party presented evidence of any preferred facility or route modification on their property. Therefore, Issue No. 11 need not be addressed further.

N. ALJs' ROUTING RECOMMENDATION

The ALJs find that Route 4626 is the alternative route that best balances the factors set forth in PURA § 37.056(c) and 16 TAC § 25.101(b)(3)(B) based on the routes' characteristics described above. Oncor, Staff, all intervenors who submitted evidence at the hearing, and the City support or do not oppose the Commission's selection of Route 4626.

Route 4626 has favorable statistics regarding its total length and cost; relation to habitable structures; and impact to environmental integrity and cultural, historical, and aesthetic values. Additionally, Route 4626 follows an existing sanitary sewer line along Ticky Creek for approximately 7,693 linear feet which utilizes a floodplain of relatively limited developmental uses and constitutes a low-quality natural resource that was previously fragmented due to the construction of a sewer line. Counting this sewer line as a compatible corridor gives Route 4626 the highest percentage of paralleling length of compatible corridors among all 54 filed routes. Route 4626 also traverses a wooded portion of Caldwell Park, which mitigates the viewshed of the Project.

V. TPWD ISSUES (PRELIMINARY ORDER ISSUE NO. 12)

A. BACKGROUND

Issue No. 12 requests information regarding whether TPWD provided any recommendations or informational comments regarding the Application in accordance with Section 12.0011(b) of the TPWC. And if so, whether any modifications should be made to the Project based upon those recommendations. TPWD provided recommendations for minimizing the Project's impacts on fish and wildlife resources in a 2021 letter.[186] Oncor responded to TPWD's letter in January 2022, addressing each recommendation.[187] TPWD reiterated its recommendations in a second letter in 2022.[188] TPWD had two primary recommendations relating to Issue No. 12, including: (1) if the ultimately approved route crosses Caldwell Park, the linear trail, or other parks, that the Commission adhere to the requirements of TPWC Chapter 26 (Chapter 26); and (2) for Oncor to implement 15 Beneficial Management Practices (BMPs).[189] TPWD's recommended BMPs include:

1. Conduct field surveys of the PUC-approved route for federal- and state-listed species or potential suitable habitat.
2. Educate employees and contractors of state-listed species and species of greatest conservation need (SGCN) that are susceptible to project activities and that potentially occur within the area.

[186] Oncor Ex. 14 (Zarecky Reb.) at 4.

[187] Oncor Ex. 14 (Zarecky Reb.) at 4; Oncor Ex. 1A, Att. No. 1 at 340-53.

[188] Staff Ex. 1 (Poole Dir.), Att. No. JP-3.

[189] Staff Ex. 1 (Poole Dir.), Att. No. JP-3.

3. Avoid vegetation clearing during March 15 - September 15, the general bird nesting season.

4. If unable to avoid vegetation clearing during the bird breeding season, survey for active bird nests and avoid disturbance until fledged, in compliance with TPWC § 64.003.

5. Proactively install bird flight diverters where lines cross wetlands and water.

6. Use dark-sky friendly lighting practices at lighted facilities, such as substations.

7. Utilize a biological monitor during construction when required by law or permit.

8. Allow wildlife to safely leave the site on their own, without harassment or harm.

9. Avoid impacts to SGCN flora and fauna if encountered during project construction, operation, and maintenance activities.

10. Use wildlife escape ramps in excavated areas, or cover while unattended, and inspect for trapped wildlife prior to backfilling.

11. Avoid the use of erosion control blankets containing polypropylene fixed intersection mesh. Erosion control measures utilized for the project should be implemented with consideration for potential impacts to wildlife species.

12. Report encounters of threatened species, endangered species, and SGCN to the Texas Natural Diversity Database.

13. If working in inland waters, prepare an Aquatic Resource Relocation Plan and coordinate with TPWD Kills and Spills Team to obtain a Permit to Introduce Fish, Shellfish or Aquatic Plants into Public Waters.

14. If equipment will come in contact with inland waters, prepare and follow an aquatic invasive species transfer prevention plan.

15. Revegetate and maintain ROW with native vegetation for the benefit of wildlife, including pollinators. A revegetation program should emphasize native species and native flowering species while considering landowner preferences and wildlife needs.[190]

Staff Request For Information (RFI) 1-01 asked Oncor to state whether it believed each of the recommended BMPs should be incorporated into a final order after considering "costs, scheduling, or landowner considerations."[191] If Oncor's reasoning for not including a recommendation was based on costs, the RFI further instructed Oncor to provide cost estimates for implementation of the excluded BMP.[192] In its response, for each of TPWD's recommended BMPs, Oncor essentially provided one of the following responses: (1) Oncor's current construction practices already address the recommendation; (2) Oncor is unable to comply with the recommendation (including its reasoning for why it is unable to comply); or (3) Oncor can comply with the recommendation.[193]

B. TPWD's Recommendation to Adhere to TPWC Chapter 26

TPWD's 2022 letter recommended that, if the ultimately approved route crosses Caldwell Park, the linear trail, or other parks, that the Commission should adhere to the requirements of Chapter 26.[194] TPWC § 26.001 requires the political

[190] Staff Ex. 1 (Poole Dir.), Att. No. JP-3.

[191] Staff Ex. 2.

[192] Staff Ex. 2.

[193] Staff Ex. 2.

[194] Staff Ex. 1 (Poole Dir.), Att. No. JP-3.

subdivision authorizing any "program or project that requires the use or taking of any public land designated and used as a park," to make a determination, after notice and hearing, "that: 1) there is no feasible and prudent alternative to the use or taking of such land; and 2) the program or project includes all reasonable planning to minimize harm to the land, as a park . . . resulting from the use or taking." TPWC § 26.002 describes the notice required.

1. Applicability of TPWC Chapter 26 to the Recommended Route

If approved, it is undisputed that Route 4626 must traverse Caldwell Park. Oncor was the only party to address TPWD's Chapter 26 recommendation. Oncor argues that Chapter 26 is inapplicable to this proceeding, but that Oncor has nevertheless complied with the notice provisions in Chapter 26 "out of an abundance of caution."[195] The ALJs conclude there is insufficient factual evidence to conclude that Chapter 26 does not apply in this proceeding; however, the ALJs also find that Oncor has met all notice requirements and the preferred Route 4626 meets the requirements of Chapter 26.

Oncor argues that Chapter 26 is triggered only when the land would be used for something other than a park after the proposed project or plan. Oncor relies primarily on the Commission's decision in Docket No. 38435, a CCN application to build a transmission line by Cross Texas Transmission, LLC (CTT) in which a proposed a route segment crossed the Caprock Canyons State Park Trailway (a park

[195] Oncor's Initial Brief at 47.

that TPWD owned and managed).[196] The Commission's Order found Chapter 26 did not apply to that project, which was explained in a related, but separate Project No. 39073—initiated to make express determinations regarding whether Chapter 26 of the TPWC applied to CTT's application in Docket No. 38435.[197] In Project No. 39073, the Commission's Order stated, Chapter 26 was not triggered because (1) the transmission line would not prevent or impede the continued use of the State Park Trailway; and (2) two Texas courts of appeal ruled that the chapter is not triggered where there is a change in use "from one park use to another."[198] Based on this precedent, Oncor asserts that Chapter 26 is inapplicable to the Project because it "will not transform any park or recreation area's use into something other than a park or recreation area following the line's construction . . . even if Oncor built structures upon such land . . . ."[199]

The ALJs disagree and find that the evidence is insufficient to conclude that Chapter 26 is inapplicable in this proceeding. To begin, the Commission's decisions in Docket No. 38435 and Project No. 39073 specifically noted a factual determination that the only impact CTT's project would have on the Caprock Canyons State Park Trailway would be an aerial easement where transmission lines were to span the

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[196] *Application of Cross Texas Transmission, LLC for a CCN for the Silverton to Tesla 345-kV Transmission Line in Briscoe, Childress, Cottle, Floyd, Hall, and Motley Counties*, Docket No. 38435, Commission Staff's Notice of Additional Issues (Sept. 17, 2010).

[197] *Id.*, Order at Conclusion of Law No. 7 (Jan. 19, 2011); *See also Determinations Under Chapter 26 of the Texas Parks and Wildlife Code Related to the Application of Cross Texas Transmission, LLC for a CCN for the Silverton to Tesla 345-kV CREZ Transmission Line in Briscoe, Childress, Cottle, Floyd, Hall, and Motley Counties*, Project No. 39073, Order at 3 (Jan. 19, 2011).

[198] *Id.* The cases cited are: *Walker v. City of Georgetown,* 86 S.W.3d 249, 255 (Tex. App.-Austin 2002, pet. denied); *Persons v. City of Fort Worth*, 790 S.W.2d 865, 873 (Tex. App.--Fort Worth 1990, no writ).

[199] *Id.*

trailway.[200] Thus, the Commission concluded (citing the cases Oncor urges as precedent) that CTT's project would not prevent or impede the continued existing use of any portion of the trailway.[201] In this proceeding, there is insufficient record evidence to make the same conclusion that no portion of Caldwell Park will be taken other than an aerial easement. Instead, Oncor's brief implies that structures may be needed within the park.[202] Further, the caselaw cited by Oncor involved cases where a park use was simply substituted for a different park use. That is not the case here, where any facilities placed within the footprint of Caldwell Park will necessarily change the use of that portion, no matter how limited, from a park use to a utility transmission purpose.

2. Whether Notice of Chapter 26 Hearing was Provided

Oncor states that, on June 6, 2022, it mailed written notice of the Chapter 26 public hearing to each person, organization, department, or agency that has ownership/supervision of parks, recreation areas, and/or historic sites crossed by the proposed routes included in the Application.[203] Oncor also states that it timely published notice of the Chapter 26 public hearing once a week for three consecutive weeks (June 16, 2022; June 23, 2022; and June 30, 2022) in *The Dallas Morning News*, a newspaper having general circulation in Collin County, the county where the

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[200] *Id.*

[201] *Id.*

[202] Oncor's Initial Brief at 48 ("Any park or recreation areas crossed by Project routes will continue to be used as a park or recreation area *even if Oncor built structures upon such land after acquiring an easement.*")

[203] Oncor Ex. 15 at 2.

Project is proposed to be built.[204] No party alleged Oncor's Chapter 26 TPWC notice was insufficient. The ALJs find that Oncor complied with the applicable Chapter 26 notice requirements.

3. Feasible and Prudent Alternatives

As discussed above, Route 4626 is either supported or unopposed by all parties. TPWD, which did not participate in this proceeding, recommended Route 1556 as the route that best minimizes adverse effects on natural resources. The ALJs found above that Route 4626 is the route which best meets the routing criteria in PURA § 37.056(c) and 16 TAC § 25.101(b)(3)(B). Any alternative route, such as TPWD's recommended Route 1556, must be a feasible and prudent alternative to supplant the "best meets" Route 4626.

Oncor argues there is no feasible and prudent alternative to the Project's use or taking of Caldwell Park along Route 4626. Oncor notes, in addition to being the "best meets route" and being supported or unopposed to all parties in this proceeding, Route 4626 was also supported by City (Caldwell Park's owner and operator) through the Resolution, which identified Route 4626 as the route that "would best protect park lands and the City of Princeton's aesthetic values."[205] Oncor also argues that, owing to the rapid commercial and residential growth in the area, there are no feasible alternatives. Additionally, Oncor contends:

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[204] Oncor Ex. 15 at 3.

[205] Oncor Ex. 13 (Perkins Reb.), Exh. BJP-R3.

- All of the western corridor routes cross Caldwell Park, and nearly half of the 54 filed routes cross at least one park, recreation area, or historic site.[206]
- The western corridor routes are generally shorter and cost less compared to the eastern corridor routes.[207]
- The eastern corridor routes generally have a heightened risk of future constructability impact compared to the western corridor routes, especially Route 4626, due to the rapid development that disproportionately affects the eastern corridor routes.[208]
- Route 4626 largely avoids parcels that are in some stage of planning for development in part because a portion of the route is through a floodplain as it crosses the far eastern side of Caldwell Park which is more limited in potential uses and is not conducive to residential or retail development like many other parts of the study area.[209]

Oncor witness Perkins explained that these considerations allow for the conclusion that there is no feasible and prudent alternative for the Project other than crossing a park or recreation area, and that Route 4626 is the most feasible and prudent route for the Project.[210]

Intervenors, Arroyo and IC-SB - Comsor also state there are no feasible alternatives to Route 4626. Arroyo argues TPWD's recommendation only considers a subset of the routing factors and does not consider cost or impacts to habitable

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[206] Oncor Ex. 13 (Perkins Reb.) at 10.

[207] Oncor Ex. 13 (Perkins Reb.) at 10; Tr. at 96-98.

[208] Oncor Ex. 13 (Perkins Reb.) at 11.

[209] Oncor Ex. 13 (Perkins Reb.) at 3.

[210] Oncor Ex. 13 (Perkins Reb.) at 10.

structures in its evaluations, two of the most important routing factors.[211] Arroyo also states that TPWD did not consider that Route 4626 has over 70% of its route paralleling compatible ROW through property lines and a sewer line.[212] IC-SB - Comsor adds that Route 4626's utilization of Ticky Creek and its riparian corridor minimizes the viewshed for the active part of the park.[213]

The ALJs find that no party identified a feasible and prudent alternative to Route 4626. TPWD's recommended Route 1556, which was not favored by any party, is infeasible because it does not weigh the factors of costs or impacts to habitable structures. Specifically, Route 1556 is much longer and costs substantially more than Route 4626 ($16,264,000 compared to $9,196,000).[214] Essentially, all of the least expensive route options are along the western corridor because they are the shortest, however, none of the western routes appear to avoid running through some portion of Caldwell Park.[215] Route 4626 utilizes the least obtrusive route through the park because, as discussed above, it traverses a less-used wooded portion of the park that is in the floodplain.[216] Further, the number of habitable structures within 300 feet of Route 1556 currently exceeds the number along Route 4626—with additional planned developments near Route 1556 which will further increase the disparity.[217]

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[211] Ashton and Arroyo Ex. 1 (Andrews Dir.) at 24.

[212] IC-SB - Comsor Ex. at 3 (Reinecke Dir.) at 10.

[213] IC-SB - Comsor Ex. at 3 (Reinecke Dir.) at 10.

[214] Oncor Ex. 1A, Att. No. 3 at 1058.

[215] Tr. at 96.

[216] IC-SB - Comsor Ex. at 3 (Reinecke Dir.) at 10.

[217] Oncor Ex. 1A, Att. No. 1, Table 7-2 at 990;

4. Reasonable Planning to Minimize Harm

Oncor argues that the evidence supports a determination that the Project includes all reasonable planning to minimize harm to Caldwell Park (and any other park or recreation area that the filed routes would cross, if selected) resulting from the use or taking of this land. Oncor witnesses stated that Oncor's standard practice (which will be implemented in the Project) includes all reasonable planning to minimize harm to parks, recreation areas, and historic sites.[218] IC-SB - Comsor witness Reinecke agreed that Oncor's practices would minimize harm to Caldwell Park.[219] Oncor further asserts that its service territory includes numerous transmission facilities located within parks and recreational areas, including at least 24 Oncor transmission lines that co-exist with parks and recreation areas similar to Caldwell Park, none of which changes their use as parks and/or recreation areas.[220]

Oncor's assertions were undisputed. No other party took a position with respect to the applicability of Chapter 26 or the applicable factors.

The ALJs find that Oncor has met its burden to prove that its planning and standard practices, which will be implemented in the Project, will minimize impacts and harm to any parks, recreation areas, and historic sites the Project crosses (including Caldwell Park).

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[218] Oncor Ex. 13 (Perkins Reb.) at 3.

[219] Tr. at 98.

[220] Oncor Ex. 13 (Perkins Reb.) at 8, Exh. BJP-R2.

5. TPWD's Recommended BMPs and Staff's Recommended Ordering Paragraphs.

To address TPWD's mitigation recommendations, Staff recommends that a final order should include nine "standard" ordering paragraphs which have been routinely adopted in previous Commission orders.[221] Staff also states that Oncor indicated agreement to implement some of TPWD's recommended BMP's and recommends that Oncor be ordered to implement those BMPs.[222] Staff states that Oncor's RFI responses and rebuttal testimony regarding these recommended BMP's considered each of them in terms of cost, scheduling, and landowner preferences, thus satisfying the Commission's recent pronouncement that such recommendations include a robust cost-benefit analysis.[223] Staff did not detail specifically which of TPWD's recommended BMPs Oncor had agreed to. Nor did Staff elaborate on its assertion that a robust cost-benefit analysis had been performed for each.

Oncor agrees Staff's recommended standard ordering paragraphs should be adopted but argues new mitigation requirements should not be ordered in this proceeding because the Commission recently expressed concern regarding TPWD's

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[221] *See* Staff Ex. 1 (Poole Direct). Staff initially recommended two additional ordering paragraphs: "1) Oncor must collaborate with TPWD to adopt TPWD's recommendations to the extent reasonably possible and to the extent that they are not already reflected in other ordering paragraphs; and 2) Oncor must provide TPWD a status report on adoption of TPWD's recommendations prior to commencement of construction and a final report within 30 days of the completion of construction. In addition, Oncor should file copies of those reports in the project designated by the Commission for monthly transmission construction progress reports under 16 TAC § 25.83." However, in briefing, Staff withdrew its recommendation for these two additional ordering paragraphs.

[222] In support, Staff cites Staff Ex. 2 and Oncor Ex. 14 (Zarecky Reb.).

[223] *See Application of Entergy Texas, Inc. to Amend its Certificate of Convenience and Necessity for the Millbend 138 - KV Transmission Line Project in Montgomery County*, Docket No. 52241, Open Meeting Tr. at 55 - 62 (Jul. 14, 2022).

similar recommendations in Docket No. 52241. Oncor asserts that the TPWD-recommended BMPs are either unnecessary, operationally impractical, cost prohibitive, contrary to common landowner requests, ambiguous, or do not take into consideration all elements of PURA § 37.056(c) and 16 TAC § 25.101(b)(3)(B). Oncor opines that TPWD's recommendations are ambiguous and TPWD did not intervene in this proceeding to provide necessary clarity as to the meaning of these recommendations or to justify their need. Instead, Oncor argues that a Commission rulemaking docket would be more appropriate to consider TPWD's recommendations. No other party took a position on this issue.

The ALJs recommend adoption of Staff's uncontested nine ordering paragraphs because they have been routinely adopted in previous Commission orders and no basis has been offered for deviation from that practice. The ALJs do not recommend adoption of TPWD's recommended BMPs, as was advocated by Staff. The ALJs agree with Oncor that there is no justification in the record for the need or benefits of the TPWD recommended BMPs. Further, although Oncor appears to have agreed to some of the recommended BMPs (or potentially conditionally agreed to others) in its responses to Staff and TPWD, the responses lack a detailed cost-benefit analysis. Even in the few responses where Oncor ventured to provide an estimate of the cost to comply with a recommended BMP, there is no other support in the record for the estimate and no quantification of what benefits, if any, that would accrue from incurrence of the costs.

VI. PRELIMINARY ORDER ISSUES RELATING TO PERMITS, COASTAL MANAGEMENT PROGRAM, LIMITATION OF AUTHORITY, AND OTHER ISSUES

A. Permits (Preliminary Order Issue No. 13)

Preliminary Order Issue No. 13 requests the following:

> What permits, licenses, plans, or permission will be required for construction and operations of the proposed transmission facilities? If any alternative route requires permission or an easement from a state or federal agency, please address in detail the following:
>
> 1. What agency is involved, and what prior communications has [Oncor] had with the agency regarding the proposed transmission facilities?
>
> 2. Has the agency granted the required permission or easement? If not, when is a decision by the agency expected?
>
> 3. What contingencies are in place if the agency does not grant the required permission or easement or if the process to obtain the required permission or easement would materially affect the estimated cost, proposed design plans, or anticipated timeline to construct the proposed transmissions facilities?[224]

Oncor states it will seek the following permits, approvals, plans, and consultations prior to Project construction, as necessary: (1) Texas Department of Transportation permit(s) if the Project crosses state-owned or -maintained properties, roads, or highways; (2) a SWPPP and a Notice of Intent with the Texas

[224] Preliminary Order at 7.

Commission on Environmental Quality under the Texas Pollutant Discharge Elimination System program; (3) a cultural resources survey plan with the Texas Historical Commission; (4) consultation with the U.S. Army Corps of Engineers following the Commission's approval of the Project to determine appropriate requirements under Section 404/Section 10 permit criteria; and (5) consultation with the U.S. Fish and Wildlife Service following the Commission's approval of the Project to determine appropriate requirements under the Endangered Species Act.[225]

Regarding communications with agencies, Oncor identified only the correspondence noted in Appendix A of the EA. Oncor further states that it has not yet obtained any agency permissions or permits, but that all required permits and consultations are routinely done in the ordinary course of business for transmission line projects. Regarding contingency plans, Oncor argues the Commission's standard ordering paragraphs address these issues. Finally, Oncor asserts that, before beginning construction of the Project, Oncor will obtain any necessary permits or approvals from federal, state, or local authorities. No other party provided evidence or argument on this issue.

B. Coastal Management Program (Preliminary Order Issue No. 14)

Preliminary Issue No. 14 asks, in part, whether any portion of the proposed transmission facilities is located within the Texas Coastal Management Program

[225] Oncor Ex. 1A at 26.

(TCMP) boundary, as defined in 31 TAC § 503.1(a). It is uncontested that no part of the proposed transmission facilities is located within the TCMP boundary.[226] Therefore, no party addressed the sub-issues included in this issue.

C. Limitation of Authority (Preliminary Order Issue No. 15)

In Section III of the Preliminary Order, the Commission stated that, if the Application is approved, the authority granted by the Commission's order would "be limited to a period of seven years from the date the order is signed unless the transmission line is commercially energized before that time."[227] Preliminary Order Issue No. 15 asks, "Are the circumstances for this line such that the seven-year limit . . . should be changed?"[228]

Oncor states the default seven-year limit should be sufficient for Oncor to safely and reliably construct and energize the project. Should additional time be required, Oncor states it will request an extension from the Commission in advance. No party argued that the limit should not apply.[229] Accordingly, the evidence demonstrates the seven-year limit should not be changed.

D. Other Issues (Preliminary Order Issue Nos. 16 and 17)

[226] Oncor's Initial Brief at 53.

[227] Preliminary Order at 2.

[228] Preliminary Order at 6.

[229] Staff Ex. 1 (Poole Dir.) at 36.

1. Potential Impact to the Reliability of Generators in ERCOT (Preliminary Order Issue No. 16)

Oncor asserts that construction of the Project should not preclude or limit a generator from generating or delivering power, or adversely affect the reliability of the ERCOT system.[230] Oncor further argues that the Project instead addresses reliability and power quality issues by the addition of capacity to resolve projected overloads on certain distribution feeders and transformers, including overloads experienced on these facilities. According to Oncor, the Project may potentially cross one existing transmission line entering TNMP's Longneck Substation; however, Oncor states it does not anticipate any material generator impact resulting from this.[231] No other party addressed this issue.

The ALJs find there is no evidence that the Project will preclude or limit a generator from generating or delivering power or otherwise adversely affect the reliability of the ERCOT system.

2. Complete or Partial Agreement on a Route that Relies on Modifications (Preliminary Order Issue No. 17)

There is no complete or partial agreement of the parties on any proposed route that relies on modifications. Therefore, no party addressed the sub-issues in this issue.

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[230] Oncor Ex. 7 (Carlson Dir.) at 14; Oncor Ex. 10A (Stephens Dir.) at 24.

[231] Oncor Ex. 7 (Carlson Dir.) at 14.

VII. SUMMARY OF ALJS' ANALYSIS AND RECOMMENDATION

The ALJs find that the Project is needed to resolve the inadequate existing transmission service in the project area by addressing the current and projected overloads on the existing Princeton Peninsula Feeders and the projected load growth in the area. The Project is also needed to improve the reliability, power quality, and capacity issues inherent in the Princeton Peninsula Feeders by establishing a local transmission source. The ALJs also find that the Project is superior to the alternative distribution options considered because it would provide a long-term solution to the specific load-serving and reliability needs of the area.

The ALJs recommend Route 4626 as the alternative route that best balances the factors set forth in PURA § 37.056(c) and 16 TAC § 25.101(b)(3)(B) based on the routes' characteristics described above.

In sum, in support of the determinations and recommendation addressed above, the ALJs propose the following findings of fact, conclusions of law, and proposed ordering paragraphs:

VIII. FINDINGS OF FACT

Applicant

1. Oncor Electric Delivery Company LLC (Oncor or Applicant) is a Delaware limited liability company registered with the Texas secretary of state under filing number 800880712.

2. Oncor is an investor-owned electric utility that owns and operates for

compensation in Texas facilities and equipment to transmit and distribute electricity in the Electric Reliability Council of Texas (ERCOT) region.

3. Oncor provides service under Certificate of Convenience and Necessity (CCN) number 30043.

Application

4. On January 18, 2022, Oncor filed an application (Application) with the Public Utility Commission of Texas (Commission) to amend its CCN number 30043 for a new 138-kilovolt (kV) transmission line and associated substation facilities in Collin County, Texas (the Project).

5. Oncor retained Halff Associates, Inc. (Halff) to prepare an environmental assessment and routing study (EA) for the transmission facilities, which was included in the Application.

6. On February 3, 2022, Oncor filed errata to the Application.

7. On February 16, 2022, Commission staff (Staff) recommended the Application be found sufficient.

8. No party challenged the sufficiency of the Application.

9. In Order No. 4 filed on February 16, 2022, the Commission Administrative Law Judge (ALJ) found the Application sufficient and materially complete.

Description of the Transmission Facilities

10. The proposed transmission facilities consist of a new single-circuit 138-kV electric transmission line on double-circuit capable structures between the proposed Ivy League Substation and the existing Texas-New Mexico Power Company (TNMP) Longneck Substation.

11. Oncor will own, operate, and maintain all the transmission facilities up to the point of interconnection with TNMP's Longneck Substation.

12. The proposed transmission facilities will be constructed with a design-

voltage rating and operating voltage of 138-kV. The typical structure will be double-circuit 138-kV steel and concrete monopoles with typical heights of 90 feet. The structures will be located in an approximate 70-foot right-of-way (ROW). No ROW has been acquired, although Oncor has acquired the property where the proposed Ivy League Substation will be located.

13. The Application included 54 alternative routes (24 western corridor routes and 30 eastern corridor routes).

14. The transmission line proposed in the Application will be 2.8 to 5.7 miles in length, depending on the route selected.

15. Oncor identified alternative route 4626 (Route 4626) as the route that best addressed the applicable routing criteria of the Public Utility Regulatory Act (PURA, Texas Utilities Code §§ 11.001 – 66.016) and the Commission's rules.

16. In the Application, Oncor estimated that it would finalize engineering and design by October 2023, procure material and equipment by November 2023, acquire all ROW and land by January 2024, complete construction by April 2024, and energize the proposed transmission facilities by April 2024. These estimates were premised on the Commission's approval of the Application within one year of the filing date.

Public Input

17. To develop information on community values for the transmission facilities, Oncor held one public participation meeting at the Longhorn 2020 Event Center in Princeton, Texas. The public participation meeting was held on September 14, 2021.

18. Oncor mailed 458 individual written notices of the public participation meeting to all owners of property located within 300 feet of the centerline of the preliminary alternative routing links for the Project. The notice included a map of the study area depicting the preliminary routing links, route link descriptions, a brochure on landowners and transmission line cases at the Commission, a request to intervene form, a comment form, and a landowner's bill of rights brochure.

19. Oncor emailed notice of the public participation meeting to the Department of Defense Siting Clearinghouse (DoD).

20. Notice of the public participation meeting was provided to seven homeowner associations and a gas pipeline company within the project area.

21. Notice of the public participation meeting was published in *The Dallas Morning News*, a newspaper of general circulation in Collin County.

22. A total of 18 people attended the public participation meeting.

23. Oncor received feedback from attendees of the in-person public participation meeting in the form of 12 separate responses to the questionnaire concerning the Project and one email submitted after the meeting.

24. Due to COVID-19 public health and safety guidelines, Oncor and Halff provided a virtual public participation website that mirrored the in-person public participation meeting to solicit feedback from residents, landowners, public officials, and other interested parties concerning the Project, including preliminary alternative routes and the overall transmission line routing process.

25. An additional individual submitted responses to the questionnaire via the virtual public meeting option.

26. After the public participation meeting, Halff made modifications to the preliminary routing links after considering updated property data, guidance from Oncor, additional field investigations, and comments received from the public participation meeting. Oncor also implemented route modifications after considering certain development representatives' recommendations.

Notice of the Application

27. On January 14, 2022, Oncor provided notice of the Application via the following methods:

a. by first class mail to each landowner, as stated on current county tax rolls, who would be directly affected if the requested CCN amendment were granted.

b. by priority mail to city officials in Princeton, Farmersville, Wylie, Melissa, McKinney, Lucas, Fairview, Blue Ridge, New Hope, and Lowry Crossing, Texas.

c. by priority mail to county officials in Collin County, Texas;

d. to neighboring utilities within five miles of the proposed routes that provide similar utility service;

e. by priority mail to the Permian Basin Petroleum Association and certain pipeline owners and operators;

f. by overnight mail delivery to the Office of Public Utility Counsel; and

g. by email and overnight delivery to the DoD.

28. On January 14, 2022, Oncor sent a copy of the Application and the EA by overnight mail delivery to the Texas Parks and Wildlife Department (TPWD).

29. On February 14, 2022, Oncor provided notice of the Application to the alternate addresses for three directly affected landowners for which the original January 14, 2022 notices sent were returned by the U.S. Postal Service (USPS) and marked "Return to Sender – Unable to Forward."

30. On April 5, 2022, Oncor provided notice of the Application to an alternate address for one directly affected landowner for which the original January 14, 2022 notice sent was returned by the USPS and marked "Return to Sender – Unable to Forward."

31. On January 21, 2022, Oncor filed the affidavit of Miguel Alvarado, a project manager for Oncor, who attested that notice of the Application was provided in accordance with PURA and the Commission's rules. Oncor filed an amended affidavit attesting to the provision of notice to landowners on May 13, 2022.

32. On January 19, 2022, Oncor published notice of the Application in *The Dallas Morning News*, a newspaper of general circulation in Collin County.

33. On January 26, 2022, Oncor filed an affidavit attesting that notice was published in accordance with PURA and the Commission's rules.

34. In Order No. 4, filed on February 16, 2022, the Commission ALJ found the notice of the Application sufficient.

Intervenors

35. In Order No. 2, filed February 4, 2022, the Commission ALJ granted intervention to KB Home Lone Star Inc. (KB Home); Maha Aboul-Fettouh; Elon Erb; Hauqing Sun; Mingyu Wang; Kendall Tyree; Nimish Shah; Andrew Bongianni; Tracy Bongianni; John and Ida Sanchez; Cameron and Savannah O'Brien; Quanetta Sullivan; Marvin Mangona; Maria Mangona; Alfred Hersh; and Dakota Meybohm.

36. In Order No. 5, filed March 8, 2022, the Commission ALJ granted intervention to Roxanne Erb; Laura Nichol; Ryan Shiflet; Ashley Shiflet; Aviral Garg; Laura Renfroe; Reily Renfroe; Osama Aboul-Fettouh; Frederick Weston; Kortni Wren; Jeanette Brown; Stephen Brown; Alexandria Byrne; Rogue and Martha Garcia; Stephanie West; Anju Talwar; Daniel Baez; Loraine Kinder; Michael Haight; Jessica Haight; George Nickol; Philip Dixon; Jin Geng; Fanglin Wei; Yuhua Qiu; Ted Kimmel; Stephy Sebastian; Abygin Martin; Jayce Jones; Natalie Jones; Kathrine Moore; Debra Zajdl; Rajeev Talwar; Peter Patino; Loretta Carter; Francis Amon; Mohammad Rahman on behalf of MMYA LLC; Tonya Allison; Jeromy Allison; Ragib Mehboob; Turri Green; Brian Weissberg; Pankaj Prakash; Jennifer Becsei; Mike Becsei; Jennifer Hocking; Brandon Hocking; Austin Duehr; Ashely Duehr; Clinton B. Lowrance; Jeanneane Maxon; Amanda Vessels; Karan Arora; Heidi Gover; David Gover; Srinivas Kuthuru; Shaiza Akbar; Melissa Sarel; David W. Copeland; Michelle Cathcart; Atchayya Paruchuri; Armando Fierro; Corbin McCloud; Sarah Carrasco; Robert Fishell; Shawnette Delano; Jeff Webb; Threse E. Elly; Muditha Nimalaratne; Michael Collins; Stacie Jackson; Varma and Sireesha Penmatsa; Tracy Gerik; Aaron Brandon;

Dmitry Litavr; Christopher Carroll; Takeisha Moranza; Shahzad Asghar; Cores Spaces, Inc. (Core Spaces); M/I Homes of DFW LLC; Christy Wallace; Aijun Cheng; Maria Alvarez; AJE Group LLC; AJFUND LLC; AJDEV LLC; Arroyo Cap IA, LLC and Arroyo Cap II-2, LLC (collectively, Arroyo); Ashton Dallas Residential, L.L.C. and Starlight Homes Texas, L.L.C. (collectively, Ashton Woods); Kelli Bocian; Brett Bocian; Johnny Morrison; Bright NTOW; Srinivas Addimulam; and Christie Reed.

37. In Order No. 6, filed March 21, 2022, the Commission ALJ granted intervention to Robert Frisone; IC-SB Princeton Land Partners and LP, Comsor Corp. (collectively, IC-SB – Comsor), Atchayya Paruchuri; Uchenna Ofoma; SueAnne Phillips; Josh Phillips; Mariam Gonzalez Balleste; Dana Templeman; Kimberly Snyder; Sean Snyder; Alexander Snyder; and Neil LaBelle.

38. In State Office of Administrative Hearings (SOAH) Order No. 2, filed on April 21, 2022, the SOAH ALJs granted intervention to Naresha Pitta; Abdul Rasid; Clayton Archer; Penny Hill; Wendy Hurtado; Ernesto Luna; Kyle Prunty; Rachel Samuels; Ardhi Renadi; Carolyn Hersh; Andrew Byrne; N. Shah; Brian Weissberg; Robert Tesch; Vijayakumar Penumudi; Srinivasa Raja Poosarla; and Rita Springer.

39. In SOAH Order No. 4, filed on June 23, 2022, the SOAH ALJs dismissed the following intervenors for failing to file direct testimony or a statement of position: Elon Erb; Hauqing Sun; Mingyu Wang; Nimish Shah; Andrew Bongianni; Tracy Bongianni; John and Ada Sanchez; Cameron and Savannah O'Brien; Quanetta Sullivan; Marvin Mangona; Maria Mangona; Dakota Meybohm; RaxAnne Erb; Laura Nichol; Ryan Shiflet; Ashley Shiflet; Aviral Garg; Laura Renfroe; Reily Renfroe; Frederick Weston; Kortni Wren; Jeanette Brown; Stephen Brown; Alexandria Byrne; Rogue and Martha Garcia; Stephanie West; Anju Talwar; Daniel Baez; Loraine Kinder; Michael Haight; Jessica Haight; George Nickol; Philip Dixon; Jen Geng; Ted Kimmel; Stephy Sebastian; Abygin Martin; Jayce Jones; Natalie Jones; Kathrine Moore; Debra Zajdl; Rejeev Talwar; Peter Patino; Loretta Carter; Francis Amon; Mohammad Rahman on behalf of MMYA LLC; Tonya Allison; Jeromy Allison; Ragin Mehboob; Turri Green; Brian Weissberg; Pankaj Prakash; Jennifer Becsei; Mike Becsei;

Jennifer Hocking; Brandon Hocking; Austin Duehr; Ashley Duehr; Clinton B. Lowrance; Jeanneane Maxon; Amanda Vessels; Karan Arora; Heidi Gover; David Gover; Srinivas Kuthuru; Shaiza Akbar; Melissa Sarel; David W. Copeland; Michelle Cathcart; Armando Fierro; Corbin McCloud; Sarah Carrasco; Robert Fishell; Shawnette Delano; Jeff Webb; Threse E. Elly; Muditha Nimalaratne; Michael Collins; Stacie Jackson; Tracy Gerik; Aaron Brandon; Dmitry Litavr; Christopher Carroll; Takeisha Moranza; Shahzas Asghar; Christy Wallace; Aijun Cheng; Maria Alvarez; AJE Group LLC; AJFUND LLC; AJDEV LLC; Kelli Bocian; Brett Bocian; Johnny Morrison; Bright TNOW; Srinivas Addimulam; Christie Reed; Robert Frisnoe; Uchenna Ofoma; SueAnne Phillips; Josh Phillips; Mariam Gonzalez Balleste; Dana Templeman; Kimberly Snyder; Sean Snyder; Alexander Snyder; Naresha Pitta; Abdul Rasid; Clayton Archer; Penny Hill; Wendy Hurtado; Ernesto Luna; Kyle Prunty; Rachel Samuels; Ardhi Renadi; Andrew Byrne; N. Shah; Brian Weissberg; Vijayakumar Penmudi; and Srinivasa Raja Poosarla.

40. The current parties to this proceeding are Oncor; KB Home; Neil LaBelle, on behalf of LiteHouse Village I, LLC, and Rita Springer (collectively, BMWB Coalition); M/I Homes of DFW, LLC; Core Spaces; Arroyo; Ashton; IC-SB – Comsor; Maha and Osama Aboul-Fettouh; Kendall Tyree; Atchayya Paruchuri; Yuhua Qiu; Fanglin Wei; Alfred and Carolyn Hersh; Robert Tesch; and Staff.

Route Adequacy

41. Oncor's Application presented 54 geographically diverse routes using a combination of 95 routing links.

42. No party filed testimony or a statement of position challenging whether the Application provided an adequate number of reasonably differentiated routes to conduct a proper evaluation, and no party requested a hearing on route adequacy.

43. The Application provided an adequate number of sufficiently delineated routes to allow the Commission to conduct a proper evaluation.

Testimony and Statements of Position

44. On April 6, 2022, Oncor filed the direct testimony of the following witnesses: Michael C. Stephens, an engineer in Oncor's transmission planning group; Brenda J. Perkins, president of BJ Perkins Corporation; Claire L. Carlson, a manager of line design in Oncor's transmission engineering group; and Russell J. Marusak, an environmental scientist at Halff.

45. On April 12 and April 18, 2022, Maha and Osama Aboul-Fettough filed direct testimony.

46. On April 20, 2022, Alfred and Carolyn Hersh filed a statement of position.

47. On May 10, 2022, the following parties filed direct testimony: Atchayya Paruchuri; M/I Homes of DFW, LLC; Yuhua Qiu; and Fanglin Wei. M/I Homes of DFW, LLC filed a statement of position.

48. On May 11, 2022, Rita Springer and Neil J. Belle filed direct testimony and Robert Tesch filed a statement of position.

49. On May 12, 2022, the following parties filed direct testimony: KB Home; Core Spaces; Arroyo; Ashton; and IC-SB – Comsor.

50. On May 23, 2022, Kendall Tyree filed a statement of position.

51. On June 7, 2022, IC-SB - Comsor filed amended direct testimony.

52. On June 28, 2022, Oncor filed the rebuttal testimony of the following witnesses: Ms. Perkins; Ms. Carlson; Mr. Marusak; and Edward A Zarecky, an environmental technical services manager in Oncor's environmental group.

Referral to SOAH for Hearing

53. On March 4, 2022, Core Spaces and M/I Homes of DFW, LLC requested a referral to SOAH for a hearing on the merits.

54. On March 22, 2022, the Commission referred this docket to SOAH and filed a preliminary order specifying the issues to be addressed in this proceeding.

55. On March 28, 2022, Oncor, Core Spaces, and M/I Homes of DFW, LLC filed a joint motion for immediate prehearing conference and expedited procedural schedule.

56. In SOAH Order No. 1 filed on March 30, 2022, the SOAH ALJs provided notice of a prehearing conference set for 10:00 a.m. on April 12, 2022.

57. On April 14, 2022, Oncor filed a motion to enter a procedural schedule setting a concurrent hearing on the merits and hearing under Chapter 26 of the Texas Parks and Wildlife Code (TPWC).

58. In SOAH Order No. 2 filed on April 21, 2022, the SOAH ALJs adopted a procedural schedule and provided notice of a concurrent hearing on the merits and hearing under Chapter 26 of the TPWC set for July 12-15, 2022.

59. In SOAH Order No. 3 filed on June 3, 2022, the SOAH ALJs provided venue instructions by setting the concurrent hearing on the merits and hearing under Chapter 26 of the TPWC via the Zoom videoconferencing platform.

Hearing on the Merits and Hearing Under TPWC Chapter 26

60. A concurrent public hearing on the merits and hearing under Chapter 26 of the TPWC convened on July 12, 2022, via Zoom videoconference and concluded that same day.

61. The following parties made an appearance, either personally or through legal counsel, and participated in the concurrent hearing on the merits and hearing under TPWC Chapter 26: Oncor; KB Home; BMWB Coalition; M/I Homes of DFW, LLC; Core Spaces.; Arroyo; Ashton; IC-SB – Comsor; Maha Aboul-Fettouh, on behalf of herself and her husband, Osama Aboul-Fettouh; Kendall Tyree; and Staff

Adequacy of Existing Service and Need for Addition Service

62. Oncor currently has no substations located in the City of Princeton (the City) to support load within the City, and the existing distribution infrastructure serving Oncor's singly-certificated service area in the peninsula south of the City (the Princeton Peninsula) includes two distribution feeders from two

different substations, both located in McKinney, Texas. Therefore, any load growth experiences in the McKinney area has a direct impact on these two distribution feeders serving the Princeton Peninsula.

63. In addition to the two distribution feeders originating from McKinney, Oncor recently funded a third distribution feeder to serve the Princeton Peninsula from a substation located in Allen, Texas, and this feeder is under development. For purposes of analyzing project need, Oncor assumed construction completion of this new feeder, the Allen North Substation Feeder 2832 (ALNTH 2832), in addition to the two existing McKinney-area feeders, McKinney Southwest Substation Feeder 2601 (MKNSW 2601) and McKinney Substation Feeder 1251 (MKNSW 1251).

64. ALNTH 2832, MKNSW 2601, and MKNSW 1251 (collectively, the Princeton Peninsula Feeders) are long, overhead distribution feeders and have historically experienced reliability and power quality issues, such as low voltage.

65. Long overhead distribution feeders, like the Princeton Peninsula Feeders, have an inherently higher probability of experiencing outages due to their exposure to storms, wildlife, vegetation, automobile collisions, equipment failures, and similar issues arising from weather or physical impacts. These issues can increase as a feeder's length and the number of customers it serves increases.

66. The Princeton Peninsula Feeders have limitations because of their long, single direction lengths and the location of a large number of their customers on the end-portions of the feeders.

67. System average interruption duration index (SAIDI) and system average interruption frequency index (SAIFI) industry standard metrics provide insights into the overall customer reliability experience and are Commission-reportable.

68. The SAIDI and SAIFI reliability indices show that MKNSW 2601 and MKNSW 1251 have historically experienced reliability issues, including consecutive years with outage occurrences or durations at roughly four times the system average.

69. Since 2017, SAIDI and/or SAIFI exceedances have occurred on MKNSW 1251 and MKNSW 2601.

70. In 2021, approximately 1,600 customer meters on MKNSW 1251 and approximately 1,700 customer meters on MKNSW 2601 recorded at least one low voltage event.

71. Oncor received multiple large industrial load requests near the McKinney Airport. One customer signed a Facilities Extension Agreement (FEA) for 9 megawatts (MW) of added load, and the customer informed Oncor of plans to continue expanding its facility up to 23 MW of load (i.e., 14 MW beyond the signed FEA amount).

72. Since January 2020, Oncor received 23 load requests in the Princeton Peninsula, primarily for new residential subdivisions. These new load requests represent approximately 3,400 new homes being built in the area.

73. The future growth of the Princeton Peninsula and the recent customer new load requests, both within the Princeton Peninsula and in the nearby areas connected to the feeders that serve it, will cause projected overloads of distribution facilities in the next five winter peak years.

74. The proposed transmission facilities are needed to provide an additional source to feed the Princeton Peninsula. The proposed Ivy League Substation and transmission line interconnection will address reliability and power quality issues, add capacity to resolve projected overloads on existing distribution feeders and transformers, accommodate expected system load growth, diversify transmission sources, and facilitate backstand capability.

75. The Electric Reliability Council of Texas did not make a recommendation concerning the Project.

76. No viable distribution alternatives to the Project exist to meet the identified need. The four distribution alternative project options Oncor considered are insufficient and inferior to the Project.

77. On February 16, 2022, Staff filed recommendations in this docket, including a memorandum by John Poole, concluding that the Project is needed and is

the best option when compared to employing distribution facilities to meet the area's specified need.

78. The proposed transmission facilities are the best option to meet need based on considerations including efficiency, reliability, power quality, cost effectiveness, and flexibility for future load growth.

79. No party challenged the need for the transmission facilities.

Effect of Granting the Application on Oncor and Other Utilities and Probable Improvement of Service or Lowering of Cost

80. Oncor is the only electric utility involved in the construction of the proposed transmission facilities.

81. The Project will connect to the TNMP Longneck Substation as agreed to by Oncor and TNMP.

82. A clearance at TNMP's Longneck Substation will be required to build the facilities necessary to connect the transmission line to this substation, and it is unlikely that any material generator impact will result from this clearance.

83. It is unlikely that the construction of the transmission line along any proposed alternative route will adversely affect service by other utilities in the area.

84. It is likely that the construction of the proposed transmission facilities will enhance the reliability of the transmission system and facilitate robust wholesale competition.

Routing of the Transmission Facilities

85. The Halff project team included professionals with expertise in different environmental and land use disciplines who were involved in data acquisition, routing analysis, and environmental assessment of the transmission facilities.

86. To identify preliminary alternative routing links for the proposed transmission facilities, Halff delineated a study area, sought public official and agency input, gathered data regarding the study area, and performed constraints mapping.

87. Of the 54 routes filed with Oncor's Application to allow for an adequate number of alternative routes to conduct a proper evaluation, Oncor identified Route 4626 as the route that best addresses PURA and the Commission's substantive rules.

88. Staff identified Route 4626 as the route that best addresses PURA and the Commission's substantive rules.

89. All intervenors who submitted evidence at the concurrent public hearing on the merits and hearing under Chapter 26 of the TPWC support or do not oppose route 4626.

90. Route 4626 is comprised of links A-B1-B5-G1-I1-K5-K3-M1-N3-O-Z6.

91. Route 4626 is approximately 2.8 miles in length.

92. Route 4626 presents an appropriate balance of routing factors, and there were no negative attributes that could not be addressed with mitigation and the application of best-practice engineering design and construction methods.

Estimated Costs

93. The estimated construction costs for the 54 filed routes range from $8,724,000 to $20,043,000, exclusive of station costs.

94. The estimated construction costs for Route 4626 are $9,196,000, exclusive of station costs.

95. The estimated construction costs for the proposed Ivy League Substation are $4,325,000.

96. The cost of Route 4626 is reasonable considering the range of the cost estimates for the routes proposed in this docket.

97. The transmission facilities will be financed through a combination of debt and equity.

Prudent Avoidance

98. Prudent avoidance, as defined in 16 Texas Administrative Code (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."

99. The number of habitable structures within 300 feet of the centerline of the 54 filed routes range from 14 to 197.

100. Route 4626 has 44 habitable structures within 300 feet of its centerline.

101. Route 4626 largely avoids parcels that are in some stage of development planning because a portion of the route is through a floodplain as it crosses J.M. Caldwell Sr. Community Park (Caldwell Park), which is more limited in potential uses and unconducive to residential or retail development than many other parts of the study area.

102. The construction of transmission facilities along Route 4626 complies with the Commission's policy of prudent avoidance.

Community Values

103. Information regarding community values was received from the September 2021 public participation meeting, virtual public participation website, developer representatives' recommendations, and local, state, and federal agencies. This information was incorporated into Halff's routing analysis and Oncor's eventual selection of the alternative routes included in the Application.

104. The responses received from the public participation meeting indicated a preference for maximizing the distances relative to habitable structures and using either existing or future roadway corridors.

105. The City passed Resolution No. 2022-04-11-R02 (Resolution) formally endorsing construction of the Project along Route 4626. The Resolution states that (1) "Route 4626 would have the least impact on existing and planned development in the City of Princeton and the least impact on property owners among all the filed routes;" and (2) "Route 4626 would best protect park lands and the City of Princeton's aesthetic values."

106. Route 4626 adequately addresses the expressed community values.

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

107. The 54 proposed alternative routes use or paralleling of existing compatible ROW and apparent property boundaries ranges from 8% to 61% of the length of the route.

108. Oncor evaluated the use and paralleling of existing compatible ROW and apparent property boundaries when developing Route 4626.

109. Route 4626 parallels existing compatible corridors for 20% of its length based on the analysis of the environmental assessment and routing analysis.

110. Route 4626 parallels an existing sanitary sewer line along the east side of Ticky Creek for approximately 7,693 linear feet. If this sewer line is considered an existing compatible corridor, then Route 4626 parallels existing compatible corridors for over 70% of its length.

111. Route 4626 uses or parallels existing compatible rights of way to a reasonable extent.

Engineering Constraints

112. Oncor evaluated engineering and construction constraints when developing Route 4626.

113. Oncor did not identify any engineering constraints that would prevent the construction of transmission facilities along Route 4626.

Other Comparisons of Land Uses and Land Types

Radio Towers and Other Electronic Installations

114. No commercial AM radio transmitters were identified within 10,000 feet of Route 4626's centerline.

115. Six FM radio transmitters, microwave relay stations, or other electronic installations were identified within 2,000 feet of Route 4626's centerline.

116. It is unlikely that the presence of transmission facilities along Route 4626 will adversely affect any communication operations in the proximity of the route.

Airstrips and Airports

117. There is one airport registered with the Federal Aviation Administration (FAA) equipped with a runway only 3,200 feet or shorter in length and within 10,000 feet of Route 4626's centerline.

118. There are no airports registered with the FAA equipped with at least one runway longer than 3,200 feet in length and within 20,000 feet of the Route 4626's centerline.

119. There are no private airstrips within 10,000 feet of Route 4626's centerline.

120. There are no heliports within 5,000 feet of Route 4626's centerline.

121. It is unlikely that the presence of transmission facilities along Route 4626 will adversely affect any airports, airstrips, or heliports.

Irrigation Systems

122. Route 4626 does not cross agricultural lands with known mobile irrigation systems.

123. It is unlikely that the presence of transmission facilities along Route 4626 will adversely affect any agricultural lands with known mobile irrigation systems.

Recreational and Park Areas

124. Route 4626 crosses 1,315 feet of park or recreational areas, including Caldwell Park, which the City owns. However, Route 4626 utilizes the least obtrusive route through the park because it traverses a less-used wooded portion of the

park that is in the floodplain, thereby minimizing disturbance to park use and reducing the viewshed of the proposed transmission line.

125. Three parks or recreational areas are located within 1,000 feet of Route 4626's centerline.

126. The Resolution states that "Route 4626 would best protect park lands and the City of Princeton's aesthetic values."

127. It is unlikely that the presence of transmission facilities along Route 4626 will adversely affect the use and enjoyment of any recreational and park areas.

Historical and Archaeological Values

128. Route 4626 does not cross any recorded cultural sites.

129. There are three recorded cultural sites within 1,000 feet of the centerline of the Route 4626.

130. Route 4626 crosses areas with a high potential for historical or archeological sites for 9,112 feet.

131. It is unlikely that the presence of transmission facilities along Route 4626 will adversely affect historical or archaeological resources.

Aesthetic Values

132. An estimated 5,594 feet of Route 4626's ROW is within the foreground visual zone of United States or state highways.

133. An estimated 13,195 feet of Route 4626's ROW is within the foreground visual zone of park or recreational areas.

134. It is unlikely that the presence of transmission facilities along Route 4626 will adversely affect the aesthetic quality of the surrounding landscape.

Environmental Integrity

135. The environmental assessment and routing analysis analyzed the possible effects of the transmission facilities on numerous environmental factors.

136. Oncor and Halff evaluated the effects of the transmission facilities on the environment, including endangered and threatened species.

137. Oncor and Halff evaluated potential consequences for soil and water resources, the ecosystem (including endangered and threatened vegetation and fish and wildlife), and land use within the study area.

138. It is unlikely that constructing the transmission facilities approved by this Order will significantly affect wetland resources, ecological resources, endangered and threatened species, or land use.

139. Route 4626 crosses upland woodlands for approximately 56 feet.

140. Route 4626 crosses riparian areas for approximately 5,715 feet.

141. Route 4626 does not cross the known habitat of any federally-listed endangered or threatened species of plant or animal.

142. Oncor will cooperate with the United States Fish and Wildlife Service to the extent that field studies identify threatened or endangered species' habitats.

143. It is unlikely that significant adverse consequences for populations of any federally-listed endangered or threatened species will result from constructing the transmission facilities approved by this Order.

144. Oncor 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.

145. It is appropriate for Oncor to minimize the amount of flora and fauna disturbed during construction of the transmission facilities.

146. It is appropriate for Oncor to re-vegetate cleared and disturbed areas using native species and consider landowner preferences and wildlife needs in doing so.

147. It is appropriate for Oncor to avoid, to the maximum extent reasonably possible, causing adverse environmental effects on sensitive plant and animal species and their habitats as identified by the TPWD and the United States Fish and Wildlife Service.

148. It is appropriate for Oncor to implement erosion-control measures and return each affected landowner's property to its original contours and grades unless the landowners agree otherwise. However, it is not appropriate for Oncor to 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 any transmission line.

149. It is appropriate for Oncor to exercise extreme care to avoid affecting non-targeted vegetation or animal life when using chemical herbicides to control vegetation within rights-of-way. The use of chemical herbicides to control vegetation within rights-of-way is required to comply with the rules and guidelines established in the Federal Insecticide, Fungicide, and Rodenticide Act and with the Texas Department of Agriculture regulations.

150. It is appropriate for Oncor to 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, CA 2006; and the Avian Protection Plan Guidelines, Avian Power Line Interaction Committee and United States Fish and Wildlife Service, April 2005. It is appropriate for Oncor to take precautions to avoid disturbing occupied nests and take steps to minimize the burden of construction on migratory birds during the nesting season of the migratory bird species identified in the area of construction.

151. It is appropriate for Oncor to use best management practices to minimize any potential harm that Route 4626 presents to migratory birds and threatened or endangered species.

152. It is unlikely that the presence of transmission facilities along Route 4626 will adversely affect the environmental integrity of the surrounding landscape.

Texas Parks and Wildlife Department

153. On March 18, 2022, TPWD filed a comment letter making various comments and recommendations regarding the transmission facilities, but it did not intervene to become a party to this proceeding.

154. TPWD's comment 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.

155. TPWD recommended Route 1556 as the route that best minimizes adverse effects on natural resources.

156. Before beginning construction, it is appropriate for Oncor to undertake appropriate measures to identify whether a potential habitat for endangered or threatened species exists and to respond as required.

157. Oncor will comply with all applicable environmental laws and regulations, including those governing threatened and endangered species.

158. Oncor will comply with all applicable regulatory requirements for constructing the transmission facilities, including any applicable requirements under section 404 of the Clean Water Act.

159. If construction affects federally-listed species or their habitat or affects water under the jurisdiction of the United States Army Corps of Engineers or the Texas Commission on Environmental Quality (TCEQ), Oncor will cooperate with the United States Fish and Wildlife Service, the United States Army Corps of Engineers, and the TCEQ as appropriate to coordinate permitting and perform any required mitigation.

160. Halff relied on habitat descriptions from various sources, including the Texas Natural Diversity Database, other sources provided by the TPWD, and observations from field reconnaissance to determine whether habitats for some species are present in the area surrounding the transmission facilities.

161. Oncor will cooperate with the United States Fish and Wildlife Service and the TPWD if field surveys identify threatened or endangered species' habitats.

162. The standard mitigation requirements included in the ordering paragraphs of this Order, coupled with Oncor' s current practices, are reasonable measures for a transmission service provider to undertake when constructing a transmission line and sufficiently address the TPWD's comments and recommendations.

163. This Order addresses only those recommendations by the TPWD for which there is record evidence.

164. The recommendations and comments made by the TPWD do not necessitate any modifications to the proposed transmission facilities.

Chapter 26 of the Texas Parks and Wildlife Code

165. TPWD's comment letter dated March 18, 2022, recommended adherence to Chapter 26 of the TPWC if the approved route crosses Caldwell Park.

166. Route 4626 crosses Caldwell Park.

167. On June 6, 2022, Oncor timely mailed written notice of the TPWC Chapter 26 public hearing to each person, organization, department, or agency that has ownership/supervision of parks, recreation areas, and/or historic sites crossed by project routes filed with the application.

168. Oncor timely published notice of the Chapter 26 TPWC public hearing once a week for three consecutive weeks in *The Dallas Morning News*, a newspaper having general circulation in Collin County, the county where the project is proposed to be built. Notice was published in this newspaper on June 16, 2022; June 23, 2022; and June 30, 2022.

169. On July 6, 2022, Oncor filed an affidavit attesting to the provision of notice of the public hearing under Chapter 26 of the TPWC.

170. A concurrent public hearing on the merits and hearing under Chapter 26 of the TPWC was convened on July 12, 2022, via Zoom videoconference and concluded that day.

171. There is no feasible and prudent alternative to the project's use or taking of Caldwell Park along Route 4626.

172. The project includes all reasonable planning to minimize harm to Caldwell Park resulting from the use or taking of Caldwell Park along Route 4626.

Permits

173. Before beginning construction of the proposed transmission facilities, Oncor will obtain any necessary permits from the Texas Department of Transportation or any other applicable state agency if the facilities cross state-owned or -maintained properties, roads, or highways.

174. Before beginning construction of the proposed transmission facilities, Oncor will obtain a miscellaneous easement from the General Land Office if the transmission line crosses any state-owned riverbed or navigable stream.

175. Before beginning construction of the proposed transmission facilities, Oncor will obtain any necessary permits or clearances from federal, state, or local authorities.

176. It is appropriate for Oncor, before commencing construction, to obtain a general permit to discharge under the Texas Pollutant Discharge Elimination System for stormwater discharges associated with construction activities as required by the TCEQ. In addition, before commencing construction, it is appropriate for Oncor to prepare a stormwater-pollution-prevention plan if required, to submit a notice of intent to the TCEQ if required, and to comply with all other applicable requirements of the general permit.

177. It is appropriate for Oncor to conduct a field assessment of route 4626 before beginning construction of the transmission facilities approved by this Order to identify water resources, cultural resources, potential migratory bird issues, and threatened and endangered species' habitats disrupted by the transmission line. As a result of these assessments, Oncor will identify all

necessary permits from Collin County and federal and state agencies. Oncor will comply with the relevant permit conditions during construction and operation of the transmission facilities along route 4626.

178. After designing and engineering the alignments, structure locations, and structure heights, Oncor will determine the need to notify the FAA based on the final structure locations and designs. If necessary, Oncor will use lower-than-typical structure heights, line marking, or line lighting on certain structures to avoid or accommodate requirements of the FAA.

Coastal Management Program

179. 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 direct and significant effect on any of the applicable coastal natural resource areas as defined under Texas Natural Resources Code § 33.203 and 31 TAC § 501.3(b).

180. No part of the proposed transmission facilities is located within the coastal management program boundary as defined in 31 TAC § 503.1(b).

Effect on the State's Renewable Energy Goal

181. The Texas Legislature established a goal in PURA § 39.904(a) for 10,000 MWs of renewable capacity to be installed in Texas by January 1, 2025. This goal has already been met.

182. The presence of transmission facilities along Route 4626 cannot adversely affect the goal for renewable energy development established in PURA § 39.904(a).

Limitation of Authority

183. 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.

184. Seven years is a reasonable and appropriate limit to place on the authority granted in this Order to construct the transmission facilities.

IX. CONCLUSIONS OF LAW

The Commission makes the following conclusions of law.

1. Oncor is a public utility as defined in PURA § 11.004 and an electric utility as defined in PURA§ 31.002(6).

2. The Commission has jurisdiction over this matter under PURA §§ 14.001, 32.001, 37.051, 37.053, 37.054, and 37.056.

3. Oncor is required to obtain the approval of the Commission to construct the proposed transmission line and to provide service to the public using the facilities.

4. SOAH exercised jurisdiction over the proceeding under PURA § 14.053 and Texas Government Code §§ 2003.021 and 2003.049.

5. The Application is sufficient under 16 TAC § 22.75(d).

6. The Commission processed this docket in accordance with the requirements of PURA, the Administrative Procedure Act, and the Commission's rules.

7. Oncor provided notice of the Application in compliance with PURA § 37.054 and 16 TAC § 22.52(a).

8. Additional notice of the approved route is not required under 16 TAC § 22.52(a)(2) because it consists entirely of properly noticed links contained in the Application.

9. Oncor held a public meeting and provided proper notice of that public meeting in compliance with 16 TAC § 22.52(a)(4).

10. 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 .052.

11. The written notice of the public hearing under Chapter 26 of the TPWC provided by Oncor to each person, organization, department, or agency that has ownership/supervision of parks, recreation areas, and/or historic sites crossed by project routes filed with the application complied with the notice requirements of TPWC § 26.002.

12. Oncor's publication of notice of the public hearing under Chapter 26 of the TPWC complied with the notice requirements of TPWC § 26.002.

13. The concurrent public hearing on the merits and hearing under Chapter 26 of the TPWC satisfied the public hearing requirement under Chapter 26 of the TPWC.

14. TPWC § 26.001 applies to any program or project that requires the use or taking of any public land designated and used as a park.

15. There is no feasible and prudent alternative to the project's use or taking of Caldwell Park along Route 4626 and the Project includes all reasonable planning to minimize harm to Caldwell Park resulting from the use or taking of Caldwell Park along Route 4626. TPWC § 26.001.

16. The transmission facilities using Route 4626 are necessary for the service, accommodation, convenience, or safety of the public within the meaning of PURA § 37.056(a).

17. The Texas Coastal Management Program does not apply to any of the transmission facilities proposed in the Application, and the requirements of 16 TAC § 25.102 do not apply to the Application.

X. PROPOSED ORDERING PARAGRAPHS

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

1. The Commission amends Oncor's CCN number 30043 to include the construction and operation of the transmission facilities, including a 138-kV single-circuit transmission line on double-circuit capable structures along Route 4626 (comprising routing links A-B1-B5-G1-I1-K5-K3-M1-N3-O-Z6)

and the Ivy League Substation. The Commission is not certifying a second circuit through this Order.

2. Oncor 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 metallic pipelines that are paralleled by the proposed electric transmission facilities.

3. Oncor must conduct surveys, if not already completed, to identify metallic pipelines that could be affected by the proposed transmission line approved by this Order and cooperate with pipeline owners in modeling and analyzing potential hazards because of alternating- current interference affecting metallic pipelines being paralleled.

4. Oncor must obtain all permits, licenses, plans, and permission required by state and federal law that are necessary to construct the transmission facilities approved by this Order, and if Oncor fails to obtain any such permit, license, plan, or permission, it must notify the Commission immediately.

5. Oncor 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 transmission facilities approved by this Order.

6. If Oncor encounters any archaeological artifacts or other cultural resources during construction, work must cease immediately in the vicinity of the artifact or resource, and Oncor must report the discovery to, and act as directed by, the Texas Historical Commission.

7. Before beginning construction, Oncor must undertake appropriate measures to identify whether a potential habitat for endangered or threatened species exists and must respond as required.

8. Oncor must use best management practices to minimize the potential harm to migratory birds and threatened or endangered species that is presented by the approved route.

9. Oncor 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. Oncor 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. Oncor must exercise extreme care to avoid affecting non-targeted vegetation or animal life when using chemical herbicides to control vegetation within the rights 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. Oncor 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, Oncor must re-vegetate using native species and must consider landowner preferences and wildlife needs in doing so. Furthermore, to the maximum extent practicable, Oncor must avoid adverse environmental effects on sensitive plant and animal species and their habitats, as identified by the TPWD and the United States Fish and Wildlife Service.

12. Oncor must implement erosion-control measures as appropriate. Erosion control measures may include inspection of the rights-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, Oncor 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. However, the Commission does not require Oncor 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. Oncor must cooperate with directly affected landowners to implement minor deviations in the approved route to minimize the disruptive effect of the proposed transmission line approved by this Order. Any minor deviations from the approved route must only directly affect landowners who were sent notice of the transmission line in accordance with 16 TAC § 22.52(a)(3) and have agreed to the minor deviation.

14. The Commission does not permit Oncor 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.

15. If possible, and subject to the other provisions of this Order, Oncor must prudently implement appropriate final design for the transmission line to avoid being subject to the Federal Aviation Administration's (FAA's) notification requirements. If required by federal law, Oncor must notify and work with the FAA to ensure compliance with applicable federal laws and regulations. The Commission does not authorize Oncor 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 Oncor must file an application to amend its CCN as necessary.

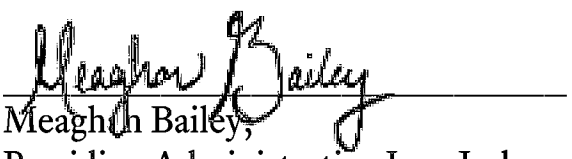
16. Oncor must include the transmission facilities approved by this Order on its monthly construction progress reports before the start of construction to reflect the final estimated cost and schedule in accordance with 16 TAC § 25.83(b). In addition, Oncor must provide final construction costs, with any necessary explanation for cost variance, after completion of construction when Oncor identifies all charges.

17. 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 before that time.

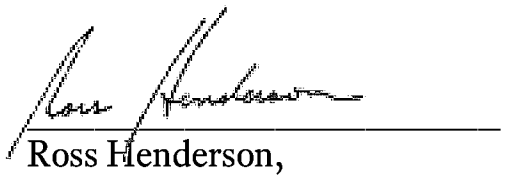
18. The Commission denies all other motions and any other requests for general or specific relief that the Commission has not expressly granted.

SIGNED OCTOBER 3, 2022

ALJ Signatures:



Meaghan Bailey,
Presiding Administrative Law Judge



Ross Henderson,
Presiding Administrative Law Judge