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DOCKET NO. 54144

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APPLICATION OF AEP TEXAS INC. TO AMEND ITS CERTIFICATE OF CONVENIENCE AND NECESSITY FOR THE AEP TEXAS CHAMPLIN TO VALERO EAST 138-KV TRANSMISSION LINE IN NUECES COUNTY

PUBLIC UTILITY COMMISSION

OF TEXAS

JOINT PROPOSED NOTICE OF APPROVAL AND MOTION TO ADMIT EVIDENCE

AEP Texas Inc. (AEP Texas) and the Staff (Staff) of the Public Utility Commission of Texas (Commission) together file this Joint Proposed Notice of Approval and Motion to Admit Evidence. Order No. 3 directed the parties to file a joint proposed order, including proposed findings of fact, conclusions of law, and ordering paragraphs, by December 20, 2022. January 3, 2023 is the deadline for administrative approval of this uncontested transmission line.¹

I. Joint Proposed Notice of Approval

On October 11, 2022, AEP Texas filed an application to amend its Certificate of Convenience and Necessity (CCN) number 30028 for a new 138-kV transmission line in Nueces County, the Champlin to Valero East 138-kV transmission line. ERCOT determined that the Champlin to Valero East 138-kV transmission line was needed. This docket was processed in accordance with applicable statutes and the Commission's rules. AEP Texas and Staff are the only parties in this docket, and no party requested a hearing on the merits. In light of Staff's recommendation, filed December 16, 2022, that the application be approved, AEP Texas and Staff now jointly submit that the Commission adopt a Notice of Approval substantially similar to Attachment A to this pleading.

II. Joint Motion to Admit Evidence

AEP Texas and Staff further request that the following evidence be admitted into the record:

¹ As indicated in Order No. 3, the 80-day administrative deadline falls on December 30, 2022, a day the agency will be closed. Therefore, under 16 TAC § 22.4(a), the deadline moves to the next day the Commission is open for business, Tuesday, January 3, 2023.

1. AEP Texas's application and accompanying attachments, filed on October 11, 2022 (Interchange Item No. 2);

2. AEP Texas's response to Order No. 1, filed on October 26, 2022 (Interchange Item No. 4);

3. AEP Texas's proof of notice and publication, filed on October 31, 2022 (Interchange Item No. 5);

4. Commission Staff's comments on AEP Texas's response to Order No. 1 and recommendations on the sufficiency of the application and notice, and proposed procedural schedule, including the accompanying memoranda, filed on November 7, 2022 (Interchange Item No. 6);

5. Texas Parks and Wildlife Department's comment letter filed December 9, 2022 (Interchange Item No. 8); and

6. Commission Staff's recommendation on final disposition, including memorandum, recommending approval of AEP Texas's application, filed on December 16, 2022 (Interchange Item No. 11).

III. Conclusion and Request for Relief

AEP Texas and Staff respectfully request that this Joint Motion to Admit Evidence be granted; that a Notice of Approval consistent with the findings of fact, conclusions of law, and ordering paragraphs presented in Attachment A be approved; and that they be granted any further relief to which they may be justly entitled.

Dated: December 20, 2022.

Respectfully submitted,

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By: Everett Britt

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CERTIFICATE OF SERVICE

I certify that a true and correct copy of the foregoing document was served on all parties of record via email on December 20, 2022 pursuant to the Second Order Suspending Rules issued in Project No. 50664 and SOAH Order No. 1 in this proceeding.

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Everett Britt

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APPLICATION OF AEP TEXAS INC. TO AMEND ITS CERTIFICATE OF CONVENIENCE AND NECESSITY FOR THE AEP TEXAS CHAMPLIN TO VALERO EAST 138-KV TRANSMISSION LINE IN NUECES COUNTY

PUBLIC UTILITY COMMISSION

OF TEXAS

NOTICE OF APPROVAL

This Notice of Approval addresses the application of AEP Texas Inc. to amend its certificate of convenience and necessity (CCN) for construction of a new 138-kilovolt (kV) singlecircuit transmission line in Nueces County. The Commission amends AEP Texas's CCN number 30028 to authorize AEP Texas to construct, own, and operate the proposed 138-kV transmission line in Nueces County using the proposed route.

I. Findings of Fact

The Commission makes the following findings of fact.

<u>Applicant</u>

- 1. AEP Texas is a Delaware corporation registered with the Texas secretary of state under filing number 802611352.
- 2. AEP Texas 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. AEP Texas is required under CCN numbers 30028 and 30170 to provide service to the public and retail electric utility service within its certificated service area.

Application

- On October 11, 2022, AEP Texas filed an application to amend its CCN number 30028 for a new 138-kV transmission line in Nueces County, the Champlin to Valero East 138-kV transmission line.
 - 5. AEP Texas retained Burns & McDonnell Engineering Company, Inc. to prepare an environmental assessment and routing analysis for the proposed transmission line, which was included as part of the application.

- 6. On November 7, 2022, Commission Staff recommended the application be deemed administratively complete.
- 7. No party challenged the sufficiency of the application.
- 8. In Order No. 2 filed on November 9, 2022, the administrative law judge (ALJ) found the application administratively complete.

Description of Proposed Transmission Line

- 9. AEP Texas proposed to design and construct a new 138-kilovolt (kV) transmission line in Nueces County, Texas using existing double-circuit transmission poles for a portion of the line and using new single-circuit tubular steel monopole structures with braced-post insulators for the remainder of the line. Some locations will be direct-embedded monopoles and some locations will be base-plated monopoles on drilled pier foundations.
- 10. The proposed transmission line would start at the existing AEP Texas Champlin Substation located north of Interstate Highway (IH) 37 on the Citgo Refinery property and proceed to the existing AEP Texas Valero East Substation located north of County Road (CR) 54 (Up River Road) on the Valero Refinery property.
- 11. The proposed transmission line will include a combination of adding an additional circuit to be owned by AEP Texas to existing double-circuit structures owned by Electric Transmission Texas, LLC (ETT) for a portion of the route and the construction of a new AEP Texas single-circuit 138-kV transmission line for the remainder of the route.
- 12. AEP Texas proposed to place the proposed transmission line along a route agreed to by the impacted landowners and in total will be approximately 1.52 miles in length including both the new single-circuit structures with new conductor on a portion of the route and the addition of a second circuit to existing ETT double-circuit structures for the remainder of the route (the proposed route).
- 13. ETT has consented to AEP Texas hanging the second circuit on specific ETT double-circuit capable transmission structures that are part of the overall transmission line path from the AEP Texas Champlin Substation to the AEP Texas Valero East Substation that results in a new 138 kV transmission line circuit from AEP Texas Champlin Substation to the AEP Texas Valero East Substation to the AEP Texas Valero East Substation.
- 14. The proposed transmission line will terminate at existing dead-end structures located at the Champlin and Valero East Substations.

- 15. The typical single-circuit structure will be between 75 and 115 feet in height.
- 16. The proposed transmission line will have a typical right-of-way width of approximately 50 feet.
- 17. There are no new substations, switching stations, or high voltage direct current converter stations that will be associated with the proposed transmission line.

<u>Schedule</u>

18. AEP Texas estimated that it would acquire all rights-of-way and land by January 2023, procure material and equipment by March 2023, complete construction by March 2023, and energize the proposed transmission facilities by March 2023.

<u>Public Input</u>

- 19. There are two directly affected landowners.
- 20. AEP Texas was not required to hold a public meeting for the proposed transmission line because there were fewer than 25 persons who would be entitled to receive direct mail notice of the application.
- 21. AEP Texas sent notice of its intent to file this application by email on September 28, 2022, to the Department of Defense Siting Clearinghouse.
- 22. Burns & McDonnell contacted federal, state, and local regulatory agencies, elected officials, and organizations regarding the proposed transmission line. All agency comments, concerns, and information received were taken into consideration by Burns & McDonnell and AEP Texas in development of the proposed route. Copies of correspondence with the various state and federal regulatory agencies, and local and county officials and departments are included in appendix A of the environmental assessment.
- 23. A single consensus route, the proposed route, was developed based on discussions with the directly affected landowners.

Notice of the Application

- 24. On October 11, 2022, AEP Texas sent written notice of the application by priority mail to neighboring utilities, Nueces County officials, the Mayor of the City of Corpus Christi, directly affected landowners, and the Office of Public Utility Counsel.
- 25. On October 11, 2022, AEP Texas sent written notice of its application by email to the Department of Defense Siting Clearinghouse.

- 26. On October 11, 2022, AEP Texas sent written notice of its application and a copy of the environmental assessment by first class mail to the Texas Parks and Wildlife Department.
- 27. On October 18, 2022, notice of the application was published in The Corpus Christi Caller Times, a newspaper of general circulation in Nueces County.
- 28. On October 31, 2022, AEP Texas filed the affidavit of Roy R. Bermea, a regulatory consultant for AEP Texas, attesting to the provision of notice by mail and email on October 11, 2022, and by publication on October 18, 2022. Attached to Mr. Bermea's affidavit was a publisher's affidavit from The Corpus Christi Caller Times.
- 29. In Order No. 2 filed on November 9, 2022, the ALJ found AEP Texas's notice sufficient.

Evidentiary Record

- 30. On December _, 2022, AEP Texas and Commission Staff filed a joint motion to admit evidence.
- In Order No. 3 filed on December _, 2022, the ALJ admitted the following into the record:
 (a) AEP Texas's application and accompanying attachments filed on October 11, 2022;
 (b) AEP Texas's response to Order No. 1 filed on October 26, 2022; (c) AEP Texas's proof of notice and publication filed on October 31, 2022; (d) Commission Staff's recommendation on sufficiency and proposed procedural schedule, including the accompanying memoranda, filed on November 7, 2022; (e) Commission Staff's recommendation on final disposition, including the accompanying memorandum, filed on December _, 2022.

Route Adequacy

- 32. AEP Texas and Burns & McDonnell developed, evaluated, and filed the single proposed route for the transmission line.
- Prior written consent has been provided by all owners of land whose properties are crossed by the proposed route.
- 34. No party filed testimony or a position statement 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.
- 35. The application provided an adequate and sufficiently delineated route to conduct a proper evaluation.

Need for the Proposed Transmission Line

- 36. Numerous large industrial loads are located in the Nueces Bay area that are served by 69kV lines between the Koch Upriver and Highway 9 Substations.
- 37. Historically, several incidents have occurred where considerable electrical load had to be taken out of service as result of an outage occurring during a time when certain other electrical equipment in the area was out for maintenance because of lack of transmission capacity in the area.
- 38. The Electric Reliability Council of Texas (ERCOT) conducted an independent review confirming the loss of considerable electric load that would occur when such equipment maintenance outage was taken and an unexpected outage occurred to another electric facility during that maintenance outage. ERCOT determined that the Champlin to Valero East 138-kV transmission line was needed along with the addition of a 138/69-kV autotransformer at the Valero East Substation.
- 39. ERCOT's independent review and notice of endorsement of these improvements to the transmission network were provided as attachments to the application.
- 40. No party challenged the need for the proposed transmission line.
- 41. AEP Texas demonstrated a reasonable need for the proposed transmission line.

Proposed Transmission Line Alternatives

- 42. There are no practical distribution alternatives to the proposed transmission facilities.
- 43. ERCOT considered other alternatives involving upgrading of existing transmission facilities and determined that constructing the proposed transmission facilities was the best way to address the transmission network needs.
- 44. AEP Texas is subject to the unbundling requirements of PURA¹ § 39.051 and is therefore not required to consider distributed generation or energy efficiency as an alternative to the proposed transmission line.
- 45. Given the nature of the need for the proposed transmission line, there are no practical alternatives.

Effect of Amending the CCN on Utilities Serving the Proximate Area

46. There is no other electric utility served by or directly connected to the proposed transmission facilities. However, double-circuit capable structures owned by ETT will be

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

used for a portion of the new transmission circuit being added by AEP Texas between the AEP Texas Champlin and Valero East Substations.

- 47. For 0.56 miles of the proposed line, the double-circuit capable structures of ETT and the existing right-of-way associated with these structures will be utilized by AEP Texas for the proposed line. AEP Texas and ETT have an existing agreement in place that allows AEP Texas facilities to be located within the ETT right-of-way easement and have its new transmission circuit located on the ETT double-circuit capable structures.
- 48. It is unlikely that the construction of the proposed transmission line along the proposed route will adversely affect service by other utilities in the area.

Estimated Costs

- 49. The total estimated cost for the proposed transmission line is approximately \$5,094,497.00.
- 50. The total estimated cost for the proposed transmission line is reasonable.
- 51. AEP Texas will finance the proposed transmission line through a combination of debt and equity.

Prudent Avoidance

- 52. 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."
- 53. There are three habitable structures within 300 feet of the proposed route. The structures are owned by the landowners that have signed the consensus route agreement.
- 54. The proposed route complies with the Commission's policy of prudent avoidance.

Engineering Constraints

- 55. AEP Texas evaluated engineering and construction constraints when developing the proposed route.
- 56. There are no significant engineering constraints along the proposed route.

Community Values

- 57. Information regarding community values was received from local, state, and federal agencies and incorporated into the environmental assessment and the transmission line route evaluation.
- 58. The proposed transmission line adequately addresses the expressed community values.

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

- 59. The proposed route is 8,044 feet in length.
- 60. The proposed route utilizes 2,716 feet of existing transmission right-of-way but does not otherwise parallel existing transmission right of way.
- 61. The proposed route parallels other existing compatible rights-of-way (roads, highways, railroads, etc.) for 1,587 feet.
- 62. The proposed route parallels apparent property boundaries for approximately 880 feet.
- 63. The proposed route uses or parallels existing compatible rights-of-way or apparent property boundaries to a reasonable extent.

Other Comparisons of Land Uses and Land Types

- 64. The area traversed by the proposed route for the proposed line is in Nueces County.
- 65. The area of the proposed line is predominantly industrial petroleum-related businesses for refining and transporting petroleum-based products.
- 66. The area is predominately flat with much of the land already disturbed by the petroleum industry.
- 67. Overall the topography land-surface elevations range from two feet above mean sea level to approximately 61 feet above mean sea level along the eastern side of the proposed line.

a. <u>Radio Towers and Other Electric Installations</u>

- 68. There are three commercial AM radio towers identified within 10,000 feet of the proposed route.
- 69. There is one cellular tower located within 2,000 of the proposed route.
- 70. There are no FM radio transmitters, microwave relay stations, or other electronic installations, located within 2,000 feet of the centerlines of the proposed route.
- 71. It is unlikely that the proposed transmission line along the proposed route will adversely affect any communication operations in the proximity of the proposed route.

b. <u>Airstrips and Airports</u>

72. There is one public/military airport, the Corpus Christi International Airport, registered with the Federal Aviation Administration with at least one runway longer than 3,200 feet located within 20,000 feet of the centerline of the proposed route.

- 73. There are no airports registered with the Federal Aviation Administration without a runway more than 3,200 feet in length located within 10,000 feet of the centerline of the proposed route.
- 74. There are no private airstrips located within 10,000 feet of the centerline of the proposed route.
- 75. There are no heliports located within 5,000 feet of the centerline of the proposed route.
- 76. It is unlikely that the proposed transmission line along the proposed route will adversely affect any airports, airstrips, or heliports.

c. <u>Irrigation Systems</u>

- 77. The proposed route does not cross land irrigated by known mobile irrigation systems.
- 78. It is unlikely that the presence of the proposed transmission line along the proposed route will adversely affect any agricultural lands with known mobile irrigation systems.

d. <u>Pipelines</u>

- 79. Numerous pipelines occur in the study area.
- 80. According to records at the Railroad Commission of Texas, the proposed route makes 66 pipeline crossings and also parallels several pipelines.
- 81. AEP Texas will coordinate construction of the proposed line with the owners of pipelines as required by this Notice of Approval.
- 82. It is unlikely that the proposed transmission line along the proposed route will adversely affect any crossed or paralleled metallic pipelines that transport hydrocarbons.

<u>Recreational and Park Areas</u>

- 83. The proposed route neither crosses nor is located within 1,000 feet of any park or recreational area.
- 84. It is unlikely that the proposed transmission line along the proposed route will adversely affect the use and enjoyment of any recreational or park areas.

Historical and Archeological Values

- 85. No previously recorded cultural resource site or NRHP-listed or -eligible site is crossed by the proposed route or is located within 1,000 feet of the proposed route centerline.
- 86. No cemeteries are crossed or located within 1,000 feet of the proposed route.
- 87. The proposed route crosses 924 feet of areas of high archeological/historical site potential.

88. It is unlikely that the proposed transmission line along the proposed route will adversely affect historical or archeological resources.

<u>Aesthetic Values</u>

- 89. The study area for the proposed transmission facilities exhibits a low degree of aesthetic quality for the region. The study area is located within the Gulf Coastal Plains Region of Texas, which contains very little topographic variation. The study area is categorized by flat topography, lacks significant vegetation and permanent waterbodies, and is dominated by industrial use for petrochemical processing. In general, the landscape has experienced a high degree of alteration due to industrial infrastructure, major transportation corridors, and existing transmission and distribution facilities.
- 90. Because no designated landscapes protected from legislation or most forms of development exist within the study area, potential aesthetic impacts were evaluated by estimating the length of each alternative route that would fall within the foreground visual zone (one-half mile with unobstructed views) of major highways, farm-to-market roads, and parks or recreational areas.
- 91. Approximately 4,822 feet of the proposed route would be within the foreground visual zones of US Interstate Highway 37. However, the proposed route would not be within the foreground visual zones of a state highway, farm to market road, ranch to market road, or a park or recreational area.
- 92. The area in which the proposed route will be constructed is highly commercialized, and the proposed route will have little additional impact to the area.
- 93. It is unlikely that the proposed transmission line along the proposed route will significantly or adversely impact the aesthetic quality of the landscape.

Environmental Integrity

- 94. The environmental assessment analyzed the possible effects of the proposed transmission line on numerous environmental factors.
- 95. Construction of the proposed transmission facilities will have no significant effect on the physiographic or geologic features and resources of the area.
- 96. Construction and operation of the proposed transmission facilities will have minimal adverse impact on the surface water resources of the area.

- 97. Construction of the proposed transmission facilities is not expected to have any significant impact on terrestrial recreationally and commercially important species in the study area.
- 98. Three endangered plant species are listed as occurring in Nueces County, but no listed plant species are expected to be impacted by the proposed transmission facilities.
- 99. Five federally listed threatened and endangered bird species are of potential occurrence in the study area. Impacts to these species due to the proposed transmission facilities are unlikely.
- 100. Several state-listed threatened amphibian and reptile species are of potential occurrence in the study area. Although several of these species would not be expected due to a lack of appropriate habitat, some of these species may reside in the study area. If they occur in the workspace of the proposed transmission facilities, they may be impacted to some extent by displacement resulting from the initial construction phases. These impacts would be short term, however, and are not expected to be significant.
- 101. Aquatic wildlife such as the South Texas siren (large form) and the Texas black-spotted newt may be disturbed by increased siltation during construction, but such disturbance would be minimal and of short duration.
- 102. No federally determined critical habitat has been designated in the study area for any endangered or threatened species. Therefore, the proposed transmission facilities will have no impact on critical habitat.
- 103. Current county listings for federally and state-listed threatened and endangered species were obtained from United States Fish and Wildlife Service and Texas Parks and Wildlife Department. United States Fish and Wildlife Service-designated critical habitat locations were included in the review.
- 104. After Commission approval of a route, field surveys may be performed, if necessary, to identify potential suitable habitat for federally- and state-listed animal species and determine the need for any additional species-specific surveys. If potential suitable habitat is identified or federally- or state-listed animal species are observed during a field survey of the Commission-approved route, AEP Texas may further coordinate with the Texas Parks and Wildlife Department and United States Fish and Wildlife Service to determine avoidance and/or mitigation strategies.

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- 105. AEP Texas can construct the proposed transmission facilities in an ecologically sensitive manner on the proposed route.
- 106. AEP Texas 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.
- 107. It is appropriate for AEP Texas to protect raptors and migratory birds by following the procedures outlined in the following publications: Reducing Avian Collisions with Power Lines: The 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 Avian Protection Plan Guidelines, Avian Power Line Interaction Committee and United States Fish and Wildlife Service, April 2005. It is appropriate for AEP Texas 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.
- 108. It is appropriate for AEP Texas to minimize the amount of flora and fauna disturbed during construction of the proposed transmission line.
- 109. It is appropriate for AEP Texas to re-vegetate cleared and disturbed areas using native species and consider landowner preferences and wildlife needs in doing so.
- 110. It is appropriate for AEP Texas to avoid, to the maximum extent possible, causing adverse environmental effects on sensitive plant and animal species and their habitats as identified by the Texas Parks and Wildlife Department and the United States Fish and Wildlife Service.
- 111. It is appropriate for AEP Texas 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 AEP Texas to restore original contours and grades where different contours or grades are necessary to ensure the safety or stability of any transmission line.
- 112. It is appropriate for AEP Texas 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.

- 113. It is appropriate for AEP Texas to use best management practices to minimize the potential burdens on migratory birds and threatened or endangered species.
- 114. It is unlikely that the presence of the proposed transmission facilities along the proposed route will adversely affect the environmental integrity of the surrounding landscape.

Texas Parks and Wildlife Department's Written Comments and Recommendations

- 115. The Texas Parks and Wildlife Department's Wildlife Habitat Assessment Program provided information and recommendations regarding the preliminary study area for the proposed transmission facilities to Burns & McDonnell on August 8, 2019.
- 116. The Texas Parks and Wildlife Department was provided a copy of the environmental assessment for the proposed transmission facilities on October 11, 2022.
- 117. Before beginning construction, it is appropriate for AEP Texas to undertake appropriate measures to identify whether a habitat for potential endangered or threatened species exists and to respond appropriately.
- 118. AEP Texas will use avoidance and mitigation procedures to comply with laws protecting federally listed species.
- 119. AEP Texas will re-vegetate the new right-of-way as necessary and according to AEP Texas's vegetation management practices, the storm water pollution prevention plan developed for construction of the proposed transmission line, and landowner preferences or requests.
- 120. AEP Texas's standard vegetation removal, construction, and maintenance practices adequately mitigate concerns expressed by the Texas Parks and Wildlife Department.
- 121. AEP Texas will use appropriate avian protection procedures.
- 122. AEP Texas will comply with all environmental laws and regulations, including those governing threatened and endangered species.
- 123. AEP Texas will comply with all applicable regulatory requirements in constructing the proposed transmission line, including any applicable requirements under section 404 of the Clean Water Act.

- 124. AEP Texas will cooperate with the United States Fish and Wildlife Service and the Texas Parks and Wildlife Department if threatened or endangered species' habitats are identified during field surveys.
- 125. 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, AEP Texas will cooperate with the United States Fish and Wildlife Service, the United States Army Corps of Engineers, and the Texas Commission on Environmental Quality, as appropriate, to coordinate permitting and perform any required mitigation.
- 126. The standard mitigation requirements included in the ordering paragraphs in this Notice of Approval, coupled with AEP Texas's current practices, are reasonable measures for a utility to undertake when constructing a transmission line and are sufficient to address the Texas Parks and Wildlife Department's comments and recommendations.

<u>Permits</u>

- 127. Before beginning construction of the proposed transmission facilities approved by this Notice of Approval, it is appropriate for AEP Texas to obtain any necessary permits or clearances from federal, state, or local authorities.
- 128. It is appropriate for AEP Texas to conduct a field assessment of the approved route before beginning construction of the proposed transmission facilities approved by this Notice of Approval to identify water resources, cultural resources, potential migratory bird issues, and threatened and endangered species' habitats disrupted by the proposed transmission facilities. As a result of these assessments, AEP Texas will identify all necessary permits from Nueces County and federal and state agencies. AEP Texas will comply with the relevant permit conditions during construction and operation of the proposed transmission facilities along the approved route.
- 129. After designing and engineering the alignments, structure locations, and structure heights, AEP Texas will determine the need to notify the Federal Aviation Administration based on the final structure locations and designs. If necessary, AEP Texas will use lower-than-typical structure heights, line marking, or line lighting on certain structures to avoid or accommodate requirements of the Federal Aviation Administration.

Coastal Management Program

- 130. All of the proposed transmission facilities are located within the Coastal Management Program (CMP) boundary as defined in 31 TAC § 503.1 and is seaward of the Coastal Facilities Designation Line. However, only approximately 21 feet of the mapped potential wetlands that were identified would be crossed by the proposed route, and they would be spanned by the proposed transmission facilities.
- 131. Construction of the proposed transmission facilities along the proposed route is not expected to have any 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).

Effect on the State's Renewable Energy Goal

- 132. The Texas Legislature established a goal in PURA § 39.904(a) for 10,000 megawatts of renewable capacity to be installed in Texas by January 1, 2025. This goal has already been met.
- 133. The proposed transmission facilities along the proposed route cannot adversely affect the goal for renewable energy development established in PURA § 39.904(a).

Probable Improvement of Service or Lowering Consumer Cost

- 134. The proposed transmission facilities approved by the Notice of Approval are needed to address reliability in an area that has experienced significant industrial load growth and will result in an improvement in AEP Texas's ability to reliably serve its customers.
- 135. The proposed transmission facilities are not being proposed to, and are not expected to, result in a lowering of costs to customers.

Limitation of Authority

- 136. 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.
- 137. Seven years is a reasonable and appropriate limit to place on the authority granted in this Notice of Approval for AEP Texas to construct the proposed transmission line.

Informal Disposition

- 138. More than 15 days have passed since the completion of all notice requirements in this docket.
- 139. No person filed a protest or motion to intervene.
- 140. AEP Texas and Commission Staff are the only parties to this proceeding.

- 141. No party requested a hearing and no hearing is necessary.
- 142. Commission Staff recommended approval of the application.
- 143. This decision is not adverse to any party.

II. Conclusions of Law

The Commission makes the following conclusions of law.

- 1. The Commission has authority over this matter under PURA §§ 14.001, 32.001, 37.051, 37.053, 37.054, and 37.056.
- 2. AEP Texas is a public utility as defined in PURA § 11.004(1) and an electric utility as defined in PURA § 31.002(6).
- 3. AEP Texas is required under PURA § 37.051(a) to obtain the approval of the Commission to construct the proposed transmission facilities and provide service to the public using the proposed transmission line.
- 4. The application is sufficient under 16 TAC 22.75(d).
- 5. The application complies with the requirements of 16 TAC § 25.101.
- 6. AEP Texas provided notice of the application in compliance with PURA § 37.054 and 16 TAC § 22.52(a).
- The Commission processed this docket in accordance with the requirements of PURA, the Administrative Procedure Act,² and the Commission's rules.
- 8. No public meeting on the application was required under 16 TAC 22.52(a)(4).
- 9. The proposed transmission facilities using the proposed route are necessary for the service, accommodation, convenience, or safety of the public within the meaning of PURA § 37.056(a) and 16 TAC § 25.101.
- 10. The proposed route complies with PURA § 37.056(c)(4) and 16 TAC § 25.101((b)(3)(B), including the Commission's policy of prudent avoidance, to the extent reasonable to moderate the impact on the affected community and landowners.
- The proposed transmission facilities using the proposed route comply with the Texas Coastal Management Program's requirements under 16 TAC § 25.102, goals under 31 TAC § 501.12, and applicable policies under 31 TAC § 501.16(a).

² Administrative Procedure Act, Tex. Gov't Code §§ 2001.001-.903.

- 12. The requirements for administrative approval in 16 TAC § 25.101(b)(3)(C) have been met in this proceeding.
- 13. The requirements for informal disposition under 16 TAC § 22.35 have been met in this proceeding.

III. Ordering Paragraphs

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

- The Commission amends AEP Texas's CCN number 30170 to include the construction, ownership, and operation of the proposed 138-kV transmission line in Nueces County using the proposed route.
- 2. AEP Texas must consult with pipeline owners or operators in the vicinity of the proposed route regarding the pipeline owners' or operators' assessment of the need to install measures to mitigate the effects of alternating-current interference on existing pipelines that are paralleled by the transmission line approved by this Notice of Approval.
- 3. AEP Texas must conduct surveys, if not already completed, to identify metallic pipelines that could be affected by the transmission line approved by this Notice of Approval and cooperate with pipeline owners in modeling and analyzing potential hazards because of alternating-current interference affecting metallic pipelines being paralleled.
- 4. AEP Texas must obtain all permits, licenses, plans, and permissions required by state and federal law that are necessary to construct the transmission line approved by this Notice of Approval, and if AEP Texas fails to obtain any such permit, license, plan, or permission, it must notify the Commission immediately.
- 5. AEP Texas must identify any additional permits that are necessary, consult any required agencies (such as the United States Army Corps of Engineers and the United States Fish and Wildlife Service), obtain all necessary environmental permits, and comply with the relevant conditions during construction and operation of the transmission line approved by this Notice of Approval.
- 6. If AEP Texas encounters any archeological artifacts or other cultural resources during construction, work must cease immediately in the vicinity of the artifact or resource, and

AEP Texas must report the discovery to, and act as directed by, the Texas Historical Commission.

- 7. Before beginning construction, AEP Texas must undertake appropriate measures to identify whether a potential habitat for endangered or threatened species exists and must respond as required.
- 8. AEP Texas must use best management practices to minimize the potential impact to migratory birds and threatened or endangered species.
- 9. AEP Texas 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 Avian Protection Plan Guidelines, Avian Power Line Interaction Committee and United States Fish and Wildlife Service, April 2005. AEP Texas must 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.
- AEP Texas 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. AEP Texas must minimize the amount of flora and fauna disturbed during construction of the transmission line, except to the extent necessary to establish appropriate right-of-way clearance for the transmission line. In addition, AEP Texas must re-vegetate using native species and must consider landowner preferences and wildlife needs in doing so. Furthermore, to the maximum extent practical, AEP Texas must avoid adverse environmental effects on sensitive plant and animal species and their habitats, as identified by the Texas Parks and Wildlife Department and the United States Fish and Wildlife Service.

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- 12. AEP Texas 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, AEP Texas 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 AEP Texas to restore original contours and grades where a different contour or grade is necessary to ensure the safety or stability of the transmission line's structures or the safe operation and maintenance of the transmission line.
- 13. AEP Texas must cooperate with directly affected landowners to implement minor deviations in the approved route to minimize the disruptive effect of the transmission line. Any minor deviations in the approved route must only directly affect the landowners who were sent notice of the transmission line in accordance with 16 TAC § 22.52(a)(3) and landowners that have agreed to the minor deviation.
- 14. The Commission does not permit AEP Texas to deviate from the approved route in any instance in which the deviation would be more than a minor deviation without first further amending its CCN.
- 15. If possible, and subject to the other provisions of this Notice of Approval, AEP Texas must prudently implement appropriate final design for the transmission line to avoid being subject to the Federal Aviation Administration's notification requirements. If required by federal law, AEP Texas must notify and work with the Federal Aviation Administration to ensure compliance with applicable federal laws and regulations. The Commission does not authorize AEP Texas to deviate materially from this Notice of Approval to meet the Federal Aviation Administration's recommendations or requirements. If a material change would be necessary to meet the Federal Aviation Administration's recommendations or requirements, then AEP Texas must file an application to amend its CCN as necessary.
- 16. AEP Texas must include the transmission line approved by this Notice of Approval 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, AEP Texas must provide final construction costs, with any necessary explanation for cost variance, after completion of construction when all charges have been identified.

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- 17. The Commission limits the authority granted by this Notice of Approval to a period of seven years from the date this Notice of Approval is signed unless, before that time, the transmission line is commercially energized.
- 18. The Commission denies all other motions and any other requests for general or specific relief that have not been expressly granted.

Signed at Austin, Texas the <u>day of December 2022</u>.

PUBLIC UTILITY COMMISSION OF TEXAS

CHRISTINA DENMARK ADMINISTRATIVE LAW JUDGE