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**PUC DOCKET NO. 53727**

**JOINT APPLICATION OF AEP TEXAS INC. §  
AND SHARYLAND UTILITIES, L.L.C. TO §  
AMEND THEIR CERTIFICATES OF §  
CONVENIENCE AND NECESSITY FOR THE §  
LA PALMA TO KINGFISHER DOUBLE- §  
CIRCUIT 345-KV TRANSMISSION LINE IN §  
CAMERON COUNTY §**

**BEFORE THE  
PUBLIC UTILITY COMMISSION  
OF TEXAS**

**DIRECT TESTIMONY**

**OF**

**ERIC W. SCOTT**

**ON BEHALF OF APPLICANTS**

**AEP TEXAS INC. AND**

**SHARYLAND UTILITIES, L.L.C.**

**JUNE 29, 2022**

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### **EXHIBITS**

Exhibit EWS-1	PURA § 35.005(b)
Exhibit EWS-2	PURA § 39.203(e)
Exhibit EWS-3	PUC Order in Project No. 52682
Exhibit EWS-4	LRGV Transmission Network

## **I. INTRODUCTION**

1 Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

2 A. My name is Eric W. Scott. My business address is 212 E. 6<sup>th</sup> Street, Tulsa, Oklahoma  
3 74119.

4 Q. BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?

5 A. I am employed by American Electric Power Service Company (AEPSC), a wholly-  
6 owned subsidiary of American Electric Power Company, Inc., as Project Manager in  
7 the Transmission Services Department. AEPSC provides engineering, construction  
8 and project management services to AEP Texas, Inc. (AEP Texas).

9 Q. PLEASE DESCRIBE YOUR JOB RESPONSIBILITIES, PARTICULARLY AS  
10 THEY RELATE TO THIS PROCEEDING.

11 A. I am the project manager for the AEP Texas portion of the transmission project as  
12 presented in this *Joint Application of AEP Texas Inc. and Sharyland Utilities, L.L.C. to*  
13 *Amend Their Certificates of Convenience and Necessity for the La Palma to Kingfisher*  
14 *Double-Circuit 345-kV Transmission Line in Cameron County* (Application). My job  
15 responsibilities include overseeing and supervising transmission system projects from  
16 inception to completion. These responsibilities involve receiving the capital project  
17 proposal from AEPSC's transmission planning organization for review and then  
18 coordinating a project team of planners, design engineers, case managers,  
19 environmental specialist, construction personnel, right-of-way agents, and contractors  
20 to see the project through to completion.

1 My job responsibilities also include overseeing the project budget and schedule for the  
2 AEP Texas portion of the transmission project. When a Certificate of Convenience  
3 and Necessity (CCN) application is required, as in this docket, my job responsibilities  
4 include coordinating development and filing of the Application. In this specific project,  
5 some of these job responsibilities are shared with Sharyland Utilities, L.L.C  
6 (Sharyland) as they relate to Sharyland's share of the transmission line project. I will  
7 refer to both AEP Texas and Sharyland as Applicants where both are involved in the  
8 process throughout the rest of my Direct Testimony.

9 Q. PLEASE DESCRIBE YOUR EDUCATIONAL AND PROFESSIONAL  
10 QUALIFICATIONS AND BUSINESS EXPERIENCE.

11 A. I received a Bachelor of Science Degree in 2002 in Electrical Engineering from  
12 Oklahoma State University. I have approximately 20 years of experience in  
13 construction, design and maintenance of transmission facilities for electric utilities, and  
14 twelve years of that time in a project manager capacity.

15 Q. HAVE YOU PREVIOUSLY PERFORMED WORK RELATED TO  
16 TRANSMISSION LINE ADMINISTRATIVE PROCEEDINGS?

17 A. Yes. I have prepared information submitted to the Public Utility Commission of Texas  
18 (PUC or Commission) in the monthly construction progress reports for numerous  
19 projects that do not require a CCN amendment, and served as the project manager for  
20 the *Application of American Electric Power Texas North Company to Amend its*  
21 *Certificate of Convenience and Necessity for the Proposed Esmeralda to Yucca 138-*  
22 *kV Transmission Line in Crockett County, Texas*, PUC Docket No 42265.

1 In PUC Docket No. 42265, there was no intervention or request for hearing and the  
2 CCN application was administratively approved by the PUC. I also served as the  
3 project manager for the *Joint Application of AEP Texas North Company and Electric*  
4 *Transmission Texas, LLC to Amend Their Certificates of Convenience and Necessity*  
5 *for the AEP TNC Heartland to ETT Yellowjacket 138-kV Transmission Line in*  
6 *McCulloch and Menard Counties, Texas*, PUC Docket No. 46234.

7 Q. HAVE YOU PRESENTED TESTIMONY TO THE COMMISSION OR ANY  
8 OTHER REGULATORY BODY BEFORE?

9 A. Yes. I did provide Direct and Rebuttal testimony in the *Joint Application of AEP Texas*  
10 *North Company and Electric Transmission Texas, LLC to Amend Their Certificates of*  
11 *Convenience and Necessity for the AEP TNC Heartland to ETT Yellowjacket 138-kV*  
12 *Transmission Line in McCulloch and Menard Counties, Texas*, PUC Docket No.  
13 46234.

## II. PURPOSE OF TESTIMONY

14 Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?

15 A. The purpose of my testimony is to discuss the proposed 345-kV double-circuit capable  
16 transmission line to be constructed by the Applicants through Cameron County and the  
17 City of San Benito, Texas (Project) and the expansion of the AEP Texas La Palma  
18 Station as one of the two project termination points. In my testimony, I will address  
19 certain aspects of the Application including: (i) the introduction of the other  
20 Applicants' witnesses and the outside consultant witness from POWER Engineering,  
21 Inc. (POWER) and the subjects about which they testify; (ii) the Applicants'

1 compliance with the Commission's notice and public meeting requirements, as set forth  
2 in 16 Tex. Admin. Code §22.52 (TAC); (iii) the participation of the Applicants'  
3 representatives at the public open-house meetings hosted by the Applicants; (iv)  
4 discussion of the impact of the public meetings and other landowner discussions in the  
5 route selection process; (v) the selection of the alternative routes for the Project that  
6 best meet the requirements of the Public Utility Regulatory Act (PURA) and the PUC's  
7 Substantive Rules; (vi) the Project schedule; and (vii) the selection of the conductor  
8 and structures for the AEP Texas portion of the transmission line. The Application is  
9 publicly available at the Commission and will be offered into evidence by the  
10 Applicants as an exhibit in this proceeding.

11 Q. WHAT PORTIONS OF THE APPLICATION DO YOU SPONSOR?

12 A. I sponsor the responses to Question No. 14 and 15 and Application Attachments 4, 5  
13 and 15a. I am cosponsoring the responses to Questions No. 1, 2, 3, 4 (in part), 5 (in  
14 part), 6 (in part), 7 (in part), 8 through 12, 13 (in part), 16 (in part), 17 (in part), 18 (in  
15 part), 20 (in part), 23 (in part), 25, 29 (in part), and 30 (in part); and Application  
16 Attachments 2, 3, 6, 7, 8, 9a through 9g, 10a, 10b, 11a, 11b, 11c, 12a, 12b, 13, 14a,  
17 and 14b. Additionally, I am cosponsoring the information provided by the Applicants  
18 for Sections 1.1(in part), 1.2, 1.3 (in part), 1.4 (in part), and 1.5 (in part) of the *La Palma*  
19 *to Kingfisher 345-kV Transmission Line Project Environmental Assessment and*  
20 *Alternative Route Analysis, Cameron County, Texas* (EA) that was prepared by  
21 POWER and is included as Attachment 1 to the Application.

1 Q. WERE YOUR TESTIMONY AND THE INFORMATION YOU ARE SPONSORING  
2 PREPARED BY YOU OR BY KNOWLEDGEABLE PERSONS UPON WHOSE  
3 EXPERTISE, JUDGMENT, AND OPINIONS YOU RELY IN PERFORMING  
4 YOUR DUTIES?

5 A. Yes.

6 Q. IS THE INFORMATION CONTAINED IN YOUR TESTIMONY AND THAT YOU  
7 ARE SPONSORING TRUE AND CORRECT TO THE BEST OF YOUR  
8 KNOWLEDGE AND BELIEF?

9 A. Yes.

### III. INTRODUCTION OF WITNESSES

10 Q. OTHER THAN YOU, WHO WILL TESTIFY IN THIS PROCEEDING AND WHAT  
11 ARE THE AREAS ABOUT WHICH THEY WILL TESTIFY?

12 A. In addition to me, the following witnesses are filing direct testimony for the Applicants:

13 • Mr. Mark D. Meyer, who is Vice President of Operations for Sharyland and Hunt  
14 Utility Services, LLC addresses Sharyland's specific involvement in the Project and all  
15 topics specific to Sharyland. These topics include Sharyland's cost estimate for its  
16 portion of each alternative route submitted in the CCN Application, its structure and  
17 conductor selections, and the new Kingfisher Station that Sharyland will construct as  
18 an endpoint for this Project. Mr. Meyer sponsors the response to Attachment 15b of  
19 the Application. Mr. Meyer cosponsors the responses to Questions No. 1, 2, 3, 4 (in  
20 part), 5 (in part), 6 (in part), 7 (in part), 8 through 12, 13 (in part), 16 (in part), 17 (in



1 part), 18 (in part), 20 (in part), 25, 29 (in part), and 30 (in part); and Application  
2 Attachments 2, 3, 6, 7, 8, 9a through 9g, 10a, 10b, 11a, 11b, 11c, 12a, 12b, 13, 14a, and  
3 14b. Additionally, Mr. Meyer cosponsors Section 1.1 (in part), 1.3, 1.4, and 1.5, and  
4 Figures 1-4 and 1-5 of the EA.

5 • Mr. Gary L. McClanahan, who is employed by POWER as a Project Manager,  
6 addresses the EA, which POWER developed for the Project. Mr. McClanahan  
7 discusses the factors taken into consideration in the EA, including land use, visual  
8 resources, socioeconomic elements, biological/ecological resources, geology and soils,  
9 hydrology, and cultural resources, among others, within the regional study area and  
10 along the alternate routes. Mr. McClanahan discusses the environmental factors that  
11 appear in PURA §37.056(c)(4), the PUC Substantive Rules, and the Commission's  
12 CCN application form. Mr. McClanahan also discusses aspects of the open-house  
13 meetings and public participation processes. Mr. McClanahan sponsors responses to  
14 Application Question Nos. 6 (in part), 17 (in part), 18 (in part), 19, 20 (in part), 21, 22,  
15 23(in part), 24, 26, 27, 28, and 29 (in part), Attachment 1 (in part), Attachment 2 (in  
16 part), Attachment 7 (in part), and Attachment 8 (in part).

17 • Ms. Annie C. Wantland, who is employed by AEPSC as Planning & Engineering  
18 Supervisor, Transmission Line Engineering ERCOT, addresses the transmission line  
19 structures and conductors that will used by AEP Texas and the estimated costs of the  
20 alternative routes for the AEP Texas portion of the Project. Ms. Wantland sponsors in  
21 part Attachment 3 of the Application and the responses to Application Question No. 5  
22 (in part) and Question No. 13 (in part). Additionally, Ms. Wantland sponsors Figures  
23 1-2 and 1-3 of the EA.

#### **IV. PROJECT DESCRIPTION**

1 Q. PLEASE DESCRIBE THE PROJECT.

2 A. The proposed Project will be designed and constructed as a 345-kV double-circuit  
3 transmission line with only one circuit initially installed. The Project will begin at the  
4 existing AEP Texas La Palma Station located approximately 600 feet south of the  
5 intersection of W Stenger Street and United States Highway Business 77 in San Benito,  
6 Texas, to the new Sharyland Kingfisher Station to be located approximately 0.8 miles  
7 south of the intersection of the San Jose Ranch Road (Farm to Market 510) and Casey  
8 Road on the west side of Casey Road in Cameron County, Texas. AEP Texas and  
9 Sharyland will each own approximately 50% of the new 345-kV transmission line, with  
10 the division point of ownership being identified at a specific structure location after the  
11 route is selected by the PUC. AEP Texas is the owner of the La Palma Station and  
12 Sharyland will be the owner of the new Kingfisher Station.

13 The existing AEP Texas La Palma Station will be expanded to the east-southeast side  
14 of the existing station footprint. The expansion will include station site preparation;  
15 new ground mat and trenching with cable trays; cables for new communication,  
16 protection, measurement, SCADA, and power needs; new structural improvements to  
17 add three 345-kV breakers and associated switches, power and current transformers,  
18 insulators, and surge arrestors; construction of a new control building, fencing, security  
19 lighting and security equipment, and charger/battery backup. The station expansion  
20 will also include all construction, surveying, engineering, and other overheads  
21 associated with all phases of the construction and energization of the facilities.

1 The design of the station expansion will take into consideration the future termination  
2 of the second circuit of the Project when needed. The installed equipment will be  
3 designed to meet the operational loading planned for normal and emergency operations.

4 Q. WILL NEW RIGHT-OF-WAY BE REQUIRED FOR THE PROJECT?

5 A. Yes, new right-of-way will be required for the entire length of the Project. The 19  
6 alternative routes that are being considered for this Project range from approximately  
7 4.35 miles in length (Route 1) to about 10.91 miles (Route 18). More detail on the  
8 approximate length of right-of-way for each route is provided in Attachment 2 of the  
9 Application.

10 New right-of-way to be acquired will typically be 150 feet wide. Exceptions would be  
11 at turning structures or crossing structures. Some temporary easements will be required  
12 for conductor pulls and other construction related activities.

## V. PROJECT NEED

13 Q. PLEASE DESCRIBE THE NEED FOR THIS PROJECT?

14 A. In September 2021, the Commission determined that additional transmission facilities  
15 were needed to be constructed pursuant to PURA §§ 35.005(b) and 39.203(e), to ensure  
16 safe and reliable electric service in the Lower Rio Grande Valley (LRGV). On October  
17 14, 2021, the PUC issued an order in Project No. 52682 that required AEP Texas and  
18 Sharyland to develop a CCN application for approval to construct transmission  
19 facilities to “close the loop from Palmito to North Edinburg.”

1 The order required that the application be filed with the PUC no later than June  
2 30, 2022. This Application is the response to that order.

3 A copy of PURA § 35.005(b) is included as Exhibit EWS-1 of my direct testimony and  
4 a copy of PURA § 39.203(e) is included as Exhibit EWS-2. The PUC order that was  
5 issued in Project No. 52682 is included as Exhibit EWS-3 of my direct testimony.

6 Q. CAN THE TRANSMISSION RELIABILITY ISSUES IN THE LRGV MENTIONED  
7 ABOVE BE ADDRESSED BY DISTRIBUTION ALTERNATIVES, UPGRADES  
8 TO EXISTING FACILITIES, OR DISTRIBUTED GENERATION?

9 A. No. The need for the project is to address transmission system constraints for power  
10 delivery into the South Texas region and the LRGV. The Commission ordered this  
11 project to be constructed because it was determined the constraints could only be  
12 addressed by improvements in the bulk transmission network including the addition of  
13 the second 345-kV circuit being added to other existing transmission lines in the South  
14 Texas region.

15 Q. THE COMMISSION'S ORDER IN PROJECT NO. 52682 DIRECTS AEP TEXAS  
16 AND SHARYLAND TO CONSTRUCT NEW 345-KV TRANSMISSION  
17 FACILITIES TO "CLOSE THE LOOP FROM PALMITO TO NORTH EDINBURG."  
18 DOES THE PROJECT IN THIS APPLICATION CLOSE THE LOOP FROM  
19 PALMITO TO NORTH EDINBURG AS ORDERED BY THE COMMISSION?

20 A. Yes. Currently there is an existing 345-kV transmission line that originates at the AEP  
21 Texas North Edinburg Station which is located on the north side of the City of Edinburg

1 and from that location continues in a southern direction until it cuts into the AEP Texas  
2 Stewart Road 345/138/69 kV Station located south of the City of Alamo. This existing  
3 345-kV line then leaves the AEP Texas Stewart Road Station and continues to the east  
4 until it terminates at the Sharyland Palmito Station located just north of the Brownsville  
5 Ship Channel area. This Project will cut this existing 345 kV transmission line into  
6 and out of the new Sharyland Kingfisher Station and then a new 345 kV double circuit  
7 capable transmission line will be constructed from the new Sharyland Kingfisher  
8 Station to the existing AEP Texas La Palma Station located on the west side of the City  
9 of San Benito.

10 The existing AEP Texas La Palma Station has an existing 345 kV transmission line  
11 terminated into it from the existing AEP Texas Rio Hondo Station located northwest  
12 of the City of Rio Hondo. The AEP Texas Rio Hondo Station also has a 345 kV  
13 transmission that terminates into it from the west that originates at the AEP Texas North  
14 Edinburg Station. Therefore, once the new 345 kV line addressed in this Application  
15 connects the new Sharyland Kingfisher Station to the existing AEP Texas La Palma  
16 Station, a 345 kV transmission loop results as ordered by the PUC.

17 This very important 345-kV bulk transmission loop will improve the resilience and  
18 operational flexibility of the overall bulk transmission network to the many cities  
19 located in the LRGV. Exhibit EWS-4 is a demonstrative drawing to show the looping  
20 that is being accomplished.

1       The existing 345-kV transmission lines described above are represented by the blue  
2       lines within the red circle. The orange line represents the Project that is the subject of  
3       this Application that would connect all of these blue lines together to form a loop within  
4       the red circle and as result would complete a 345-kV network of transmission lines and  
5       intermediate stations around this new loop that would provide a more resilient and  
6       reliable transmission network to the LRGV.

## **VI.    ESTIMATED PROJECT COST AND FINANCING**

7    Q.    WHAT IS THE TOTAL ESTIMATED COST OF THE PROJECT?

8    A.    The total estimated costs for all 19 alternative routes range from \$30.122 million to  
9       \$56.238 million. These estimated costs are the combined estimates for the respective  
10       share of the Project for each applicant (AEP Texas and Sharyland). The respective  
11       shares of these estimated amounts above are further discussed in the Direct Testimonies  
12       of Mark Meyer for Sharyland and Annie Wantland for AEP Texas. The estimated cost  
13       of the new Sharyland Kingfisher Station is \$43.709 million and is further discussed in  
14       the Direct Testimony of Mark Meyer. The new termination facilities required for the  
15       existing AEP Texas La Palma substation are estimated at \$13.638 million. These costs  
16       include expansion of the existing station yard, new bus work, breakers, switches,  
17       voltage and current transformers, new panels with protection and control instruments,  
18       remote terminal unit, communication equipment, batteries and charger, new cable trays  
19       and cables, and a new control house. The cost estimates for the Project's transmission  
20       and substation facilities are provided in more detail in Attachment 3 of the CCN  
21       Application.

1 Q. DO THE ESTIMATED COSTS PROVIDED IN THE APPLICATION REFLECT  
2 THE ACTUAL TRANSMISSION PROJECT COSTS FOR THE ROUTES TO BE  
3 CONSTRUCTED?

4 A. No. The costs are only estimates as of the time of the filing of the Application. Once  
5 the final route has been approved by the PUC, the Applicants will survey the approved  
6 line route and final engineering design will be performed. After the final engineering  
7 design is completed, costs to construct the approved route will then be re-estimated  
8 based on bids for material and construction. At that time, the re-estimated Project costs  
9 will be updated in AEP Texas' and Sharyland's Monthly Construction Progress  
10 Reports submitted to the PUC. Actual costs will be updated to the PUC once the  
11 transmission line construction has been completed. Until that time, the costs reflected  
12 in the Application and in my testimony and the other testimonies filed in this docket  
13 are only estimates.

14 Q. HOW WILL AEP TEXAS' PORTION OF THE PROJECT BE FINANCED?

15 A. Funds for AEP Texas' share of the Project will come from short-term borrowings and  
16 owner equity.

## **VII. PROJECT SCHEDULE**

1 Q. WHAT IS THE SCHEDULE FOR AEP TEXAS' PORTION OF THE PROJECT?

2 A. The following table indicates the projected dates for certain Project milestones:

<b>Estimated Dates of:</b>	<b>Start</b>	<b>Completion</b>
Right-of-way Acquisition	January 2023	May 2024
Engineering and Design	January 2023	September 2024
Material and Equipment Procurement	September 2023	June 2025
Construction of Facilities	November 2024	April 2026
Energize Facilities	-----	April 2026

## **VIII. ENGINEERING DESIGN OF THE PROPOSED PROJECT**

3 Q. DOES THE TRANSMISSION LINE DESIGN FOR AEP TEXAS' PORTION OF  
4 THE PROJECT MEET THE REQUIREMENTS OF THE NATIONAL  
5 ELECTRICAL SAFETY CODE?

6 A. Yes. AEP Texas' design for the Project meets or exceeds the requirements for  
7 construction as defined in the National Electrical Safety Code (NESC). However, the  
8 NESC is a safety code and not a design guide, so additional design criteria will be used,  
9 including the American National Standards Institute standards, AEP Texas and AEPSC  
10 standard practices, and such practices as required by federal, state, and local  
11 governments and agencies.



1 Q. DOES AEP TEXAS' PORTION OF THE PROJECT ADEQUATELY CONSIDER  
2 ELECTRICAL EFFICIENCY, RELIABILITY, AND RESILIENCY?

3 A. Yes. AEP Texas' portion of the transmission line constructed on any of the alternative  
4 routes will be engineered and constructed so that the line itself will be as electrically  
5 efficient and reliable as possible taking into consideration a number of factors. The  
6 structure design, foundation design, type of material used, and construction guidelines  
7 and procedures used by AEP Texas to construct the transmission line will provide for  
8 a cost effective and resilient transmission line.

9 Obviously, various factors, such as line length and number of angle structures, will  
10 make lines located on some alternative routes less cost-efficient than others. However,  
11 any of the alternative routes will be engineered so that electrical efficiency, reliability,  
12 and resiliency will be adequate for that route.

**IX. NEIGHBORING UTILITIES, MUNICIPAL  
AND COUNTY GOVERNMENTS**

13 Q. WHAT OTHER CERTIFICATED ELECTRIC UTILITIES ARE LOCATED  
14 WITHIN FIVE MILES OF THE PROJECT?

15 A. Three other electric utilities that provide similar service within five miles of the Project  
16 are Magic Valley Electric Cooperative, South Texas Electric Cooperative, and the  
17 Brownsville Public Utility Board.

1 Q. ARE THERE ANY OTHER ELECTRIC UTILITIES INVOLVED WITH THE  
2 PROJECT OR DIRECTLY AFFECTED BY IT?

3 A. Aside from AEP Texas and Sharyland, there are no other electric utilities directly  
4 connected to the facilities or directly involved in the Project.

5 Q. PLEASE IDENTIFY THE COUNTIES AND MUNICIPALITIES IN WHICH THE  
6 PROJECT WILL BE LOCATED.

7 A. All of the alternative routes that are considered for the Project are located within  
8 Cameron County. A portion of all routes filed in this Application, and any route  
9 selected for the construction of this Project, will be located in the City of San Benito.  
10 Applicants provided notice of the Application to the Mayors of the municipalities  
11 within five miles of the Project, which include the cities of San Benito, Harlingen, and  
12 Brownsville. Notice was also provided to the County Judge and County  
13 Commissioners of Cameron County.

#### **X. ALTERNATIVE ROUTE SELECTION**

14 Q. WAS AN ENVIRONMENTAL ASSESSMENT AND ALTERNATIVE ROUTE  
15 ANALYSIS (EA) PREPARED FOR THE PROJECT?

16 A. Yes. A copy of the EA that was prepared by POWER is included as Attachment 1 of  
17 the Application.

18 Q. DID THE APPLICANTS HAVE INPUT INTO THE EA PERFORMED BY POWER?

19 A. Yes. The Applicants communicated regularly with POWER representatives  
20 throughout the preparation of the EA. The Applicants participated in (1) defining the

1 study area for the Project; (2) the decisions concerning the locations, dates, and number  
2 of open-house meetings; (3) the information presented and the format of the open-  
3 house meetings; (4) the consideration of alternative routes based upon information  
4 gathered during and after the open-house meetings; and (5) routing adjustments  
5 associated with engineering considerations and land use impacts. The Applicants also  
6 provided information to POWER for Sections 1.1 (in part), 1.2, 1.3, 1.4, and 1.5 of the  
7 EA.

## **XI. PUBLIC MEETINGS**

8 Q. PLEASE DESCRIBE THE PUBLIC PARTICIPATION MEETINGS FOR THE  
9 PROJECT THAT APPLICANTS HELD IN COMPLIANCE WITH 16 TAC  
10 §22.52(a)(4) TO OBTAIN PUBLIC INPUT PRIOR TO FILING THE  
11 APPLICATION.

12 A. The Applicants, with the assistance of POWER, held three open-house meetings to  
13 solicit public input about the proposed Project. Public involvement contributed to the  
14 evaluation of issues and concerns and to the selection of routes for the Project. Rather  
15 than making a formal presentation at the meetings in a speaker-audience format, the  
16 Applicants and POWER staff used a more interactive arrangement by setting up several  
17 information stations where attendees could provide input and learn about the Project.  
18 At the first station, visitors signed in and were provided questionnaires. Questionnaires  
19 were also provided to landowners in the invitations to the open house meetings.

1 The questionnaires solicited comments on citizen and property owner concerns in  
2 addition to an evaluation of the information presented at each open house. Completed  
3 questionnaires were received at the meetings and subsequently by mail and email.

4 Each information station was devoted to a particular aspect of the routing study and  
5 was manned with personnel representing the Applicants and/or POWER. Displays,  
6 maps, illustrations, and photographs were used to explain each particular topic that was  
7 presented. Large aerial photographic maps were used to present the routes to the  
8 attendees and obtain input.

9 Interested citizens and property owners were encouraged to visit each station in order  
10 so that the process could be explained in the general sequence of route development.  
11 The information station format is advantageous because it allows attendees to process  
12 information in a relaxed manner and also allows them to focus on their particular  
13 interest and ask specific questions. Importantly, the one-on-one discussions with the  
14 Applicants' representatives and POWER staff encourage more interaction from those  
15 citizens and property owners who might be hesitant to participate in a speaker /  
16 audience format.

17 In March 2022, the Applicants hosted two public open-house meetings, and then an  
18 additional public open-house meeting in April 2022, within the directly affected  
19 community to solicit comments from landowners and other interested residents  
20 regarding the preliminary alternative routing links. For the notice of the two public  
21 open-house meetings in March 2022, there were approximately 350 landowners who  
22 own property located within 500 feet of the preliminary alternative routing links.

For the notice of the additional open-house meeting in April 2022, there were approximately 145 landowners located on the links modified or added after the first two open-house meetings. The notice for these meetings included a map of the study area depicting the preliminary alternative routing links, the questionnaire, a question and answer sheet, and a document providing information about the Project and answers to frequently asked questions. A website was developed that landowners were also directed to for additional information and to contact an Applicant representative directly. An example of the notice letter and a copy of the attachments are provided in Appendix B to the EA. In addition a notice of the public meetings was also emailed to the Department of Defense Siting Clearinghouse. This notice is provided as Exhibit EWS-5 less the preliminary route map and FAQ that are provided in the EA, Appendix B.

The following chart provides the date and location of the meetings, the number of attendees that signed in at each meeting, and the number of questionnaire responses that were submitted at each meeting.

<b>Date</b>	<b>Location</b>	<b>Attendees</b>	<b>Responses</b>
March 8	San Benito Cultural Heritage Museum	65	11
March 9	San Benito Cultural Heritage Museum	18	10
April 12	San Benito HS Varsity Gym	26	5

Additionally, a total of 50 questionnaires were received by the Applicants after the public meetings took place. Section 3.3.2 of the EA describes the Public Involvement Program and includes a summary of the questionnaire responses.

1 Q. HOW DOES THE ROUTE SELECTION PROCESS BENEFIT FROM THE PUBLIC  
2 PARTICIPATION MEETINGS?

3 A. There are several benefits provided by holding a public open-house meeting. Public  
4 involvement contributed to the evaluation of issues and concerns and to the selection  
5 of the route that best meets the requirements of PURA and the PUC's Substantive  
6 Rules. The open-house meetings provided an opportunity for the Applicants and  
7 POWER to obtain input from the public that is critical to prudent routing selections.

8 Q. DID THE INFORMATION THE APPLICANTS RECEIVED AT THE PUBLIC  
9 MEETING AFFECT THE ROUTING SELECTION PROCESS?

10 A. Yes. The preliminary alternative routing links, which are shown on Figure 3-1 and  
11 Figure 3-2 of the EA, were presented to the public at the open-house meetings. Input  
12 received at the first two open meetings resulted in some changes to routing links and  
13 addition of some new links. These were presented to newly impacted landowners in  
14 the third open house meeting. Following the public meetings, the Applicants and  
15 POWER staff performed additional reviews to look at areas of concern discussed at the  
16 public meetings, communicated with individual landowners and other interested  
17 parties, evaluated the public comments, and considered revisions to the preliminary  
18 alternative routing links.

19 In response to public concerns, and through consultation with POWER, some  
20 preliminary links were modified to reduce potential impacts to habitable structures and  
21 other constraints to the greatest extent practicable.

1 Additional links were established based on input received and additional review of that  
2 specific area and some of these links were modified. Specifically, the changes that  
3 were made to the preliminary routing links after the public meeting were made for the  
4 following reasons: to further reduce the number of habitable structures within 500 feet  
5 of the centerline of certain routing links, to increase the length of right-of-way (ROW)  
6 parallel to apparent property lines or other compatible routing features, to reduce land  
7 use impacts to ranching/farming, and to address potential environmental impacts. The  
8 resulting primary alternative links that were evaluated following the open house  
9 meetings are presented in Figure 3-3 of the EA.

10 The Project team utilized this input from landowners to make final revisions to the  
11 preliminary routing links and identified the primary alternative routes to be evaluated  
12 by POWER in the EA. Additional details regarding the public involvement process are  
13 provided in Section 3.3.2 and Appendix B of the EA; and in Section IV of the direct  
14 testimony of Mr. McClanahan.

## **XII. PURA AND PUC RULES ROUTING CRITERIA**

15 Q. WHAT ROUTE DID POWER RECOMMEND AS THE ROUTE THAT BEST  
16 ADDRESSES THE REQUIREMENTS OF PURA AND THE PUC'S  
17 SUBSTANTIVE RULES FOR THE PROJECT?

18 A. POWER evaluated 19 alternative routes and considered 41 routing criteria addressing  
19 factors such as land use, aesthetics, and potential environmental impacts for each of the  
20 alternative routes. From this perspective, POWER recommended Route 4.

1 Additional details regarding POWER's recommendation of Route 4 are provided in  
2 Section 5 of the EA and in the direct testimony of Mr. McClanahan.

3 Q. WHAT ROUTE DID THE APPLICANTS SELECT AS THE ROUTE THAT BEST  
4 ADDRESSES THE REQUIREMENTS OF PURA AND THE PUC'S  
5 SUBSTANTIVE RULES FOR THE PROJECT?

6 A. The Applicants considered all of the certification criteria in PURA and the PUC  
7 Substantive Rules, input from the public, the recommendation of POWER, engineering  
8 and construction constraints, and the estimated cost for the alternative routes. In  
9 addition to considering POWER's environmental and land use evaluation of the  
10 alternative routes, the Applicants also evaluated each route from an engineering design  
11 and construction perspective. As a result of this evaluation, AEP Texas and Sharyland  
12 also identified Route 4 as the route that the Applicants believe best addresses the  
13 requirements of PURA and the PUC's Substantive Rules regarding certification  
14 criteria.

15 Q. WHAT FACTORS WEIGHED IN FAVOR OF THE APPLICANTS SELECTING  
16 ROUTE 4 AS THE ROUTE THAT BEST ADDRESSES THE REQUIREMENTS OF  
17 PURA AND THE PUC'S SUBSTANTIVE RULES?

18 A. The Applicants identified Route 4 as the route that best addresses the requirements of  
19 PURA and PUC Substantive Rules. A discussion regarding the Applicants'  
20 recommendation of Route 4 is provided in Attachment 6 to the Application. Route 4  
21 was identified as the route that best addresses the routing requirements for the reasons  
22 listed in Section 5.1 of the EA.



- 1 As listed in the EA, Route 4:
- 2 • is the third shortest route, at 4.92 miles;
  - 3 • has the 7<sup>th</sup> least number of habitable structures within 500 feet, at 47 habitable
  - 4 structures. With the exception of Route 2 at 44 habitable structures, routes with less
  - 5 habitable structures are over twice as long (e.g. Route 17 has the least number of
  - 6 habitable structures at 31, but is 10.38 miles long).
  - 7 • has the longest length parallel to existing transmission lines, at 3.12 miles;
  - 8 • has the fourth shortest length across cropland, at 2.72 miles;
  - 9 • has the second shortest length of ROW within the foreground visual zone of US
  - 10 Hwys and SHs, at 1.83 miles;
  - 11 • has the second shortest length of ROW within the foreground visual zone of FM
  - 12 roads, at 3.35 miles;
  - 13 • has the fourth shortest length of ROW across upland woodlands/brushlands, at 1.42
  - 14 miles;
  - 15 • is tied with two other routes for the second shortest length across open water, at 0.10
  - 16 mile;
  - 17 • is tied with four other routes for the fourth fewest number of stream/canal crossings,
  - 18 with 13;
  - 19 • has the second shortest length across 100-year floodplains, at 1.17 miles; and
  - 20 • has the third shortest length of ROW across areas of high archaeological site
  - 21 potential, at 4.92 miles.
  - 22 • crosses no parks/recreational areas and is not located within 1,000 feet of any
  - 23 additional parks/recreational areas;
  - 24 • crosses no land irrigated by traveling systems (rolling or pivot type);
  - 25 • has no FAA registered airports with a runway more than 3,200 feet in length within
  - 26 20,000 feet of the ROW centerline;

- 1 • has no FAA registered airports with no runway more than 3,200 feet in length within
- 2 10,000 feet of the ROW centerline;
- 3 • has no heliports within 5,000 feet of its ROW centerline;
- 4 • has no commercial AM radio transmitter within 10,000 feet of the ROW centerline;
- 5 • has no FM radio transmitters, microwave towers, and other electronic installations
- 6 within 2,000 feet of the ROW centerline;
- 7 • has no length of ROW within foreground visual zone of parks/recreational areas;
- 8 • crosses no known critical habitat of federally-listed threatened or endangered species;
- 9 • crosses no recorded cultural resources sites and is not located within 1,000 feet of any
- 10 recorded cultural resources sites; and
- 11 • is not located within 1,000 feet of any additional NRHP sites.

12 The Applicants also determined that Route 4 is among the best routes considering  
13 engineering and construction constraints and it was determined to be the route with the  
14 second lowest estimated cost to construct.

### **XIII. NOTICE**

15 Q. DID THE APPLICANTS PROVIDE NOTICE OF THE FILING OF THE  
16 APPLICATION AS REQUIRED BY THE COMMISSION'S PROCEDURAL  
17 RULES?

18 A. Yes. Notice was provided in accordance with 16 TAC §22.52.

1 Q. PLEASE DESCRIBE THE NOTICE THE APPLICANTS PROVIDED FOR THIS  
2 APPLICATION.

3 A. The Applicants sent a notice of the Application on June 29, 2022 by priority mail to  
4 the directly affected owners of land as stated on the current county tax rolls in Cameron  
5 County, Texas. The notice that was sent to the landowners included a map, a written  
6 description of the alternative routing options, the PUC brochure entitled *Landowners*  
7 *and Transmission Line Cases at the PUC*, and forms for submitting comments or a  
8 request to intervene. A copy of the notice, the enclosures, and a list of landowners to  
9 whom notice was provided are included as Attachments 9a through 9g of the  
10 Application.

11 The Applicants sent notice of the Application by priority mail on June 29, 2022  
12 to the utilities providing similar service within five miles of the alternative routing  
13 options. A copy of the notice and a list of utilities are provided as Attachments 10a  
14 and 10b of the Application.

15 The Applicants sent notice of its Application by priority mail on June 29, 2022 to the  
16 county officials in Cameron County and to the mayors of the municipalities within five  
17 miles of the Project. A copy of the notice to county and municipal officials is provided  
18 as Attachment 11a of the Application and the list of these officials noticed is provided  
19 as Attachment 11b.

20 The Applicants sent notice of its Application by email on June 29, 2022 to the  
21 Department of Defense Siting Clearinghouse with the information requested by the  
22 department. A copy of the notice is provided as Attachment 11c of the Application.

1 The Applicants caused notice of the Application to be published in The Monitor in  
2 Brownsville, which is the newspaper having general circulation in Cameron County,  
3 Texas. Notice will be published in the newspaper no later than the week after the  
4 Application is filed with the Commission. A copy of the newspaper notice text is  
5 provided as Attachment 12a of the Application, and Attachment 12b is a list of  
6 newspapers for publication.

7 The Applicants sent notice of the Application by priority mail on June 29, 2022 to the  
8 Office of Public Utility Counsel (OPUC). A copy of the notice that was sent to OPUC  
9 is provided as Attachment 13 of the Application.

10 The Applicants sent a copy of the Application, including all attachments, by first class  
11 mail on June 29, 2022 to the Texas Parks & Wildlife Department (TPWD). The  
12 Application that was sent to TPWD included the environmental assessment as required  
13 by the PUC CCN Application form. A copy of the transmittal letter and an affidavit  
14 verifying transmittal of the Application to TPWD are provided as Attachments 14a and  
15 14b of the Application.

#### **XIV. SUMMARY AND CONCLUSION**

16 Q. PLEASE SUMMARIZE YOUR TESTIMONY.

17 A. Based upon my involvement in the routing evaluation and selection process, it is my  
18 opinion that the Applicants have complied with 16 TAC §22.52 regarding holding a  
19 public meeting and providing notice of the Application.

1        Additionally, the Applicants have reasonably used the information gathered from the  
2        public meetings to create a sufficient number of alternative routes to address or mitigate  
3        concerns that landowners voiced at the public meetings. The estimated costs are  
4        reasonable and the estimated schedule will allow the transmission line to be completed  
5        in a timely manner.

6        The Applicants have proposed alternative routes that are acceptable and comply with  
7        the Commission's routing criteria in 16 TAC §25.101 and the CCN factors listed in  
8        PURA §37.056.

9        Q.     DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?

10     A.     Yes.

**Sec. 35.005. AUTHORITY TO ORDER TRANSMISSION SERVICE.**

(a) The commission may require an electric utility to provide transmission service at wholesale to another electric utility, a qualifying facility, an exempt wholesale generator, or a power marketer and may determine whether terms for the transmission service are reasonable.

(b) The commission may require transmission service at wholesale, including the construction or enlargement of a facility.

(c) The commission may not issue a decision or rule relating to transmission service that is contrary to an applicable decision, rule, or policy statement of a federal regulatory agency having jurisdiction.

(V.A.C.S. art. 1446c-0, sec. 2.056(a).) (Amended by Acts 1999, 76th Leg., R.S., ch. 405 (SB 7), § 18.)

**Sec. 39.203. TRANSMISSION AND DISTRIBUTION SERVICE.**

(a) All transmission and distribution utilities shall provide transmission service at wholesale under Subchapter A, Chapter 35. In addition, on and after January 1, 2002, a transmission and distribution utility shall provide transmission or distribution service, or both, at retail to an electric utility, a retail electric provider, a municipally owned utility, an electric cooperative, or an end-use customer at rates, terms of access, and conditions that are comparable to those that apply to the transmission and distribution utility and its affiliates. A municipally owned utility offering customer choice or an electric cooperative offering customer choice shall likewise provide transmission or distribution service, or both, at retail to all such entities in accordance with the commission's rules applicable to terms and conditions of access and at rates adopted in accordance with Sections 40.055(a)(1) and 41.055(1), respectively.

(b) When necessary to serve a wholesale customer an electric utility, an electric cooperative that has not opted for customer choice, or a municipally owned utility that has not opted for customer choice shall provide wholesale transmission service at distribution voltage. A customer of a municipally owned utility that has not opted for customer choice or of an electric cooperative that has not opted for customer choice may not claim the status of a wholesale customer or be designated as a wholesale customer if the customer is being or has been served under a retail rate schedule of the municipally owned utility or electric cooperative.

(c) On or before January 1, 2002, the commission shall establish for all retail electric utilities offering customer choice reasonable and comparable terms and conditions, in accordance with Section 39.201, that comply with Subsection (a) for open access on distribution facilities and shall establish, for all retail electric utilities offering customer choice other than municipally owned utilities and electric cooperatives, reasonable and comparable rates for open access on distribution facilities.

(d) The terms of access, conditions, and rates established under Subsection (c) shall be comparable to the terms of access, conditions, and rates that the electric utility applies to itself or its affiliates. The rules shall also provide that all ancillary services provided by the utility to itself or its affiliates are also available to third parties on request on a nondiscriminatory basis.

(e) The commission may require an electric utility or a transmission and distribution utility to construct or enlarge facilities to ensure safe and reliable service for the state's electric markets and to reduce transmission constraints within ERCOT in a cost-effective manner where the constraints are such that they are not being resolved through Chapter 37 or the ERCOT transmission planning process. The commission shall require an electric utility or a transmission and distribution utility to construct or enlarge transmission or transmission-related facilities for the purpose of meeting the goal for generating capacity from renewable energy technologies under Section 39.904(a). In any proceeding brought under Chapter 37, an electric utility or transmission and distribution utility ordered to construct or enlarge facilities under this subchapter need not prove that the construction ordered is necessary for the service, accommodation, convenience, or safety of the public and need not address the factors listed in Sections 37.056(c)(1)-(3) and (4)(E). Notwithstanding any other law, including Section 37.057, in any proceeding brought under Chapter 37 by an electric utility or a transmission and distribution utility related to an application for a certificate of public convenience and necessity to construct or enlarge transmission or transmission-related facilities under this subsection, the commission shall issue a final order before the 181st day after the date the application is filed with the commission. If the commission does not issue a final order before that date, the application is approved.

(f) The commission's rules must be consistent with the standards of this title and may not be contrary to an applicable decision, rule, or policy statement of a federal regulatory agency having jurisdiction.

(g) Each power region shall have generally applicable tariffs approved by the commission or a federal regulatory agency having jurisdiction that guarantees open and nondiscriminatory access as required by Section 39.152. This subsection may not be deemed to vest in the commission power to set or approve distribution access rates of a municipally owned utility or an electric cooperative that has adopted customer choice.

(h) A customer in a multiply certificated service area may switch its retail distribution service provider among certificated retail electric utilities only by disconnecting from the facilities of one retail electric utility and connecting to the facilities of another retail electric utility.

(i) The commission, in cooperation with transmission and distribution utilities and the ERCOT independent system operator, shall study whether existing transmission and distribution planning processes are sufficient to provide adequate infrastructure for seawater desalination projects. If the commission determines that statutory changes are needed to ensure that adequate infrastructure is developed for projects of that kind, the commission shall include recommendations in the report required by Section 31.003.

(Added by Acts 1999, 76th Leg., R.S., ch. 405 (SB 7), § 39.) (Amended by Acts 2003, 78th Leg., R.S., ch. 295 (HB 2548), § 3 (amended subsec. (e)); Acts 2005, 79th Leg., 1st C. S., ch. 1 (SB 20) § 2 (amended subsec. (e)); Acts 2015, Leg., R.S., ch. 829 (HB 4097), § 1 (added subsec. (i)).)



**PROJECT NO. 52682**

**PROJECT FOR COMMISSION  
ORDERED TRANSMISSION  
FACILITIES**

2021 OCT 14 PM 2:02  
§ **PUBLIC UTILITY COMMISSION**  
§ **OF TEXAS**  
§

### **ORDER**

This Order addresses the Commission's ordering of construction of transmission lines and facilities to ensure safe and reliable electric service in Texas.

Pursuant to PURA<sup>1</sup> §§ 35.005(b) and 39.203(e), in order to ensure safe and reliable electric service in the Lower Rio Grande Valley, the Commission orders Electric Transmission Texas, LLC, South Texas Electric Cooperative, Inc., and Sharyland Utilities, L.L.C. to construct a new second circuit on the existing double-circuit capable 345-kilovolt (kV) transmission line between the San Miguel station and the Palmito station. Pursuant to PURA §§ 35.005(b) and 39.203(e), the Commission also orders Sharyland and AEP Texas, Inc. to construct new 345-kV transmission facilities to close the loop from Palmito to North Edinburg.

The joint certificate of convenience and necessity (CCN) application that Sharyland and AEP Texas will be filing for the new close-the-loop transmission facilities must be filed as soon as practicable, but no later than June 30, 2022. The joint applicants must notify the Commission if additional time will be needed to file the CCN application.

The Commission is not making a determination of the reasonableness of costs associated with the transmission lines and facilities ordered to be constructed in this Order. The reasonableness of costs for the constructed transmission lines and facilities will be addressed in future rate proceedings.

Transmission service providers that are responsible for building the ordered transmission lines and facilities must provide quarterly progress reports to the Commission, beginning November 1, 2021, regarding their status in completing the construction of the ordered transmission lines and facilities. The quarterly progress reports must address the tasks that are

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

Project No. 52682


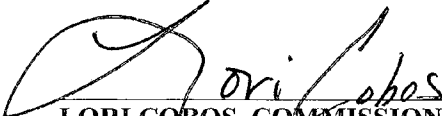
Order

Page 2 of 2

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

Signed at Austin, Texas the 14<sup>th</sup> day of October 2021.

PUBLIC UTILITY COMMISSION OF TEXAS

  
\_\_\_\_\_  
PETER M. LAKE, CHAIRMAN  
\_\_\_\_\_  
WILL MCADAMS, COMMISSIONER  
\_\_\_\_\_  
LORI COBOS, COMMISSIONER  
\_\_\_\_\_  
JIMMY GLOTFELTY, COMMISSIONER

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