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Item Number: 320

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JOINT APPLICATION OF AEP TEXAS §
INC. AND ELECTRIC TRANSMISSION §
TEXAS, LLC TO AMEND THEIR §
CERTIFICATES OF CONVENIENCE §
AND NECESSITY FOR THE CENIZO- §
TO-CRUCE DOUBLE-CIRCUIT 345-KV §
TRANSMISSION LINE IN BROOKS, §
DUVAL, JIM HOGG, WEBB, AND §
ZAPATA COUNTIES §

PUBLIC UTILITY COMMISSION
PUBLIC UTILITY COMMISSION
CLERK
OF TEXAS

ORDER

This Order addresses the joint application of AEP Texas Inc. and Electric Transmission Texas, LLC (ETT) (collectively, the applicants) for approval to amend their certificates of convenience and necessity (CCN) for the Cenizo-to-Cruce double-circuit 345-kilovolt (kV) transmission line in Brooks, Duval, Jim Hogg, Webb, and Zapata counties. The Commission adopts the proposal for decision, including findings of fact and conclusions of law, except as discussed in this Order.

The Commission makes the following modifications to the proposal for decision. The Commission adds new findings of fact 24A, 66A, and 66B to reflect supplemental information that was filed and admitted into evidence after the proposal for decision. The Commission modifies conclusion of law 2 and ordering paragraph 3 and deletes ordering paragraph 4 to conform with the Commission’s standard language for orders in transmission line proceedings.

Additionally, the Commission makes non-substantive changes for such matters as capitalization, spelling, grammar, punctuation, style, correction of numbering, readability, and conformity with the Commission’s order-writing format.

I. Findings of Fact

The Commission adopts the following findings of fact.

Applicants

1. AEP Texas Inc. is a Delaware corporation registered with the Texas Secretary of State under filing number 802611352.

2. AEP 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 holds CCN numbers 30028 and 30170 to provide service to the public.
4. ETT is a Delaware limited liability company registered with the Texas secretary of state under filing number 800757205.
5. ETT owns and operates for compensation in Texas facilities and equipment to transmit electricity in the ERCOT region.
6. ETT holds CCN numbers 30193 and 30194 to provide service to the public.

Application

7. On August 11, 2023, AEP and ETT filed a joint application with the Commission to amend AEP's CCN number 30028 and ETT's CCN numbers 30193 and 30194 to construct and operate a new double-circuit 345-kV transmission line and associated station termination equipment in Brooks, Duval, Jim Hogg, Webb, and Zapata counties.
8. The applicants retained Burns & McDonnell Engineering Company, Inc. to prepare an environmental assessment and routing analysis for the transmission facilities, which the applicants attached to the application.
9. No party challenged the sufficiency of the application.
10. In State Office of Administrative Hearings (SOAH) Amended Order No. 3 issued on September 28, 2023, the administrative law judges (ALJs) found the application sufficient and materially complete.
11. In the application, the applicants stated that route P best addressed the requirements of the PURA¹ and the Commission's rules.
12. On October 4, 2023, the applicants filed Errata 1 to the application, correcting figure and scale references and route lengths in the application.

¹ Public Utilities Regulatory Act, Tex. Util. Code §§ 11.001–66.016.

13. On October 16, 2023, the applicants filed an amendment to the application that replaced link 72 with link 72-Rev and replaced the following routes that use link 72-Rev: route B-Rev replaced route B, route G-Rev replaced route G, route P-Rev replaced route P, and route AA-Rev replaced route AA. The amended application resolved engineering constraints along link 72 by moving the link 53 feet to the south to make link 72-Rev.

Description of the Transmission Facilities

14. The proposed transmission line begins at the existing ETT Cenizo 345-kV station, located on the south side of a private road, approximately 1.7 miles east of United States Highway 83, 2.8 miles north-northeast of the South Texas International Raceway, and approximately five miles east of the City of El Cenizo in Webb County. The new transmission line will extend east until it reaches the future AEP Cruce 345-kV station on the north side of State Highway 285, approximately nine miles southeast of Hebbronville in Jim Hogg County.
15. The term *transmission facilities* includes the proposed transmission line as well as the proposed termination equipment additions to the Cruce and Cenizo stations.
16. The applicants plan to construct the transmission line on steel lattice towers.
17. The typical structures will be between 122 feet and 180 feet tall and will be located in a 150-foot-wide right-of-way.
18. The estimated maximum height of structures is 250 feet, depending on clearance circumstances.
19. The applicants plan to use 954-kilocircular-mil 54/7 aluminum-conductor-steel-reinforced conductors, with three conductors per phase, having a continuous summer static current rating of 3,319 amperes and a continuous summer static line capacity of 1,983 megavolt amperes.
20. ETT plans to relocate existing facilities, including an existing transmission line, and add new substation equipment as necessary to terminate and integrate the two new 345-kV transmission circuits into the existing Cenizo station including:
 - a. relocating some existing equipment and preparing property for new construction, laying out the ground mat, cable trays, foundations, drainage, wiring and cable as

- necessary for power, relaying, supervisory control and data acquisition systems (SCADA), and other cables necessary for operations, monitoring, and protection;
- b. adding three 345-kV circuit breakers and associated disconnect switches, new bus infrastructure, and surge arrestors to cut into the existing station layout; and
 - c. installing voltage and current transformers for SCADA and protection; insulators as required for all equipment and bus work; telecommunication equipment for SCADA and protection; additional panels in the control building; protection and control equipment; communication and SCADA equipment; and other necessary equipment for operation and maintenance of the new equipment installed in the station and construction, surveying, engineering cost, and overheads associated with all phases of the work at this station including the new circuit breakers being added.
21. AEP plans to add new substation equipment necessary to terminate and integrate the two new 345-kV transmission circuits into the future Cruce station including the following:
- a. preparing footprint of the bay-area for construction of the two-new 345-kV circuit terminations, which includes the cable trays, foundations, drainage, wiring and cable as necessary for power, relaying, SCADA, and other cables necessary for operations, monitoring, and protection;
 - b. adding three 345-kV circuit breakers and associated disconnect switches, new bus infrastructure, and surge arrestors; and
 - c. installing voltage transformers and high voltage station service voltage transformers for SCADA and protection; insulators as required for all equipment and bus work; telecommunication equipment for SCADA and protection; panels in new Control Building for the two circuits, protection and control equipment, communication and SCADA interface, and other necessary equipment for operation and maintenance of the new transmission circuits installed in the station; and construction, surveying, engineering cost, and overheads associated with all phases of the work at this station including the new circuit breakers being added.

22. AEP and ETT have agreed to each construct approximately half of the transmission line, based on mileage. AEP will construct and own its portion of the transmission line beginning at the future AEP Cruce 345-kV station and continuing west to the AEP-ETT Point of Interconnection (POI). ETT will construct and own the west portion of the new transmission line beginning at the AEP-ETT POI and terminating into the existing ETT Cenizo 345-kV station.
23. The termination equipment to be added to the existing ETT Cenizo station will belong to ETT. The termination equipment at the future Cruce station will belong to AEP.
24. Each applicant will own 100% of its respective portion of the transmission facilities and will have no ownership interest in the other applicant's portion of the transmission facilities. The applicants will not own any part of the transmission facilities as tenants in common, partners, or any other form of joint ownership.
- 24A. The ownership dividing point for route P-Rev will be a dead-end structure owned by ETT along link 72, located approximately 0.96 mile east of the intersection of Farm-to-Market Road (FM) 649 and Vaquillas Road in Webb County. ETT will construct and own the approximate 30.06 miles from the AEP Texas-ETT ownership dividing point to the ETT Cenizo 345-kV Station. AEP Texas will construct and own the approximate 30.14 miles from the AEP Texas-ETT ownership dividing point to the AEP Texas Cruce 345-kV Station. The total estimated length for route P-Rev is 60.2 miles.

Schedule

25. The applicants estimate they will finalize engineering and design by March 2025, acquire all rights-of-way and land needed and procure materials and equipment by May 2025, complete construction of facilities by November 2026, and energize the transmission facilities by December 2026.

Public Input

26. The applicants held two public meetings on March 7 and 8, 2022, in Laredo and Hebbronville, Texas. The applicants also hosted a virtual open house that was accessible on the proposed transmission facilities website that solicited online feedback.

27. The purpose of the public meetings was to solicit comments, concerns, and input from residents, landowners, public officials, and other interested parties concerning the transmission facilities with reference to the preliminary route links and the overall transmission line routing process. Additionally, the applicants used the public meetings to (1) promote a better understanding of the transmission facilities, including the purpose, need, potential benefits and impacts, and the Commission's CCN application approval process; (2) inform the public regarding the routing procedure, schedule, and decision-making process; and (3) ensure that the decision-making process adequately identifies and considers the values and concerns of the public and community leaders.
28. The applicants directly mailed individual written notices of the public meetings to all owners of property located within 500 feet of the centerline of the preliminary alternative routing links for the transmission line. Notice was mailed to 486 landowners. Additionally, Burns & McDonnell contacted federal, state, and local regulatory agencies, elected officials, and organizations regarding the transmission facilities and public meetings.
29. The applicants emailed notice of the public meetings to the Department of Defense Military Aviation and Installation Assurance Siting Clearinghouse.
30. A total of 132 individuals attended the two in-person public meetings.
31. The applicants provided attendees of the in-person meetings with a questionnaire that solicited comments on the transmission facilities pertaining to community values and concerns, such as features that should be avoided, if possible, when routing the proposed transmission line, and an evaluation of the information presented at the meetings.
32. The applicants received 65 separate responses to the questionnaire; 58 responses were submitted at the in-person meetings and the remaining 7 were submitted afterwards.
33. Per the questionnaire responses, avoiding or maintaining distance from residences, businesses, schools, and habitable structures was the greatest area of concern.
34. The questionnaire responses also indicated a concern for minimizing impacts on streams and rivers.

35. After the public meeting, the applicants and Burns & McDonnell modified the proposed routing links to better parallel existing compatible rights-of-way; avoid or minimize impacts to oil and gas infrastructure; minimize impacts to existing constraints including habitable structures and pipelines; cross federal- and state-maintained roads at or close to 90 degrees; and ensure electric reliability among the three other new electric transmission line projects routing to the Cruce station (San Miguel-to-Cruce, Cruce-to-Del Sol, and Cruce-to-Reforzar).

Notice of Application

36. There are no incorporated cities in the study area and no municipalities located within five miles of the routes to which notice needed to be provided.
37. The applicants provided notice of the application via the following methods:
- a. On August 11, 2023, the applicants mailed by priority mail written notice of the application to:
 - i. Each owner of land directly affected by the construction of the transmission facilities, as determined by review of the appraisal district tax data for Brooks, Duval, Jim Hogg, Webb, and Zapata counties;
 - ii. Neighboring utilities providing similar utility service within five miles of any of the routes;
 - iii. County officials in Brooks, Duval, Jim Hogg, Webb, and Zapata counties;
 - iv. The Office of Public Utility Counsel (OPUC); and
 - v. The Texas Parks and Wildlife Department.
 - b. On August 11, 2023, the applicants also emailed written notice of the application to the Department of Defense Military Aviation and Installation Assurance Siting Clearinghouse.
 - c. On August 16, 2023, the applicants published notice of the application in the *Enterprise*, a newspaper of general circulation in Jim Hogg and Duval counties.
 - d. On August 17, 2023, the applicants published notice of the application in:

- i. The *Falfurrias Facts*, a newspaper of general circulation in Brooks County;
 - ii. The *Laredo Morning Times*, a newspaper of general circulation in Webb County; and
 - iii. The *Zapata County News*, a newspaper of general circulation in Zapata County.
38. On August 29, 2023, the applicants filed a supplemental affidavit of notice.
 39. On August 31, 2023, the applicants filed affidavits attesting to the provision of newspaper notice.
 40. No party challenged the sufficiency of or provision of the notice.
 41. In SOAH Amended Order No. 3 issued on September 28, 2023, the ALJ found the applicants' notice sufficient.
 42. On October 16, 2023, the applicants sent written notice of the amended application by first-class mail to each landowner, as stated on the current county tax rolls in Brooks, Duval, Jim Hogg, Webb, and Zapata counties, who could be directly affected by the modified routing link presented in the application amendment.
 43. On October 25, 2023, the applicants filed an affidavit attesting to the provision of notice of the amended application by mail to the directly affected landowners.

Applicants' Proposed Routes

44. To identify potential routes for the transmission facilities, Burns & McDonnell delineated a study area; sought input from the public, officials, and agencies; gathered data regarding the study area; performed constraints mapping; identified preliminary route segments; and reviewed and adjusted the preliminary route segments following field reconnaissance and review of the public, official, and agency input, finalizing them into primary route links.
45. Using 118 primary route links, Burns & McDonnell and the applicants identified 27 routes.
46. After the application amendment, Route BB-Alt2-Rev was proposed by intervenor Joe C. Martin, IV during the discovery stage.
47. The record does not show that affected landowners received proper notice of Route BB-Alt2-Rev.

48. The proposed routes range in length from 59.03 miles to 72.11 miles.
49. The majority of the parties advocated for routes P-Rev, BB-Rev, BB-Alt2-Rev, or M (collectively, the focus routes), which all performed reasonably well when considering the statutory factors.
50. Route P-Rev is composed of links 1-4-6-9-28-35-47-63-72REV-75-89a-89b-105-113-115, totaling 60.20 miles.
51. Route BB-Rev is composed of links 1-3-27-35-47-63-72REV-75-89a-89b-105-113-115, totaling 60.73 miles.
52. Route BB-Alt2-Rev is composed of links 1-4-6-9mod-123-125-3modb-27mod-126-28mod-35-47-63-72REV-75-89a-89b-105-113-115, totaling 62.06 miles.
53. Route M is composed of links 1-4-6-9-15-29-36-50-76-88-106a-106b-112-114115, totaling 59.03 miles.
54. The applicants evaluated the recommendation of Burns & McDonnell as well as other routing criteria, including cost, and identified route P-Rev in the amended application as the route that best addresses PURA and the Commission's substantive rules.
55. Commission Staff and a majority of the intervenors either support or do not oppose routes P-Rev and BB-Alt2-Rev.
56. Routes P-Rev and BB-Alt2-Rev present an appropriate balance of routing factors and no negative attributes exist that could not be addressed with mitigation and the application of best-practice engineering design and construction methods.
57. Route P-Rev best meets the applicable routing criteria and should be approved.

Route Adequacy

58. No party requested a route adequacy hearing.
59. No party contested whether the amended application provided an adequate number of reasonably differentiated routes to conduct a proper evaluation.
60. Given the distance between the transmission-line endpoints and the nature of the area in which the routes are located, the applicants provided an adequate number of reasonably

and sufficiently differentiated routes to allow the Commission to conduct a proper evaluation.

Referral to SOAH

61. On August 15, 2023, the Commission referred this case to SOAH and filed a Preliminary Order identifying 22 issues, with sub-issues, to be addressed.
62. In SOAH Order No. 1 issued August 16, 2023, the SOAH ALJ provided notice of a prehearing conference scheduled for August 28, 2023, described jurisdiction, and provided other relevant information.
63. In SOAH Order No. 2 issued September 1, 2023, the SOAH ALJs adopted a procedural schedule that set the hearing on the merits by videoconference beginning November 7, 2023.
64. On October 16, 2023, the applicants filed a motion to suspend the procedural schedule considering the application amendment.
65. In SOAH Order No. 6 issued October 19, 2023, the SOAH ALJ abated the procedural schedule.
66. In SOAH Order No. 7 issued October 27, 2023, the SOAH ALJ adopted a revised procedural schedule and set the hearing on the merits by videoconference to begin January 11, 2024.

Return from SOAH

- 66A. On May 1, 2024, the applicants filed supplemental information regarding the new termination equipment additions to the Cenizo and Cruce stations and the ownership dividing points between the applicants.
- 66B. In Order No. 2 filed on May 9, 2024, the Commission ALJ admitted the supplemental information filed by the applicants on May 1, 2024 into the evidentiary record.

Intervenors

67. In SOAH Order No. 2 filed on September 1, 2023, the SOAH ALJ granted the motions to intervene filed by Las Animas Ranch, LLC; Crestonio Properties, L.P.; Tom T. East, Sr., Alice K. East, Alice H. East, and Robert C. East Wildlife Foundation; Van Es, Ltd.; Mijito,

Ltd.; Hinnant & Fulbright, Ltd.; Armstrong Ranch, Ltd.; Cascabel Ranch, LLC; Walter Holmsten, as Trustee of the Walter R. Holmsten II 2012 Descendants Trust; Peacefield, LLC; Robert Porter; and Robert Marshall.

68. In SOAH Order No. 3 filed on September 27, 2023, the SOAH ALJ granted the motions to intervene filed by Kathleen Sisco, Independent Administrator of the Estate of Geraldine McCann Sisco; James Dupnik; E3 Mountain, LLC; Des Ranch Investments, LLC; Douglas Henry Investments, LLC; GBK Properties, Ltd.; La Laja Farm and Ranch, Ltd.; Christ-Lane Ranch, LLC; Tom Land & Cattle Co., Ltd.; Armstrong - El Sordo, Ltd.; Hellen-Schrab Ranches, Ltd.; Eschleman Ranches, Ltd. and Vogt Associates (collectively, Eschleman-Vogt); El Pescado Minerals, Ltd.; Rancho La Cochina Minerals, Ltd.; Annette Ramirez Garcia; LODGS, LLC; Edwin Frank, III; Joe C. Martin, IV; Joe C. Martin on Behalf of Las Hermanas Ranch, LP and the Former Partners in Las Capones Ranch, LP; Jacalon Ranch Trophy Club, LLC; Jose Luis Perez; Humberto Yzaguirre; Barnhart Hebronville, Ltd.; Alec Holbein Family Trust; Gruy Girls Management, LLC; Carlos Cuellar, Jr.; Ruben Ruiz; and Steven Moore.
69. In SOAH Order No. 4 filed on October 12, 2023, the SOAH ALJ dismissed the following intervenors who did not file either direct testimony or a statement of position by the deadline for such filings: James Dupnik; Douglas Henry Investments, LLC; Gruy Girls Management, LLC; Annette Ramirez Garcia; Hellen-Schrab Ranches, Ltd.; Carlos Cuellar, Jr.; Kathleen Sisco, Independent Administrator of the Estate of Geraldine McCann Sisco; La Laja Farm and Ranch, Ltd.; Humberto Yzaguirre; Henry Hereford on behalf of Peacefield, LLC; Ruben Ruiz; and Tomahawk, Ltd.
70. No alignment of parties was requested or ordered.

Statements of Position and Testimony

71. On August 11, 2023, the applicants filed the direct testimonies of Wayman L. Smith, the director for West Transmission Planning for American Electric Power Service Corporation (AEPSC); Marc E. Wilson, a project manager principal in the transmission services department of AEPSC for the ERCOT region; Rebecca M. Overduyn, a transmission-line engineering manager in the transmission-line engineering department of AEPSC for the

- ERCOT region; and Thomas J. Ademski, a senior project manager with Burns & McDonnell.
72. A statement of position was filed on September 29, 2023, by Jose L. Perez and on October 3, 10, and 11, 2023 by Robert Marshall.
73. On October 3, 2023, the following parties filed direct testimony: Joe C. Martin IV, individually and on behalf of Las Hermanas Ranch, LP and the former partners in Las Capones Ranch, LP; E3 Mountain, LLC; Eshleman-Vogt Ranch; Edwin Frank III; Walter Holmsten, Trustee of the Walter R. Holmsten II 2012 Descendants Trust; Cascabel Ranch, LLC; Crestonio Properties, L.P.; East Foundation; Las Animas Ranch; El Pescado Minerals, Ltd. and Rancho La Cochina Minerals, Ltd.; Barnhart Hebronville, Ltd.; DES Ranch Investments, LLC; Robert B. Porter, Jr.; DES Ranch Investments, LLC, El Pescado Minerals, Ltd. and Rancho La Cochina Minerals, Ltd.; Armstrong-El Sordo, Ltd.; Armstrong Ranch, Ltd.; Alec Holbein Family Trust; Mijito, Ltd., Van Es, Ltd., GBK Properties, Ltd., and E3 Mountain Ranch, LLC; Mijito, Ltd. and Van Es, Ltd.; GBK Properties, Ltd.; Christ-Lane Ranch, LLC; Tom Land & Cattle Company, Ltd.; Hinnant & Fulbright, Ltd.; Jacalon Ranch Trophy Club LLC; Native American Rights Fund; LODGS, LLC; and Robert Marshall.
74. On October 16, 2023, the applicants filed the supplemental direct testimonies of Marc E. Wilson and Thomas J. Ademski.
75. On November 17, 2023, the following parties filed supplemental direct testimony: Edwin Frank III; Walter Holmsten, Trustee of the Walter R. Holmsten II 2012 Descendants Trust; Cascabel Ranch, LLC; Barnhart Hebronville, Ltd.; Christ-Lane Ranch, LLC; Hinnant & Fulbright, Ltd.; Armstrong Ranch, Ltd; Alec Holbein Family Trust; Tom Land & Cattle Company, Ltd.; Amstrong-El Sordo, Ltd.; Native American Rights Fund; Las Animas Ranch, LLC; Des Ranch Investments, LLC, El Pescado Minerals, Ltd, and Rancho La Cochina Minerals, Ltd; E3 Mountain, LLC; Mijito, Ltd., Van Es, Ltd., GBK Properties, Ltd. and E3 Mountain Ranch, LLC; Mijito, Ltd. and Van Es, Ltd.; and East Foundation.
76. On December 6, 2023, the following parties filed cross-rebuttal testimony: Las Animas Ranch, LLC; DES Ranch Investments, LLC; DES Ranch Investments, LLC, El Pescado

Minerals, Ltd. and Rancho La Cochina Minerals, Ltd.; El Pescado Minerals, Ltd. and Rancho La Cochina Minerals, Ltd.; Cascabel Ranch, LLC; Crestonio Properties, L.P.; East Foundation; Hinnant & Fulbright, Ltd.; Barnhart Hebbbronville, Ltd.; Armstrong Ranch, Ltd.; and Christ-Lane Ranch, LLC.

77. On December 6, 2023, Commission Staff filed the direct testimony of Eduardo Acosta, an engineer in the Commission's infrastructure division.
78. On December 15, 2023, AEP and ETT filed the rebuttal testimony of Marc E. Wilson and Thomas J. Ademski.

Hearing on the Merits

79. The hearing on the merits convened by videoconference on January 11, 2024, and concluded the same day. The following parties made appearances, either personally or through their representatives: the applicants; Commission Staff; Alec Holbein Family Trust; Armstrong El-Sordo Ranch, Limited; Armstrong Ranch, Limited; Barnhart Hebbbronville, Limited; Christ-Lane Ranch, LLC; Hinnant and Fulbright, Limited; Tom Land and Cattle Company, Limited; Native American Rights Fund and Indigenous Peyote Conservation Initiative; Crestonio Properties, LP; East Foundation; Van Es, Ltd.; Mijito, Ltd.; GBK Properties, Ltd.; E3 Mountain, LLC; Eshleman-Vogt Ranch; Edwin Frank, III; Walter Holmsten, as Trustee of the Walter R. Holmsten, II 2012 Descendants Trust; Joe C. Martin; Las Hermanas Ranch, LP; Las Capones Ranch, LP; LODGS, LLC; Las Animas Ranch, LLC; Cascabel Ranch, LLC; DES Ranch Investments, LLC; El Pescado Minerals, Ltd.; Rancho La Cochina Minerals, Ltd.; Jacolon Ranch Trophy Club, LLC; Robert Marshall; and Robert Porter.
80. The parties filed initial briefs and reply briefs on January 26, 2024, and February 5, 2024, respectively.
81. Errata to reply briefs were filed by Alec Holbein Family Trust; Armstrong Ranch, Ltd.; Armstrong-El Sordo Ranch, Ltd.; Barnhart Hebbbronville, Ltd.; Christ-Lane Ranch, LLC; Hinnant & Fulbright, Ltd.; Tom Land & Cattle Company, Ltd.; and The Native American Rights Fund and the Indigenous Peyote Conservation Initiative on February 7, 2024; the applicants on February 8, 2024; and Las Animas Ranch on February 14, 2024.

82. The record closed on February 14, 2024, upon receipt of the last reply brief errata.

Routing Criteria-Adequacy of Existing Service and Need for Additional Service

83. The Lower Rio Grande Valley area is primarily connected to the ERCOT transmission grid through three long-distance 345-kV circuits. Like other areas close to the Gulf of Mexico, the area is susceptible to high-impact weather conditions such as tropical storms, hurricanes, droughts, and the intermittence of renewable generation. Due to limited local conventional generation and transmission infrastructure, such extreme weather conditions or extended outages of transmission or generation could significantly reduce the load serving capability and reliability in the Lower Rio Grande Valley area under existing system conditions.

84. ERCOT's independent review evaluated two short-listed options to improve system resiliency and provide long-term transmission capability for future load and generation development in the area. ERCOT based its review on a potential transmission maintenance outage scenario and estimations of load growth up to the year 2040.

85. ERCOT recommended the construction of three new substations, the installation of two new transformers at an existing substation, and the construction of six new double-circuit 345-kV lines. ERCOT's recommendation included the proposed Cenizo-to-Cruce transmission line at issue in this proceeding.

86. The proposed transmission facilities represent ERCOT's recommended solution to reliability issues in the Lower Rio Grande Valley area.

87. The proposed transmission facilities are necessary and the best way to address reliability issues in the Lower Rio Grande Valley area.

Costs

88. The estimated cost of substation work for all proposed routes is approximately \$2,000,000 for termination equipment at the AEP 345-kV Cruce station and \$18,354,460 for the termination equipment, expansion, and relocation of existing transmission line facilities at the ETT Cenizo 345-kV station.

89. The estimated construction costs of the 27 routes identified in the application as amended range from \$197,130,375 (route M) to \$239,144,479 (route L), excluding station costs.
90. The estimated cost for route BB-Alt2-Rev is \$209,447,817, excluding station costs.
91. The estimated cost for route P-Rev is \$200,713,534, excluding station costs.
92. The estimated cost for route BB-Rev is \$202,162,472, excluding station costs.
93. The estimated costs of the focus routes are reasonable considering the range of cost estimates for aa proposed routes.

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

94. The applicants are the only electric utilities involved in the construction of the transmission facilities.
95. The transmission line will not be directly connected to any other electric utility.
96. The transmission facilities are unlikely to adversely affect service by other utilities in the area.
97. The transmission facilities will likely enhance the reliability of the ERCOT system.

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

98. When developing routes, Burns & McDonnell evaluated the use of existing compatible rights-of-way and paralleling of existing compatible rights-of-way and apparent property boundaries.
99. No proposed route uses existing compatible rights-of-way.
100. The filed routes and the additional routes parallel existing transmission-line rights-of-way, other existing compatible rights-of-way, or apparent property boundaries for approximately 26% to 65% of their length depending on the route selected.
101. Paralleling existing roadways and highways has the benefit of addressing public safety concerns in the study area by reducing the need to clear and create new corridors that may invite pathways for foot traffic.

102. Route BB-Alt2-Rev parallels all existing compatible rights-of-way and apparent property boundaries for 41.86 miles and existing compatible rights-of-way for 67.45% of its length.
103. Route P-Rev parallels all existing compatible rights-of-way and apparent property boundaries for 37.01 miles and existing compatible rights-of-way for 61.48% of its length.
104. Route BB-Rev parallels all existing compatible rights-of-way and apparent property boundaries for 38.67 miles and existing compatible rights-of-way for 63.68% of its length.
105. Route M parallels all existing compatible rights-of-way and apparent property boundaries for 20.24 miles existing compatible rights-of-way for 34.29% of its length.
106. Route BB-Alt2-Rev performs best in paralleling existing compatible rights-of-way or apparent property boundaries.
107. Route BB-Rev performs second-best in paralleling existing compatible rights-of-way or apparent property boundaries, followed by Route P-Rev.
108. The focus routes parallel existing compatible rights-of-way or apparent property boundaries to a reasonable extent.

Engineering Constraints

109. The applicants evaluated engineering and construction constraints when developing the proposed routes.
110. No party identified any significant engineering constraints along any of the proposed routes that cannot be adequately addressed by using design and construction practices and techniques usual and customary in the electric utility industry.
111. All routes are viable, feasible, and reasonable from an engineering perspective.

Impact to Residences/Prudent Avoidance

112. Prudent avoidance is the “limiting of exposures to electric and magnetic fields that can be avoided with reasonable investments of money and effort,” under 16 TAC § 25.101(a)(6).
113. The applicants identified all habitable structures within 520 feet of the rights-of-way centerlines.

114. The number of habitable structures within 520 feet of the rights-of-way centerlines of all routes ranges from one to 14.
115. Routes BB-Alt2-Rev and P-Rev have eight habitable structures within 520 feet of their centerlines.
116. Routes BB-Rev and M have seven and 13 habitable structures, respectively, within 520 feet of their centerlines.
117. Routes P-Rev and BB-Alt2-Rev perform best in prudent avoidance.
118. The construction of the transmission facilities along the focus routes complies with the Commission's policy of prudent avoidance.

Land Uses and Land Types

119. The study area for the proposed transmission facilities is predominantly rural with pastureland/rangeland and throughout.
120. The study area is located within the Coastal Prairies and Interior Coastal Plains Subprovince of the Gulf Coastal Plains Physiographic Province. Elevations within the study area range between approximately 292 feet and 920 feet above mean sea level.
121. All the links and routes proposed by the applicants can be safely and reliably constructed and operated without significant adverse effects on uses of property.

a. Radio Towers and Other Electronic Installations

122. No commercial AM radio transmitters were identified within 10,000 feet of the proposed routes.
123. The number of FM radio transmitters and other electronic communication facilities located within 2,000 feet of the potential routes range from zero to nine.
124. There are five FM radio transmitters and other electronic communication facilities located within 2,000 feet of routes BB-Rev and BB-Alt2-Rev.
125. There are four FM radio transmitters and other electronic communication facilities located within 2,000 feet of route P-Rev.

126. There are no FM radio transmitters and other electronic communication facilities located within 2,000 feet of route M.
127. The proposed transmission facilities will not have a significant effect on electronic communication facilities or operations in the study area.

b. Airstrips and Airports

128. There are no airports registered with the Federal Aviation Administration and equipped with runways shorter than or exactly 3,200 feet within 10,000 feet of the centerline of any of the proposed routes.
129. There are no Federal Aviation Administration-registered airports equipped with at least one runway longer than 3,200 feet within 20,000 feet of the centerline of the proposed routes including route M.
130. There is one Federal Aviation Administration-registered airport equipped with at least one runway longer than 3,200 feet within 20,000 feet of the centerline of the proposed routes including Routes BB-Alt2-Rev, BB-Rev, and P-Rev.
131. The number of private airstrips within 10,000 feet of a route centerline ranges from zero to five including one along each of the focus routes.
132. The number of heliports identified by the applicants within 5,000 feet of a route centerline ranges from zero to one. There is no heliport within 5,000 feet of the focus routes.
133. The transmission facilities will not likely adversely affect any airports, airstrips, or heliports.

c. Irrigation Systems

134. None of the proposed routes cross agricultural lands with known mobile irrigation systems.
135. The transmission facilities will not likely adversely affect any agricultural lands with known mobile irrigation systems.

d. Pipelines

136. The proposed routes cross pipelines ranging from 17 to 29 times.
137. Route M crosses pipelines 24 times.

138. Route BB-Alt2-Rev crosses pipelines 22 times.
139. Route BB-Rev crosses pipelines 21 times.
140. Route P-Rev crosses pipelines 17 times.
141. Route P-Rev performs best with respect to Land Use and Land Types.
142. That the transmission facilities will not likely adversely affect any crossed or paralleled metallic pipelines that transport hydrocarbons.

Aesthetic Values

143. The proposed routes and additional routes are within the foreground visual zone of United States or state highways from 1.88 miles to 11.81 miles.
144. The proposed routes and additional routes are located within the foreground visual zone of farm-to-market roads for 1.02 miles to 11.52 miles.
145. The proposed routes and additional routes are located within the foreground visual zone of recreational or park areas for zero to 1.03 miles.
146. Routes BB-Rev and BB-Alt2-Rev are within the foreground visual zone of United States or state highways for 10.35 miles, and within the foreground visual zone of farm-to-market roads for 5.76 miles.
147. Routes BB-Rev and BB-Alt2-Rev are not within the foreground visual zone of recreational or park areas.
148. Route P-Rev is within the foreground visual zone of United States or state highways from for 10.35 miles, within the foreground visual zone of farm-to-market roads for 5.76 miles, and within the foreground visual zone of recreational or park areas for 1.03 miles.
149. Route M is within the foreground visual zone of United States or state highways from for 1.89 miles, within the foreground visual zone of farm-to-market roads for 5.58 miles, and within the foreground visual zone of recreational or park areas for 1.03 miles.
150. Overall, the study area exhibits a degree of aesthetic quality typical for the region. Most of the landscape within the study area has been altered by land use practices and infrastructure associated with agriculture, transportation, oil and gas activities, residential

and commercial development, large wind developments, and existing electric transmission and distribution facilities.

151. Route M performs best with respect to aesthetics.
152. Aesthetic values would be impacted to a minor extent throughout the study area, and these temporary and permanent negative aesthetic effects may occur on any proposed route.

Environmental Integrity

153. Burns & McDonnell evaluated the effects of the transmission facilities on the environment, including endangered and threatened species and potential consequences for physiography and geology, soil and water resources, the ecosystem (including endangered and threatened vegetation and fish and wildlife), and land use within the study area.
154. Burns & McDonnell analyzed the possible effects of the transmission facilities on numerous environmental factors.
155. Construction of the proposed transmission facilities is not anticipated to have any significant adverse effects on the physiographic or geologic features and resources of the area.
156. Before construction, the applicants will develop a stormwater pollution prevention plan to minimize potential impacts associated with soil erosion, compaction, and off right-of-way sedimentation. Potential impacts to soils, primarily erosion and compaction, would be minimized with the development and implementation of a stormwater pollution prevention plan and use of matting in sensitive areas.
157. The transmission facilities are unlikely to have significant effects on wetland resources, ecological resources, endangered and threatened species, or land use as a result of constructing the transmission facilities approved by this Order.
158. None of the proposed routes or additional routes cross the known habitat of a federally listed threatened or endangered species of plant or animal.
159. The transmission facilities are unlikely to have any significant adverse consequences for populations of any federally listed endangered or threatened species.

160. The Commission's standard Ordering Paragraphs are sufficient to protect environmental resources.
161. It is unlikely that the transmission facilities along the focus routes will adversely affect the environmental integrity of the surrounding landscape.

Community Values

162. The principal concerns of the public included: maintaining distance between the proposed transmission facilities and residences, business, and schools; and minimizing the transmission facilities' impacts on streams and rivers. Other concerns included: maximizing route length along property boundary lines; distance from parks and recreational facilities; route length along existing transmission lines; and minimizing loss of trees, visibility of the line, impacts to archaeological and historic sites, and route length through grassland or pasture.
163. The focus routes adequately address the expressed community values.
164. Routes P-Rev, BB-Rev, and BB-Alt2-Rev perform best with respect to community values.

Texas Parks and Wildlife Department's Written Comments and Recommendations

165. Texas Parks and Wildlife Department did not intervene in this proceeding.
166. On October 12, 2023, TPWD filed comments and recommendations regarding the transmission facilities.
167. TPWD's comments addressed issues relating to effects on ecology and the environment but did not consider the other factors the Commission and utilities must consider in CCN applications.
168. TPWD identified route P as the route that best minimizes adverse effects on natural resources.
169. TPWD addressed issues and recommendations regarding potential impacts on sensitive fish and wildlife resources, habitats, or other sensitive natural resources. The information included typical comments and recommendations for managements practices that are often provided by TPWD regarding proposed transmission line projects.

170. The standard mitigation requirements included in the proposed ordering paragraphs of this proposal for decision, coupled with the applicants' current practices, are reasonable measures for a utility to undertake when constructing a transmission line and sufficiently address TPWD's comments and recommendations.

Permits

171. It is reasonable that before beginning construction of the proposed transmission line approved by the Commission's Order in this case the applicants will:

- a. obtain any necessary permits from the Texas Department of Transportation or any other applicable state agency if the facilities cross state-owned or maintained properties, roads, or highways.
- b. obtain a miscellaneous easement from the General Land Office if the transmission line crosses any state-owned riverbed or navigable stream.
- c. obtain any necessary permits or clearances from federal, state, or local authorities.
- d. obtain a general permit to discharge under the Texas pollutant discharge elimination system for stormwater discharges because of construction activities as required by the TCEQ. In addition, because more than five acres will be disturbed during construction of the transmission facilities, it is appropriate for the applicants, before commencing construction, to prepare the necessary stormwater pollution prevention plan, to submit a notice of intent to the TCEQ, and to comply with all other applicable requirements of the general permit.
- e. Conduct a field assessment of Route P-Rev to identify water resources, cultural resources, potential migratory bird issues, and threatened and endangered species' habitats disrupted by the transmission line. As a result of these assessments, the applicants will identify all necessary permits from Brooks, Duval, Jim Hogg, Webb, and Zapata counties and federal and state agencies. The applicants will comply with the relevant permit conditions during construction and operation of the transmission facilities along the approved route.

172. After designing and engineering the alignments, structure locations, and structure heights, the applicants will determine the need to notify the Federal Aviation Administration based on the final structure locations and designs. If necessary, the applicants 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

173. No part of the transmission facilities approved by the Commission's Order is located within the coastal management program boundary as defined in 31 TAC § 27.1(a).

Limitation of Authority

174. It is not reasonable nor appropriate for a CCN order to be valid indefinitely because it is issued based on the facts known at the time of issuance.
175. Seven years is a reasonable and appropriate limit to place on the authority granted in the Commission's Order to construct the transmission facilities.

Other Issues

176. There is no expectation that any generator will be precluded or limited from generating or delivering power during the construction process.
177. The parties have not reached a complete or partial agreement on a route that relies on modifications to the route segments as noticed in the application.

II. Conclusions of Law

The Commission adopts the following conclusions of law.

1. The applicants are public utilities as defined in PURA § 11.004(1) and electric utilities as defined in PURA § 31.002(6).
2. The Commission has authority over this matter under PURA § 14.001, 32.001, 37.051, 37.053, 37.054, and 37.056.
3. The applicants are required to obtain the Commission's approval to construct the proposed transmission facilities and provide service to the public using those facilities.

4. SOAH exercised jurisdiction over the proceeding under PURA § 14.053 and Texas Government Code §§ 2001.058, 2003.021, and 2003.049.
5. The application is sufficient under 16 TAC § 22.75(d).
6. The applicants provided notice of the application and application amendment in accordance with PURA § 37.054 and 16 TAC § 22.52(a).
7. The record does not show whether proper notice of route BB-Alt2-Rev was provided to affected landowners.
8. The applicants held public meetings and provided notice of the public meetings in compliance with 16 TAC § 22.52(a)(4).
9. The hearing on the merits was set and notice of the hearing was provided in compliance with PURA § 37.054 and Texas Government Code §§ 2001.051 through 2001.052.
10. The Commission processed this docket in accordance with the requirements of PURA, the Administrative Procedure Act,² and the Commission rules.
11. The transmission facilities using route P-Rev is necessary for the service, accommodation, convenience, or safety of the public within the meaning of PURA § 37.056.
12. Route P-Rev best meets the routing criteria set forth in PURA § 37.056(c) and 16 TAC § 25.101(b)(3)(B).
13. The Texas Coastal Management Program does not apply to the transmission line approved in the Commission's Order, and the requirements of 16 TAC § 25.102 do not apply to the amended application.
14. The project in this proceeding for transmission facilities was deemed critical to reliability and was processed in accordance with PURA § 37.057 and 16 TAC § 25.101(b)(3)(D).

III. Ordering Paragraphs

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

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

1. The Commission adopts the proposal for decision, including findings of fact and conclusions of law, except as discussed in this Order.
2. The Commission approves the amended application and amends AEP's CCN number 30028 and ETT's CCN Numbers 30193 and 30194 to the extent provided in this Order.
3. The Commission amends AEP's CCN number 30028 and ETT's CCN numbers 30193 and 30194 to include the construction and operation of their respective transmission facilities, including a 345-kV double-circuit transmission line and associated station termination equipment along the route P-Rev. The ownership dividing point for route P-Rev will be a dead-end structure owned by ETT along link 72, located approximately 0.96 mile east of the intersection of Farm-to-Market Road (FM) 649 and Vaquillas Road in Webb County. ETT will construct and own the approximate 30.06 miles from the AEP Texas-ETT ownership dividing point to the ETT Cenizo 345-kV Station. AEP Texas will construct and own the approximate 30.14 miles from the AEP Texas-ETT ownership dividing point to the AEP Texas Cruce 345-kV Station. The total estimated length for route P-Rev is 60.2 miles.
4. The applicants must consult with pipeline owners or operators in the vicinity of their respective segments of the approved route regarding the pipeline owners' or operators' assessment of the need to install measures to mitigate the effects of alternating-current interference on existing pipelines that are paralleled by the electric transmission facilities approved by this Order.
5. The applicants must conduct surveys, if not already completed, to identify metallic pipelines that could be affected by the transmission facilities approved by this Order and cooperate with pipeline owners in modeling and analyzing potential hazards because of alternating-current interference affecting metallic pipelines being paralleled.
6. The applicants must comply with all applicable local, state, and federal laws, regulations, and permits.
7. The applicants must obtain all permits, licenses, plans, and permissions required by state and federal law that are necessary to construct the transmission facilities approved by this

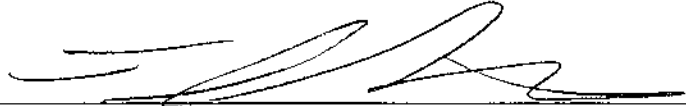
- Order, and if the applicants fail to obtain any such permit, license, plan, or permission, they must notify the Commission immediately.
8. The applicants must identify any additional permits that are necessary, consult any required agencies (such as the United States Army Corps of Engineers and United States Fish and Wildlife Service), obtain all necessary environmental permits, and comply with the relevant conditions before construction and during construction and operation of the transmission facilities approved by this Order.
 9. If the applicants encounter any archeological artifacts or other cultural resources during construction, work must cease immediately in the vicinity of the artifact or resource, and the applicants must report the discovery to, and act as directed by, the Texas Historical Commission.
 10. Before beginning construction, the applicants must undertake appropriate measures to identify whether a potential habitat for endangered or threatened species exists and must respond as required.
 11. The applicants must use best management practices to minimize the potential harm to migratory birds and threatened or endangered species that is presented by the approved route.
 12. The applicants 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.
 13. The applicants 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.

14. The applicants must exercise extreme care to avoid affecting non-targeted vegetation or animal life when using chemical herbicides to control vegetation within the right-of-way. Herbicide use must comply with rules and guidelines established in the Federal Insecticide, Fungicide, and Rodenticide Act and with the Texas Department of Agriculture regulations.
15. The applicants must minimize the amount of flora and fauna disturbed during construction of the transmission facilities, except to the extent necessary to establish appropriate right-of-way clearance for the transmission facilities. In addition, the applicants must re-vegetate using native species and must consider landowner preferences and wildlife needs in doing so. Furthermore, to the maximum extent practicable, the applicants must avoid adverse environmental effects on sensitive plant and animal species and their habitats as identified by Texas Parks and Wildlife Department and United States Fish and Wildlife Service.
16. The applicants 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, the applicants 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 the applicants to restore original contours and grades where a different contour or grade is necessary to ensure the safety or stability of the transmission facilities' structures or the safe operation and maintenance of the transmission facilities.
17. The applicants must cooperate with directly affected landowners to implement minor deviations in the approved route to minimize the disruptive effect of the transmission facilities. Any minor deviations in the approved route must only directly affect the landowners who were sent notice of the transmission facilities in accordance with 16 TAC § 22.52(a)(3) and have agreed to the minor deviation.
18. The Commission does not permit the applicants 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.

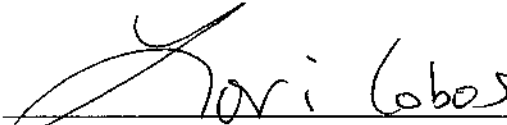
19. If possible, and subject to the other provisions of this Order, the applicants must prudently implement appropriate final design for the transmission facilities to avoid being subject to the Federal Aviation Administration's notification requirements. If required by federal law, the applicants must notify and work with the Federal Aviation Administration to ensure compliance with applicable federal laws and regulations. The Commission does not authorize the applicants to deviate materially from this Order 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 the applicants must file an application to amend its CCN as necessary.
20. The applicants must include the transmission and substation facilities approved by this Order on 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, the applicants must provide final construction costs, with any necessary explanation for cost variance, after completion of construction when the applicants identify all charges.
21. The Commission limits the authority granted by this Order to a period of seven years from the date of this Order unless the transmission facilities are commercially energized before that time.
22. The Commission denies all other motions and any other requests for general or specific relief, if not expressly granted.

Signed at Austin, Texas the 30th day of May 2024.

PUBLIC UTILITY COMMISSION OF TEXAS



THOMAS J. GLEESON, CHAIRMAN



LORI COBOS, COMMISSIONER



KATHLEEN JACKSON, COMMISSIONER