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Filed Date - 2025-07-08 03:13:45 PM

Control Number - 58264

Item Number - 9

**BEFORE THE
STATE OFFICE OF ADMINISTRATIVE
HEARINGS**

**APPLICATION OF AEP TEXAS INC. TO AMEND ITS
CERTIFICATE OF CONVENIENCE AND NECESSITY FOR
THE ARANSAS PASS-TO-GREGORY 138-KV TRANSMISSION
LINE IN SAN PATRICIO COUNTY**

SOAH ORDER NO. 1

**PROJECT DESCRIPTION; JURISDICTION, DEADLINE FOR DECISION,
INTERVENTION DEADLINE; COMMENTS ON SUFFICIENCY OF
APPLICATION AND NOTICE; SETTING PREHEARING CONFERENCE;
CAUTION TO INTERESTED PARTIES;
AND GENERAL PROCEDURAL REQUIREMENTS**

I. PROJECT DESCRIPTION

On July 2, 2025, AEP Texas, Inc. (AEP Texas) filed an application (Application) with the Public Utility Commission of Texas (Commission) to amend its certificate of convenience and necessity (CCN) to replace the existing Aransas

Pass-to-Gregory 69-kilovolt (kV) transmission line in San Patricio County, Texas, with a double-circuit capable 138-kV concrete and steel structure transmission line (the Project).

The specifics of AEP Texas' Project are described as follows in the Commission's July 3, 2025 Order of Referral and Preliminary Order: The existing 69-kV transmission line has numerous landowner encroachment issues that have occurred since it was originally constructed in 1973; therefore, the existing transmission line location will need to be relocated to replace it with new 138-kV structures and increased capacity conductors. The proposed transmission line will require a 100-foot right-of-way. Substation upgrades and modifications will also be required at both the AEP Texas Gregory and Aransas Pass substations to replace any terminal equipment such that station ratings do not limit the capacity of the line after the associated rebuild.

The proposed transmission line will begin at a tap point along the existing transmission line located on the northwest side of Avenue C and Farm-to-Market Road 3284 approximately 0.6 miles north-northeast of the intersection of Avenue C Farm-to-Market Road 3284 and 9th Street in the City of Gregory. It will terminate at the existing AEP Texas Gregory 69-kV substation located on the northwest side of Farm-to-Market Road 2986 approximately 0.61 miles south-southwest of the intersection of United States Highway 181 and Farm-to-Market Road 2986.

The study area is located within the Western Gulf Coastal Plains level III ecoregion and Northern Humid Gulf Coastal Prairies level IV ecoregion. Land uses

within the study area is mixed between urban and rural, with nearby access to paved roadways throughout the majority of the transmission line.

AEP Texas asserts the proposed transmission line rebuild is needed to address reliability criteria violations. AEP Texas' asserts an annual transmission planning assessment carried out in 2021 identified thermal overloads on its Aransas Pass-Gregory 69-kV and Gregory-Rincon 69-kV lines under certain contingency scenarios. AEP Texas further asserts certain contingency events showed potential for violation of thermal ratings on the line in the 2026 summer peak case build and that recent analysis performed in 2024 identified a potential overload condition of the Aransas Pass-Gregory 69-kV line still exists for specific maintenance-outage contingency events.

AEP Texas proposed 11 alternative routes and 33 route links. The total length of the proposed transmission line is 1.65 miles to 1.96 miles depending on the route selected. The total estimated cost of the proposed transmission line, including substation upgrades and modifications, is between approximately \$7.5 million and \$10.3 million.

II. JURISDICTION, DEADLINE FOR DECISION, AND INTERVENTION DEADLINE

The Commission's Order of Referral and Preliminary Order referred this matter to SOAH and requested the assignment of an Administrative Law Judge (ALJ) to conduct a hearing and issue a proposal for decision (PFD), if necessary, and set forth the issues to be addressed in this proceeding.

The Commission has jurisdiction and authority over this matter pursuant to the Public Utility Regulatory Act (PURA)¹ sections 32.001, 37.053, 37.056, and 37.057. SOAH has jurisdiction over all matters relating to the conduct of a hearing in this matter pursuant to Texas Government Code section 2003.049 and PURA section 14.053. **The Commission must issue a decision on the Application by December 29, 2025.**²

As addressed in the Commission's Preliminary Order, the intervention deadline for CCN cases is 30 days from the date the Application is filed, as provided under 16 Texas Administrative Code section (Rule) 22.104(b). Accordingly, the intervention deadline for this proceeding is **August 1, 2025**.

III. COMMENTS ON SUFFICIENCY OF APPLICATION AND NOTICE

Absent an order finding the Application materially deficient, the Application shall be deemed sufficient within 35 days after its filing date, or August 6, 2025, per Rule 22.75(d)(2). Therefore, Commission staff (Staff) **SHALL**, and any other party may, file comments on the sufficiency of the Application for purposes of further review no later than **July 23, 2025**.

¹ Tex. Util. Code §§ 11.001-66.016.

² The calculation of this deadline assumes, without finding, that the Application as filed on July 2, 2025, is complete. See PURA § 37.057; 16 Tex. Admin. Code § 25.101(b)(3)(D).

Further, Staff **SHALL**, and any other party may, file comments on the sufficiency of AEP Texas' proposed notice of the Application no later than **July 23, 2025**.

AEP Texas may respond to any comments filed concerning the sufficiency of its Application or notice by June 30, 2025.

IV. SETTING PREHEARING CONFERENCE

A hearing will be held at 9:00 a.m. (CT) on **July 21, 2025**, remotely via Zoom videoconference. 1 Tex. Admin. Code § 155.405(c). Unless AEP Texas retains a court reporter to transcribe the prehearing conference, the audio portion of the hearing will be recorded, and the recording will be the official record of the proceeding. Attend the hearing in one of these ways:

To join by computer or smart device, go to
<https://soah-texas.zoomgov.com> and enter:

Meeting ID: 161 454 3754

Video Passcode: PUC942

To join by telephone (audio only), call
+1 669 254 5252, and enter:

Meeting ID: 161 454 3754

Telephone Passcode: 758407

A. PURPOSE OF PREHEARING CONFERENCE

The purpose of the prehearing conference, is to discuss the following matters:

- (1) Any pending motions and other preliminary matters related to the proceeding;
- (2) A procedural schedule including the scheduling of the hearing on the merits;
- (3) Procedures to be followed before and during the hearing; and
- (4) Any other matter that may assist in the disposition of these proceedings in a fair and efficient manner.

The prehearing conference is open to the public. **Parties are strongly encouraged to attend to learn about the rules and procedures that will govern this case and to ask questions about the process.**

After the prehearing conference, the parties may wish to hold an informal technical conference without the participation of the ALJ. AEP Texas is encouraged to establish and host such a post-prehearing technical conference as either an audioconference or videoconference and to have its engineers and staff available to answer questions about the application. If AEP Texas decides to hold a post-prehearing technical conference, it should provide the log-in information for that conference to all parties (including potential parties with pending motions to intervene) using the parties' contact information available on the service list.

If the parties (including potential parties with pending motions to intervene) determine that a prehearing conference is not necessary, they **SHALL** file no later

than noon on July 18, 2025, an agreed motion to cancel the prehearing conference and an agreed procedural schedule.

B. PROCEDURAL SCHEDULE GUIDELINES

In developing a proposed procedural schedule, the parties shall anticipate a record close date³ that:

- ensures the ALJ will have 60 days to write and issue the proposal for decision; and
- provides the Commission with at least 35 days to consider and discuss the PFD at an open meeting and issue a final order prior to the expiration of the 180-day deadline.

V. CAUTION TO INTERESTED PARTIES

In this proceeding, AEP Texas presented 11 alternative routes for the requested transmission line. It is the duty of the ALJ and, ultimately, the Commission, to determine whether the proposed routes meet the criteria described in the Commission's Preliminary Order. It is the duty of interested parties (such as landowners) to provide the decision-makers the information needed to reach a just and reasonable decision.

VI. GENERAL PROCEDURAL REQUIREMENTS

Pursuant to Rule 22.124(a), parties will be required to file either written testimony or a statement of position in this proceeding, as applicable. **A request to**

³ The record close date is the date the parties' final post-hearing briefs or proposed findings of fact, conclusions of law, and proposed ordering provisions are due, whichever is later. 1 Tex. Admin. Code § 155.425(c).

intervene is not a statement of position. A statement of position clarifies a party's position but is not sworn-to, is not evidence, and is not subject to cross-examination. Prefiled direct testimony, on the other hand, is sworn-to, is evidence, and is subject to cross-examination. A deadline for the filing of either a statement of position or testimony will be set in the procedural schedule in a future order. **Failure to timely file either written testimony or a position statement will result in dismissal as a party from this proceeding and prohibition from participating in the hearing on the merits and briefing,** in accordance with Rules 22.124 and 22.161.

Intervenors are encouraged to review the guidance document attached to this Order titled “Information for Unrepresented Parties” that provides an overview of the contested case process.

VII. PROCEDURES

All Commission filings are available for viewing and downloading from the Commission's Interchange available at <http://interchange.puc.texas.gov/>, by entering the control number 58264 and selecting the “search” tab. A list of documents filed in the applicable docket will appear, which can be accessed by clicking on the document number (with a few exceptions such as confidential documents, if any). The Commission's procedural rules are available on the Commission's website.⁴ The procedural rules will govern the conduct of this proceeding, and the parties are expected to comply with those rules.

⁴ The procedural rules are located at: <http://www.puc.texas.gov/agency/rulesnlaws/procrules/Procedural.aspx>.

Routine procedural and logistical questions may be directed to the ALJ's administrative assistant **Julian Jaramillo** at julian.jaramillo@soah.texas.gov. SOAH support personnel may not provide advice or interpret law or orders for the parties.

Except as modified by orders issued in this proceeding by the Commission or SOAH, the Commission's procedural rules govern. The parties should review the Commission and SOAH websites as needed for updates regarding any such modifications.

A. FILING AND SERVICE

Filing of pleadings is governed by Rule 22.71 and service is governed by Rule 22.74. However, under the Commission's Second Order entered in Docket No. 50664, all parties must file any pleading or document with the Commission solely through the Interchange on the Commission's website (<https://interchange.puc.texas.gov/filer>) and provide notice, by e-mail, to all other parties that the pleading or document has been filed with the Commission, unless otherwise ordered. It will be incumbent upon all other parties to obtain a copy of the pleading or document by accessing the Interchange. **Filings should not be made at SOAH. All filings must contain both the applicable SOAH and PUC docket numbers.**

When a party files a document with the Commission, that party is also required to serve (i.e., provide a copy of that document to) every other party. At this time, service must be accomplished by e-mail. Any party to this proceeding who has

not previously provided an e-mail address **SHALL** file a notice informing the parties of the e-mail address to be used for service no later than seven days after the date of this order.

B. MOTIONS

Motions for continuance are governed by Rule 22.79. If a continuance or extension of time is sought, the motion shall propose a range of new dates and state whether the other parties agree. The ALJ will not contact parties to ascertain their position or to negotiate dates. In the absence of a ruling by the ALJ, a contested motion for continuance or extension is not granted and the existing schedule remains in place.

Unless otherwise specified in the applicable procedural rules, responses to any motion or other pleading shall be filed within five working days from receipt of the motion or pleading. The response shall state the date of receipt of the motion or pleading to which a response is made. If a party does not respond to a motion, the ALJ will assume that the party agrees with the motion or does not oppose the requested relief.

C. DISCOVERY

Discovery may begin immediately. Copies of requests for information (RFIs) and objections and responses to RFIs will not be provided to the ALJ. If a party files a motion to compel responses to discovery, the motion shall include every RFI and objection to which the motion applies. Any affidavits supporting an objection, motion to compel, or response shall be attached to the relevant document. The

ALJ will resolve discovery disputes based on the written documents, any sworn affidavits attached thereto, and materials, if any, provided for *in camera* inspection, unless the ALJ concludes that a prehearing conference on the discovery dispute should be held.

If a party seeks *in camera* review of documents in accordance with Rule 22.144(g), it will submit the documents to the ALJ at SOAH. Documents submitted for review should not be filed with the Commission filing clerk. If they are filed with the Commission filing clerk, even inadvertently, the documents may not be physically removed from the Commission. Further, any claim to privilege or exemption may be waived by the filing.

VIII. RESPONSIBILITY OF AEP TEXAS

AEP SHALL review the service list for this proceeding prior to the filing of Staff's direct testimony and file a list of all intervenors who did not file testimony or a statement of position.

Signed July 8, 2025

ALJ Signature:


A handwritten signature in cursive script, reading "Meghan Bailey", is written over a horizontal line.

Meghan Bailey

Presiding Administrative Law Judge

INFORMATION FOR UNREPRESENTED PARTIES

Overview of Contested Case Process

- ☞ This contested case hearing will proceed like a trial – with witnesses testifying under oath, subject to cross-examination.
- ☞ The administrative law judge (ALJ) presides over this hearing process. The ALJ works for the State Office of Administrative Hearings (SOAH). SOAH is a state agency that provides impartial judges to preside over contested case hearings. SOAH is separate from all other state agencies, including the Public Utility Commission of Texas (PUC or Commission).
- ☞ At the end of the hearing process, the ALJ will make a written recommendation about the transmission line route. This is called a Proposal for Decision (PFD).
- ☞ The final decision maker will be the five-member Commission.
- ☞ The staff of the PUC (Staff) participates in the hearing as a party. Staff is distinct from the three-member Commission that will ultimately decide this case.

Prehearing Conference

- ☞ At the prehearing conference, the judge will rule on motions to intervene and set the schedule for prehearing activities and the hearing itself.
- ☞ Following the prehearing conference, parties can remain to ask questions of Staff or the Applicants, exchange information, and engage in settlement talks.

The Prehearing Phase

- ☞ Two primary things happen before hearing: (1) discovery, and (2) filing of direct testimony and/or position statements. Deadlines for these activities will be established either at the prehearing conference or shortly thereafter by an order from the ALJ.
- ☞ Discovery is the formalized exchange of information among parties.
- ☞ Unlike some trials in district court, every witness's direct testimony in this case will be in written form and filed prior to the hearing. At the hearing, each witness will take the stand and be sworn in, and the witness's direct testimony will be admitted if it complies with the rules of evidence. The witness will then

be subject to cross-examination by the parties. (Sometimes, parties will waive cross-examination of a witness.)

- ☞ Every party in this case must file either testimony or a statement of position according to the schedule that will be established. Parties failing to do so will be dismissed and not allowed to participate further.
- ☞ Testimony is evidence and includes assertions of fact (for example, about the location of property, the history and use of property, etc.). A position statement is argument, not evidence. There will be no cross-examination at the hearing of a party who has only filed a position statement. Assertions of fact in a position statement cannot be considered by the ALJ unless they are in some other document or testimony admitted in evidence. A party filing a position statement may ask questions of testifying witnesses.

The Hearing

- ☞ The hearing will be convened in Austin or through a videoconference application, such as Zoom.
- ☞ All witnesses who prefiled testimony must appear at the hearing unless all parties waive cross examination.
- ☞ Prefiled testimony will be admitted (subject to objections based on the rules of evidence), and witnesses will be cross-examined. Testimony not admitted because the witness failed to appear will be treated as a statement of position.

The Post-Hearing Phase

- ☞ After the hearing, parties will file written closing arguments (briefs) according to the deadlines that will be established in the schedule.
- ☞ The ALJ will issue the PFD recommending an outcome, including a route for the transmission line if the application is granted.
- ☞ The ALJ's analysis will be based on the facts (established through evidence introduced in the hearing) and the applicable law (involving a consideration of factors such as community values, number of habitable structures, recreational and park areas, historical and aesthetic values, environmental integrity, and use of compatible rights of way).
- ☞ The preferred route carries no special weight in the analysis. Any route consisting of identified links may be recommended and approved.

- ☞ Parties who disagree with the ALJ's proposal will be able to file written objections (exceptions) to the PFD.
- ☞ The Commission will decide at a meeting open to the public. The Commission can adopt or reject the ALJ's proposal. If the Commission rejects the ALJ's proposal, it will likely choose another route.
- ☞ The deadline for Commission action in this case is **December 29, 2025**.

Filing and Serving Documents in the Case

- ☞ Whenever any party formally files any document in this case (such as a motion, request for discovery, response to discovery, testimony, or statement of position), it must file the document with the PUC.
- ☞ Filings at the Commission shall occur by 3:00 p.m. on the date in question unless otherwise specified.
- ☞ The procedures regarding filing are specified in Subchapter E of the Commission's procedural rules and SOAH Order No. 1 and apply in this proceeding. Parties are expected to know those procedures and comply with them fully. All pleadings must contain both the SOAH and PUC Docket numbers to allow for efficient processing. (See the top of the first page of this information sheet.)
- ☞ At the same time a party files a motion, testimony, or a statement of position with the PUC, **the party must also serve all other parties in the case by sending them a copy of the document.**
- ☞ Discovery requests and responses must be filed with the PUC, but only have to be served on the party to whom the request or response is directed.
- ☞ The PUC has an on-line document interchange that is a convenient way of keeping track of documents filed in a case. All PUC filings are available for viewing and downloading from the Commission's website at <http://interchange.puc.texas.gov>. Once there, type in the control number/docket number and press "enter." A list of documents filed in this case will appear and you may access those documents by clicking on the document number, provided that the document number is underlined and in blue font.

Receiving Documents from SOAH

- ↔ Parties may elect to receive documents from the ALJ via email. To do so, access SOAH's webpage, www.soah.texas.gov, click on SOAH's "E-Services" link at the top of SOAH's webpage, follow the directions for "Email Service" and complete a short form.