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**SOAH DOCKET NO. 473-23-21216
PUC DOCKET NO. 55067**

APPLICATION OF ONCOR ELECTRIC	§	BEFORE THE STATE OFFICE
DELIVERY COMPANY LLC TO	§	
AMEND ITS CERTIFICATE OF	§	
CONVENIENCE AND NECESSITY FOR	§	OF
THE RAMHORN HILL TO DUNHAM	§	
345 KV TRANSMISSION LINE IN	§	
DENTON AND WISE COUNTIES	§	ADMINISTRATIVE HEARINGS

DIRECT TESTIMONY AND EXHIBITS OF

L. RUSSELL LAUGHLIN

**ON BEHALF OF
THE HILLWOOD PARTIES**

JULY 31, 2023

**DIRECT TESTIMONY OF L. RUSSELL LAUGHLIN
ON BEHALF OF THE HILLWOOD PARTIES**

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EXHIBITS

LRL-1 Flight Test Center

DIRECT TESTIMONY OF L. RUSSELL LAUGHLIN

I. INTRODUCTION

Q: PLEASE STATE YOUR NAME, BUSINESS ADDRESS, AND CURRENT EMPLOYMENT POSITION?

A: My name is L. Russell Laughlin. My business address is 9800 Hillwood Pkwy., Ste. 300, Fort Worth, Texas 76177. I am currently the Executive Vice President for Strategic Development and Innovation for Hillwood Development Company, LLC, which is an affiliate of the Hillwood Parties (as defined below).

Q: PLEASE DESCRIBE YOUR PROFESSIONAL AND EDUCATIONAL QUALIFICATIONS.

A: I have more than 40 years of experience in the development sector, including working in residential, commercial and industrial real estate development, major transportation and infrastructure projects, and improving mobility and supply chain logistics. Many of those years have been devoted to North Texas and more than 35 years with the Hillwood companies. I hold a Bachelor of Science in Landscape Architecture from Texas Tech University, a Master of Business Administration from Southern Methodist University and graduated from the Advanced Management Development Program at the Harvard University Graduate School of Design.

Q: HAVE YOU EVER SUBMITTED TESTIMONY IN A PROCEEDING BEFORE THE PUBLIC UTILITY COMMISSION OF TEXAS (PUC)?

A: No, I have not.

Q: ON WHOSE BEHALF ARE YOU TESTIFYING IN THIS PROCEEDING?

A: I am providing testimony on behalf of Eagle Income Properties, LP, AIL Investment, L.P., Petrus Investment, L.P., HW Indian Springs, L.P., HWC Justin 407, LLC, HP Gibbs, LP, Pecan Square Phase 1, LLC, Pecan Square Phase 2A, LLC, Pecan Square Phase 2B, LLC, Pecan Square Phase 3A, LLC, and Pecan Square Phase 3B, LLC (each a “Hillwood Party,” and collectively, the “Hillwood Parties”).

Q: DID THE HILLWOOD PARTIES INTERVENE IN THIS DOCKET?

A: Yes. The Hillwood Parties filed an intervention July 21, 2023. The intervention was granted in SOAH Order No. 5.

Q: WHAT IS THE PURPOSE OF YOUR TESTIMONY?

A: The purpose of my testimony is to describe the business of the Hillwood Parties, describe the effects some of the transmission line routes proposed by Oncor Electric Delivery Company LLC (“Oncor”) in this docket could have on the Hillwood Parties, and identify which of the proposed Routes or Segments the Hillwood Parties could support and which we oppose because of the adverse impact they could have on the way we use and develop our property.

Q: WAS YOUR TESTIMONY PREPARED UNDER YOUR DIRECTION, SUPERVISION OR CONTROL?

A: Yes, it was.

1 **II. SUMMARY OF RECOMMENDATION**

2 **Q: PLEASE SUMMARIZE YOUR RECOMMENDATION.**

3 **A:** Hillwood recognizes the need to expand the electric supply grid in North Texas. I believe
4 Oncor has done a good job of threading the needle and balancing all of the important factors
5 by recommending Route 179, and we support that recommendation.

6 **III. THE HILLWOOD PARTIES**

7 **Q: CAN YOU DESCRIBE THE HILLWOOD PARTIES INVOLVED IN THIS CASE**
8 **AND THE CURRENT USES OF THEIR AFFECTED PROPERTY?**

9 **A:** Yes. The Hillwood Parties own many tracts of land that were identified as “Directly
10 Affected Land Owners” in Oncor’s application.¹ The Hillwood Parties are involved in
11 every aspect of the economic development and growth within the Study Area from single-
12 family residential, multi-family residential, commercial, office, retail, industrial and
13 mixed-use developments. In fact, Hillwood Parties own and are developing tracts of land
14 used in the Treeline, Speedway North, Pecan Square, Harvest, and Northlake 1171
15 developments identified in this proceeding.² We also manage Perot Field for the City of
16 Fort Worth in addition to our flight test center discussed below.

17 The Hillwood Parties have been a part of one of the premier development efforts in
18 all of north Texas. We have been investing in this community and the surrounding regions
19 for decades. That investment now exceeds \$14 billion. Alliance represents a regional,
20 integrated, development master-plan stretching across the Metroplex and North Texas. To
21 date we have acquired approximately 27,000 acres in the Alliance development area. We

¹ Application, Att. 8 – Listing of Directly Affected Land Owners for Notice (June 8, 2023).

² See Direct Testimony of Brenda J. Perkins, Exhibit BJP-6 (June 8, 2023).

1 have completed development of approximately half of our overall Alliance development,
2 and that completed development has generated approximately \$111 billion in direct
3 economic impacts, which includes 560 companies operating from those developments
4 generating over 66,000 direct jobs.

5 **Q: CAN YOU DESCRIBE EACH OF THE DEVELOPMENTS YOU IDENTIFIED**
6 **ABOVE IN MORE DETAIL?**

7 **A:** Yes. Harvest, Pecan Square and Treeline are all primarily residential developments that
8 include commercial and mixed-use development as well. Harvest, Pecan Square and
9 Treeline collectively have more than 4,000 occupied homes currently and are home to
10 about 12,000 residents respectively as of this summer. When fully developed, we anticipate
11 those residential developments will include 9,700 homes housing about 29,000 residents.

12 Northlake 1171 is a mixed-use, commercial, retail and office space development.
13 This development is planned to provide very dense commercial and multifamily
14 developments which will meet needs within the community. We currently anticipate
15 constructing over 1.5 million square feet of commercial property and approximately 900
16 multifamily units on the Northlake 1171 property.

17 The Speedway North development is primarily a premier industrial development
18 and, among other things, is the home of our flight test center as part of our Mobility
19 Innovation Zone (also referred to as the "MIZ").

20 **Q: WHAT IS THE MOBILITY INNOVATION ZONE?**

21 **A:** The Mobility Innovation Zone is the product of years of planning and wide-ranging
22 collaboration between institutions of higher education, government agencies and global

1 leaders in transportation and industry. The result is an integrated platform that combines a
2 unique and diverse set of methods of air and ground transportation and logistics assets,
3 including a premier intermodal hub and multiclass and complex airspace around Alliance
4 Airport. We also have brought in public sector players such as NASA, the University of
5 North Texas, the FAA, the North Central Texas Council of Governments (“NCTCOG”),
6 and the Texas A&M Transportation Institute. Our MIZ allows industry leaders in
7 alternative fuels, autonomous vehicles, drones, critical supply chain technologies, rail
8 logistics, semiautonomous and fully autonomous trucking, EVTOLS (electric vertical
9 takeoff and landing) technologies, and remote-piloted vehicles to work together to
10 accomplish more than they otherwise could individually. This means the MIZ is a premier
11 place to form partnerships and implement critical innovative solutions to some of our
12 greatest transportation and logistical challenges. The MIZ is already recognized as a
13 leading force in the field. When complete, we believe this development is foundational for
14 equipping Texas for success in the next phase of its exponential population and economic
15 growth.

16 **Q: WHAT IS THE FLIGHT TEST CENTER?**

17 **A:** Our flight test center, developed and operated as part of the MIZ, was identified as “Bell
18 Training Facility” in Oncor’s application.³ We appreciate Oncor’s diligent effort to provide
19 the information in their application regarding the Segments that affect the flight test center
20 and the related Routes using those Segments. The facility was formerly used as a Bell
21 training facility but is now operated and managed by Alliance Aviation Management, Ltd.

³ Application, Att. 11 – Aircraft Facilities Near the Filed Alternative Routes (June 8, 2023).

(an affiliate of the Hillwood Parties). It is the aerial testing facility within the MIZ, and we believe it is essential for the Commission to understand how important that facility is to the greater Alliance development.

Q: CAN YOU EXPLAIN WHAT YOU MEAN BY THAT?

A: The flight center began operation over three years ago and we have developed partnerships with NASA, the University of North Texas, NCTCOG, the FAA, and the Texas A&M Transportation Institute. The one-of-a-kind flight test center inside our MIZ is a nationally recognized advanced air mobility facility on the cutting edge of EVTOL, drone and unmanned aerial vehicle testing and commercialization. This facility is used as an essential testing and commercialization center not only for the core members of the MIZ but for companies developing their own technology. As discussed in more detail below, Segments I4, I5, I11, I12, I31, I32, J1 and J21 would be extremely disruptive if not destructive of the flight-testing operations. We believe there is a good chance that the approval of a route including these segments would result in the flight test center being unable to continue to operate or would dramatically reduce its ability to operate effectively. We would vigorously oppose any proposed Route that includes a Segment that impacts the current operations of our flight test center. To provide the parties with a clearer view of the flight test center, I have attached Exhibit LRL-1 to provide a better view of the flight test center and the nearby Segments.

1 **Q: ARE THERE ANY HABITABLE STRUCTURES ON ANY OF THESE**
2 **PROPERTIES?**

3 **A:** Yes. There are currently habitable structures on our Pecan Square and Harvest
4 developments. When the currently contemplated developments are complete, we estimate
5 there will be well over 10,000 habitable structures on the properties currently owned by
6 the Hillwood Parties. This includes more than 9,700 single family homes and 900 units in
7 multifamily developments. We currently plan to build more than 1.5 million square feet of
8 commercial real estate and 9.5 million square feet of industrial development.

9 **Q: ARE THERE OTHER HILLWOOD ENTITIES THAT MAY BE AFFECTED BY**
10 **THE PROPOSED DEVELOPMENT?**

11 **A:** We have diligently attempted to identify all of our current properties impacted by the routes
12 listed in Oncor's application. Having said that, our business is a dynamic undertaking. We
13 are continually in negotiations to acquire more property within the study area. This may be
14 why certain entities listed as Hillwood Parties in our motion to intervene that own property
15 impacted by one or more segments and routes listed in the Oncor Application do not appear
16 on Oncor's list of Directly Affected Landowners.⁴

17 **IV. HILLWOOD RECOMMENDATION**

18 **Q: DO THE HILLWOOD PARTIES SUPPORT ONCOR'S PROPOSED**
19 **TRANSMISSION DEVELOPMENT?**

20 **A:** Yes. As one of the largest real estate developers in North America and Texas, we
21 understand the importance of investing in adequate infrastructure service. As Texas'

⁴ Application, Att. 8 – Listing of Directly Affected Land Owners for Notice (June 8, 2023).

1 population has quickly grown, we recognize the need for additional, reliable electric
2 generation and transmission has grown commensurate with that population growth. We are
3 fully supportive of further investment in the Texas electricity markets. We also know that
4 these transmission lines cannot be built in the Metroplex without affecting the property of
5 many landowners including the Hillwood Parties.

6 We believe that Oncor deserves commendation for their work to thread the needle
7 with Route 179. In our view, Route 179 strikes a critical balance of many important
8 factors—it (i) limits affected habitable structures (including existing residential and
9 commercial developments, (ii) recognizes the importance of not dissecting large tracts of
10 land that are currently in development, and (iii) provides a good value for rate payers.
11 While we do not think cost is the only factor to consider, we see no reason that rate payers
12 should be saddled with \$10 million or more in additional capital costs resulting from many
13 of the other proposed routes.

14 **Q: ARE THE HILLWOOD PARTIES DIRECTLY AFFECTED BY ONE OR MORE**
15 **OF THE TRANSMISSION LINE ROUTES PROPOSED BY ONCOR IN THIS**
16 **DOCKET?**

17 **A:** Yes. Many of the routes proposed by Oncor would directly affect one or more of the
18 Hillwood Parties. The following segments will directly affect one or more of the Hillwood
19 Parties: E7, E8, F1, F2, F3, F5, F6, F7, G4, G5, H8, I4, I5, I6, I7, I8, I11, I12, I31, I32, J1,
20 J21, J22, K1, K61, K62, L4, L5 and M8.

1 **Q: ARE THERE ANY PROPOSED ROUTES INCLUDED IN ONCOR'S CCN**
2 **APPLICATION THAT THE HILLWOOD PARTIES COULD SUPPORT?**

3 **A:** Yes. Even though the route uses five segments that affect properties owned by one or more
4 of the Hillwood Parties, the Hillwood Parties support the use of Route 179 with minor
5 caveats.

6 **Q: WHERE ARE THE HILLWOOD PARTIES AFFECTED BY ROUTE 179?**

7 **A:** Route 179 most directly impacts our properties in two places: Segments H8 and I8 impact
8 our Speedway North property and Segments K1, L5 and L4 affect our Treeline property.
9 Again, we recognize that in a fast-growing area such as the Alliance region, it is impossible
10 to build a large transmission project that does not affect some parties. However, we support
11 Route 179, subject to our comments below.

12 **Q: WHY DO THE HILLWOOD PARTIES SUPPORT CHOOSING ROUTE 179?**

13 **A:** Route 179 was identified by Oncor as the best overall route.⁵ According to the direct
14 testimony of Brenda J. Perkins,⁶ Route 179 is the best overall route when all the
15 requirements and factors are weighed together. We find Ms. Perkins' analysis persuasive,
16 particularly her point that Route 179 is among the routes with the fewest habitable
17 structures within 500 feet of the route's centerline and is one of the shortest and least
18 expensive routes among those that were studied.

⁵ Application, Att. 7 – Routing Memo (June 8, 2023).

⁶ *Id.*

1 **Q: YOU MENTIONED EARLIER THAT YOU HAD SOME MINOR CAVEATS FOR**
2 **YOUR SUPPORT OF ROUTE 179. WHAT ARE THOSE?**

3 **A:** It is important to the Hillwood Parties that the segments affecting our properties remain
4 located along the property lines. To minimize impact to our development plans, it is
5 important that Segment H8 stays as close to the edge of our property line as possible.
6 Regarding Segment L5, we are willing to have the portion of that segment that runs north
7 to south located fully on our property if it is on the property line. Similarly, the Hillwood
8 Parties prefer that the portion of Segment L5 that runs from east to west be located along
9 the property lines so that it impacts the relevant Hillwood Party and the neighboring
10 landowner equally.

11 **Q: WHICH SEGMENTS WOULD BE MOST DAMAGING TO THE HILLWOOD**
12 **PARTIES AND THEIR PLANNED DEVELOPMENTS?**

13 **A:** While all Segments that directly impact the Hillwood Parties' properties are potentially
14 damaging, we have identified certain segments that would clearly be the most damaging.
15 They would substantially and significantly adversely impact our current and planned
16 development. First, we are opposed to any proposed Route that utilizes the Segments that
17 are north of proposed Route 179. We believe that any Route north of Route 179 greatly
18 diminishes much or all of the benefits of Route 179. The more northern Routes significantly
19 increase the number of affected habitable structures, with the vast majority of those
20 structures being occupied homes. This is especially true in the area containing Segments
21 C23, C7, E2, E1 and E6.

1 Additionally, our properties further to the west would be significantly impacted by
2 Segments I4, I5, I6, I11, I12, I31, I32, J1, J21 and M8. We could not support any proposed
3 Route that utilizes the foregoing Segments. In sum, in addition to opposing these Segments,
4 we are opposed to all Segments that are north of Route 179 (i.e., north of the line created
5 by Segments C23-C7-E2-E1-E6-G1-G3-H-41-H42-H8).

6 **Q: HOW DO EACH OF THOSE PROBLEMATIC SEGMENTS IMPACT THE**
7 **PROPERTIES OWNED BY THE HILLWOOD PARTIES?**

8 **A:** Segments I4, I5, I6, I11, I12, I31, I31, J1 and J21 would effectively carve our Speedway
9 North development into many smaller segments. As I have described before, this
10 development is also where our flight test center is located and operated. Running a major
11 transmission facility through it would result in an unwarranted adverse impact on our
12 airspace, especially those working with various types of UAS (unmanned aircraft systems),
13 and other aerial technologies. Constructing the transmission project using any of Segments
14 I4, I5, I6, I11, I12, I31, I32, J1 and J21 would unacceptably jeopardize the airspace
15 flexibility we currently have at the flight test center and preclude us from the ability to test
16 new technologies. The flight test center and MIZ are attracting many cutting-edge
17 technology jobs that are important to the continued economic strength of this region. The
18 Hillwood Parties believe that it is imperative that we support, not undermine, the
19 environment we have created to foster the development of these technologies.

20 As I also mentioned before, Segment F3 cuts our Northlake 1171 development in
21 half. The other F-Segments (F1, F2, F5, F6, F7, and F8) would materially impair our
22 planned development. To date, we have made and continue to make a significant financial

1 investment in the Northlake 1171 property—the property is a fully entitled and zoned
2 planned development. Construction and operation of such a large transmission facility
3 across our Northlake 1171 would materially reduce the region’s ability to meet the growing
4 demand for multi-family and commercial capacity expansion.

5 Similarly, Segment M8 would cut our Treeline development roughly in half. As
6 best we can tell from the maps in Oncor’s application and related testimony, Segment M8
7 would be within 500 feet of more than 450 habitable structures once the Treeline
8 development is complete. Moreover, we estimate that the right of way for Segment M8
9 would reduce the number of houses available for the growing population by up to 120. The
10 Dallas-Fort Worth Metroplex is one of the fastest growing metropolitan areas in the world,
11 and we do not believe that it is in the best interest of Texas in the region to eliminate
12 planned housing that stands to meet the ever-rising demand in the region.

13 Segment G5 bisects the Pecan Square development, and best as we can tell from
14 the maps provided in Oncor’s application and related testimony, would be within 500 feet
15 of 50 currently existing homes and an additional 300 homes that are currently planned or
16 under construction. Again, we are concerned by the negative long-term impacts it may have
17 on the residents who currently or will in the future call Pecan Square home.

18 **Q: ARE THERE ANY PARKS AND RECREATIONAL AREAS CURRENTLY**
19 **EXISTING OR PLANNED WITHIN 1,000 FEET OF THE FILED ALTERNATIVE**
20 **ROUTES? IF SO, CAN YOU PLEASE DESCRIBE THEM?**

21 **A:** Yes. Our Pecan Square development consists of an extensive parks and open space
22 program. At full buildout the project will consist of over 60,000 linear feet of well-

1 connected hike and bike trails and approximately 300 acres of parks and open space. As
2 best we can tell from the maps in Oncor's application, at Pecan Square, approximately
3 9,000 linear feet of our trails and 90 acres of park space would be within 1,000 feet of
4 proposed segments. Similarly, Treeline will consist of over 40,000 linear feet of hike and
5 bike trails and include approximately 175 acres of parks and open space of which 1,000
6 linear feet of trails and 75 acres of park space would be within 1,000 feet of proposed
7 segments.

8 **Q: ARE THERE OTHER ROUTES THAT THE HILLWOOD PARTIES COULD**
9 **SUPPORT?**

10 **A:** We will continue to evaluate each proposed route on its own merits. If a route does not
11 include any of the segments we identified as especially harmful above, we would be open
12 to discussing it and working with Oncor and the other stakeholders to find a solution that
13 works for as many parties as possible. For example, we do not currently support Route 43
14 because it includes Segments I6, J1 and J21. We could perhaps support that Route with
15 certain modifications. If Segment I6 is on a Hillwood Party's property line, and if Oncor
16 were able to move Segments J1 and J21 further west to the Hillwood Party's property
17 boundary and closer to the highway and railroad right of ways that are already there, the
18 Hillwood Parties could consider supporting, or not opposing, that route. This would lessen
19 the impact of Segments I6, J1 and J21 on the Hillwood Parties' development plans of
20 Speedway North, and more importantly the impact on our flight test center. However, we
21 see no way to mitigate the effect of the Segments I4, I5, I11, I12, I31, and I32 mentioned

1 above as causing significant loss of development yield and would so materially impact as
2 to force the closure of our flight test center.

3 **V. CONCLUSION AND SUMMARY**

4 **Q: CAN YOU SUMMARIZE YOUR TESTIMONY AND POSITION AS AN**
5 **INTERVENOR IN THIS MATTER?**

6 **A:** The Hillwood Parties are among the largest developers of residential, commercial and
7 industrial property in North America and Texas. We have invested \$14.2 billion in the
8 Alliance development. As such, we strongly support the continued infrastructure
9 investment in the region by Oncor. We support Route 179.

10 We oppose and cannot agree to any routes that are north of Route 179 or any Routes
11 that use any of Segments I4, I5, I6, I11, I12, I31, I32, J1, J21 or M8. We look forward to
12 working collaboratively with Oncor and the other parties to this proceeding to ensure that
13 the Route ultimately approved by the Commission reflects the importance of that
14 investment.

15 **Q: DOES THIS CONCLUDE YOUR TESTIMONY?**

16 **A:** Yes, it does.

AFFIDAVIT OF L. RUSSELL LAUGHLIN

State of Texas)

County of Tarrant)

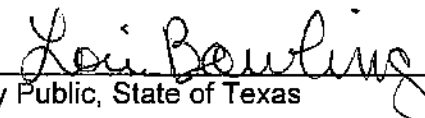
BEFORE ME, the undersigned authority, on this day personally appeared L. Russell Laughlin who, having been placed under oath by me, did depose as follows:

My name is L. Russell Laughlin. I am of legal age and a resident of the State of Texas. The foregoing testimony and exhibits offered by me are true and correct, and the opinions stated therein are, to the best of my knowledge and belief, accurate, true and correct.



L. Russell Laughlin

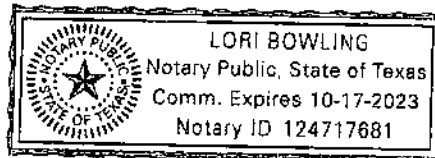
Subscribed and sworn to before me on this 31 day of July 2023.

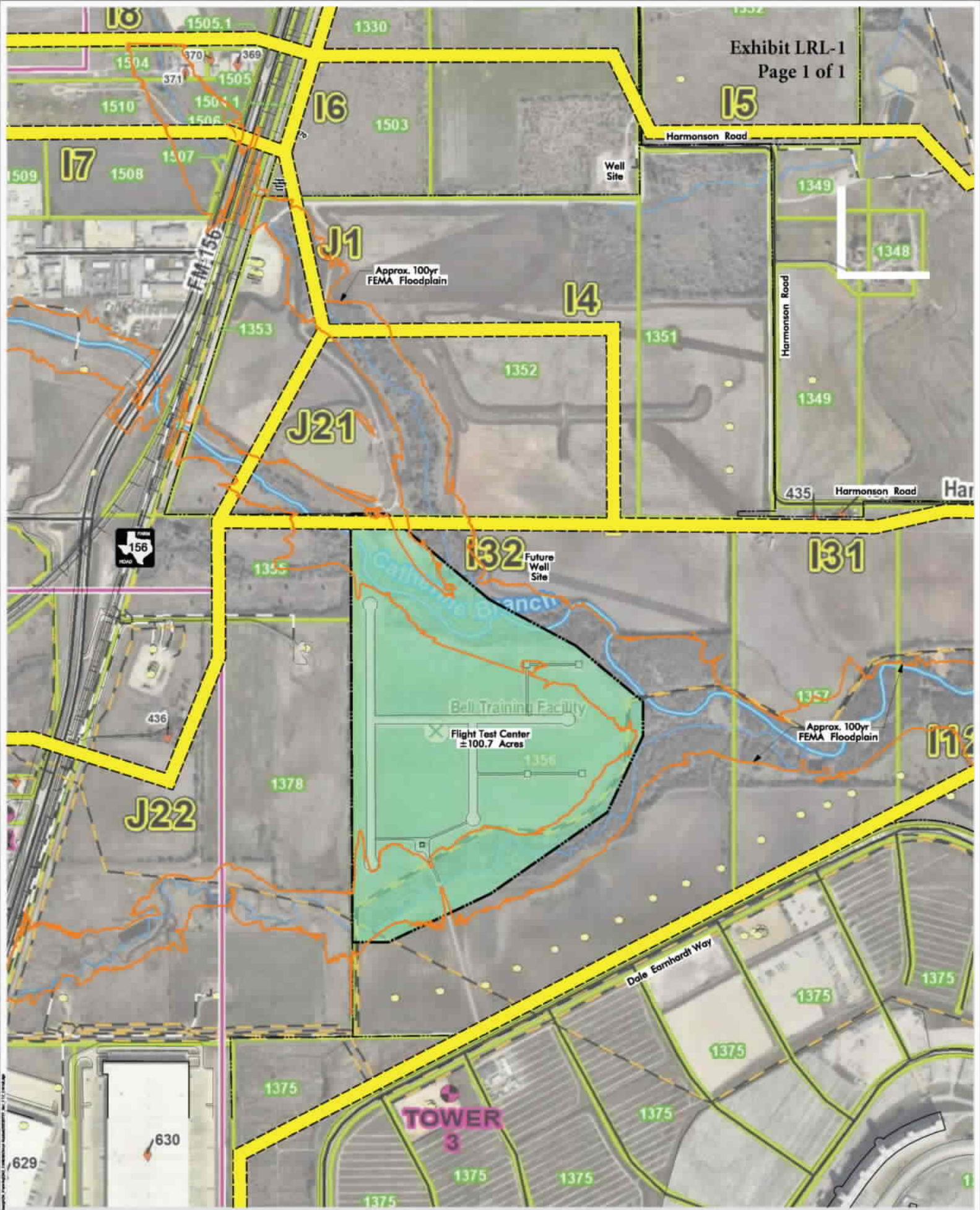


Notary Public, State of Texas

My Commission Expires

10-17-2023





Speedway North
Preliminary Development Plan

