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DOCKET NO. 44242

**APPLICATION OF CENTERPOINT
ENERGY HOUSTON ELECTRIC, LLC
TO AMEND A CERTIFICATE OF
CONVENIENCE AND NECESSITY
FOR A PROPOSED 138-KV
TRANSMISSION LINE WITHIN
HARRIS COUNTY**

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PUBLIC UTILITY COMMISSION
FILING CLERK
OF TEXAS

NOTICE OF APPROVAL

This Notice approves the application of CenterPoint Energy Houston Electric, LLC (CenterPoint Energy) to amend its Certificate of Convenience and Necessity (CCN) to construct a proposed 138- kilovolt (kV) transmission line project in Harris County, Texas. Five parties requested and were granted intervention, but no party filed a request for hearing. Public Utility Commission of Texas (Commission) Staff recommended approval of the application. Based on Commission Staff's recommendation, the following fact statements, legal conclusions, and ordering paragraphs are approved, effective the date of this Notice.

I. Fact Statements

Procedural History

1. CenterPoint Energy is a transmission and distribution utility providing service under CCN No. 30086.
2. On February 12, 2015, CenterPoint Energy filed an application to amend its CCN to construct a proposed 138-kV transmission line in Harris County.
3. On February 12, 2015, CenterPoint had a copy of the environmental assessment, Attachment 1 to the application, delivered to the Texas Parks and Wildlife Department (TPWD).
4. On February 17, 2015, Order No. 1 was issued requiring information from CenterPoint Energy and a recommendation from Commission Staff regarding the sufficiency of the application and notice, and addressing other procedural matters.

5. On February 26, 2015, CenterPoint Energy filed the information required by Order No. 1.
6. On March 4, 2015, CenterPoint Energy filed proof of notice by mail to directly affected landowners, affected county and municipal authorities, and the Office of Public Utility Counsel (OPUC).
7. On March 9, 2015, Commission Staff recommended that the application be found sufficient and that CenterPoint Energy's notice be found in compliance with the Commission's procedural rules.
8. On March 13, 2015, Martin Avila filed a request to intervene.
9. On March 17, 2015, Order No. 2 was issued deeming the application sufficient, approving CenterPoint Energy's provision of notice of the application, and providing a procedural schedule.
10. On March 23 and 24, 2015, Chevron U.S.A. Inc. filed a request to intervene.
11. On March 27, 2015, J. C. Walter, Jr., Ltd. and Richard Rue filed requests to intervene.
12. On March 30, 2015, TPWD filed a letter containing comments and recommendation regarding the application.
13. On March 31, 2015, Yanubba Izaguirre (Munoz) filed a request to intervene.
14. On April 9, 2015, Order No. 3 was issued granting intervention status to the following intervenors: Martin Avila, Chevron U.S.A., Inc., J.C. Walter, Jr., Ltd., Richard Rue, and Yanubba Izaguirre (Munoz).
15. No intervenor requested a hearing on the merits or otherwise filed comments in response to Order No. 2.
16. On April 13, 2015, Commission Staff filed its recommendation for approval of the application for construction of Alternative Route 8.

Notice

17. On February 12, 2015, notice of the application was mailed to all directly affected landowners, municipalities and counties, and OPUC. There are no affected electric

utilities within five miles of the proposed transmission line project; therefore, no notice to utilities was provided.

18. On February 19, 2015, notice of the application was published in *The Katy Times* and the *Houston Chronicle*.
19. Notice of the application was published in the *Texas Register* on February 27, 2015.
20. CenterPoint Energy complied with the notice requirements of 16 Tex. Admin. Code § 22.52(a)(TAC).

Project Description and Cost

21. The new 138-kV circuit will be constructed on double-circuit structures extending from an existing 138-kV transmission line corridor near the existing Franz Substation to the existing Zenith Substation.
22. The application proposed seven alternative routes for the project and identified Alternative Route 8 (composed of segments B-H-N-V-AA-AF-AI-AM) as the route that best addresses the requirements of PURA and the Commission's rules. Route 8 is approximately 6.2 miles in length.
23. The structures used for the line will predominantly be steel lattice towers for both tangents and angles. Alternative Route 8 will be constructed within existing right-of-way (ROW).
24. The total estimated cost of the transmission facilities for Alternative Route 8 is approximately \$11,200,000 which includes \$9,871,000 for the proposed 138-kV transmission line and \$1,329,000 for adjustments to other existing 345-kV transmission lines. This is the lowest estimated cost among the alternative routes. The estimated cost of the proposed transmission line is reasonable when compared to that of similar projects.
25. CenterPoint Energy plans to energize the project facilities on or about February 15, 2017.

Need for the Proposed Transmission Line

26. CenterPoint Energy performed an analysis and issued a report entitled the "Katy Area Upgrades Project Report", Attachment 4 to the application, which considered various options to address transmission system reliability concerns in the Katy area due to

significant load growth. The recommended option included the proposed project as a part of an interrelated set of improvements that are needed to improve reliability.

27. On May 15, 2014, ERCOT issued its “Independent Review of the CenterPoint Katy Area Upgrades Project” (Independent Review), Attachment 2 to the application, and concluded that CenterPoint Energy’s recommended option would constitute the most effective solution to serve the projected load growth in the Katy area. The project as proposed in the application is consistent with ERCOT’s conclusions in the Independent Review.
28. CenterPoint Energy demonstrated a reasonable need for the proposed project in order to provide adequate and reliable service. The need for the proposed transmission line was not disputed in this docket.

Alternative Options to the Project

29. CenterPoint Energy’s Katy Area Upgrades Project Report considered various electrical alternatives to address the reliability issues in the Katy area. These alternatives were developed primarily based upon the judgment of transmission planning engineers, given the nature of the constraints and engineers’ knowledge and experience regarding transmission planning and the ERCOT transmission system.
30. CenterPoint Energy determined there were no feasible distribution alternatives that could address the transmission reliability concerns, and also concluded that upgrading voltage or bundling conductors would not address the loss of load at both the Katy and Franz Substations that would result from a common tower outage.
31. Because CenterPoint Energy is subject to the unbundling requirements of PURA¹ § 39.051, it did not consider a combination of distributed generation and energy efficiency as an alternative to the project.
32. Of the viable transmission alternatives, the project as proposed along Route 8 is the best alternative.

¹ Public Utility Regulatory Act, TEX. UTIL. CODE ANN. §§ 11.001-66.016 (West 2007 & Supp. 2014) (PURA).

Routing of the Proposed Project

33. CenterPoint Energy retained HDR Engineering, Inc. (HDR) to prepare an environmental assessment and routing study for the proposed transmission line. CenterPoint Energy submitted seven alternative routes in the application. Notice was provided regarding all seven alternative routes.
34. CenterPoint Energy considered and submitted a sufficient number of geographically diverse routes for the proposed transmission line.
35. Consistent with the application, the proposed transmission line shall be constructed along CenterPoint Energy's Alternative Route 8.
36. CenterPoint Energy's Alternative Route 8 complies with all aspects of PURA § 37.056 and 16 TAC § 25.101 and is the best alternative, weighing the factors contained therein.
37. Of the seven alternative routes for the proposed transmission line, Alternative Route 8 is the shortest and least costly, and is the only route that will utilize existing, compatible right-of-way for 100% of the route's length.

Community Values

38. Pursuant to 16 TAC § 22.52(a)(4), CenterPoint Energy conducted one public meeting for the proposed transmission line at the Lone Star College CyFair Campus in Cypress, Texas on August 26, 2014.
39. Information received from the public meeting and from local, state, and federal agencies was considered and incorporated into both HDR's routing analysis and CenterPoint Energy's selection of the alternative routes and the route that best addresses the requirements of PURA and the Commission's rules.
40. There are 20 habitable structures located within 300 feet of the centerline of Alternative Route 8.
41. There is one cellular telephone tower and two microwave relay stations located within 2,000 feet of Alternative Route 8. There are no commercial AM radio transmitters located within 10,000 feet and no FM radio transmitters located within 2,000 feet of the centerline of Alternative Route 8.

42. There are no known private airstrips within 10,000 feet of the centerline of Alternative Route 8. There is one FAA-registered airport with a runway more than 3,200 feet within 20,000 feet of the centerline of Alternative Route 8. There are no transmission structures that will exceed a 100:1 horizontal slope (one foot in height for each 100 feet in distance) from the closest point of the closest runway. There are no airports registered with the FAA having a runway more than 3,200 feet in length that are located within 10,000 feet of the centerline of Alternative Route 8. There are no heliports located within 5,000 feet of the centerline of Alternative Route 8.
43. Alternative Route 8 does not cross any pasture or cropland using traveling irrigation systems (either rolling or pivot types).
44. The transmission line project will have minimal adverse impact on community values.

Parks and Recreational Areas

45. There are three parks or recreational areas owned by a governmental body or an organized group, club, or church within 1,000 feet of the centerline of Alternative Route 8.
46. Alternative Route 8 will have minimal adverse impact on parks and recreational areas.

Historical and Archeological Areas

47. No known historical or archeological sites are located within 1,000 feet of the centerline of Alternative Route 8.
48. Alternative Route 8 will have little or no impact on historical or archeological values.

Aesthetic Values

49. Alternative Route 8 will be constructed within an existing transmission ROW.
50. The new construction and operations for this project will have minimal impact on aesthetic values.

Effect of Certificate on Electric Utilities Serving the Proximate Area

51. The facilities proposed in the application will not connect with facilities owned by another utility. No other utilities will be affected by or involved in the construction of the proposed project.
52. The proposed transmission line will not adversely affect service by other utilities in the area and will result in CenterPoint Energy maintaining reliable service to its customers.
53. CenterPoint Energy has adequately addressed the effect of the certificate on CenterPoint Energy and other utilities serving the proximate area.

Environmental Impact/TPWD Comments

54. Construction of the proposed transmission line will not have a significant effect on the geologic or physiographic features of the area.
55. The proposed transmission line will cause only short-term impacts to soil, water, and ecological resources.
56. Potential impacts from Alternative Route 8 are expected to be minor and short-term in nature because it is located within an existing transmission corridor. No significant adverse effects on land use by the proposed transmission line are anticipated.
57. TPWD states that Alternative Route 8 appears to best minimize adverse impacts to natural resources and utilize the most existing ROW (approximately 100 percent).
58. TPWD recommends that the Commission select a route that would minimize adverse impacts to natural resources, such as Alternative Route 8.
59. CenterPoint Energy will utilize best management practices as necessary to avoid, minimize, or mitigate potential impacts to all federally protected plant and animal species.
60. To the maximum extent practicable, CenterPoint Energy shall avoid adverse environmental impacts to sensitive plant and animal species and their habitats as identified by TPWD and the United States Fish and Wildlife Service.
61. No federal or state-listed endangered or threatened species are known to occur in the area.

62. CenterPoint Energy has conducted an adequate evaluation of potential environmental impacts of the proposed transmission line in the impacted area.
63. The mitigation requirements included in the ordering paragraphs in this Notice are reasonable measures for CenterPoint Energy to undertake when constructing the proposed transmission line.

Prudent Avoidance

64. The proposed transmission line has been routed in accordance with the Commission's policy of prudent avoidance.
65. Alternative Route 8 will utilize existing, compatible right-of-way for 100% of the route's length.

Coastal Management Program

66. The proposed transmission line is not located within the inland boundary of the Coastal Management Program.

Probable Improvement of Service or Lowering of Cost to Consumers

67. The proposed project is a portion of an overall set of plans to make improvements to the transmission system in CenterPoint Energy's service territory in order to maintain reliable service to consumers.
68. ERCOT did not perform an economic analysis of the project, because the project is needed to address reliability concerns.

Informal Disposition

69. At least 15 days have passed since the completion of all notice requirements.
70. No intervenor requested a hearing in this proceeding and the deadline for requesting a hearing was April 6, 2015.
71. Commission Staff determined that the application is complete and meets all applicable statutory criteria and filing requirements, including, but not limited to, the provision of proper notice of the application.

II. Legal Conclusions

1. CenterPoint Energy is an electric utility as defined in PURA §§ 11.004 and 31.002(6).
2. The Commission has jurisdiction over this matter pursuant to PURA §§ 14.001, 14.051, 32.001, 37.051, 37.053, 37.054, and 37.056.
3. Notice of the application was provided in compliance with PURA § 37.054 and 16 TAC § 22.52.
4. This docket was processed in accordance with the requirements of PURA, the Administrative Procedure Act, TEX. GOV'T CODE ANN. §§ 2001.001-.902 (Vernon 2008 & Supp. 2014), and Commission rules.
5. CenterPoint Energy is entitled to approval of the application described above, utilizing Alternative Route 8, having demonstrated that the proposed transmission line facilities are necessary for the service, accommodation, convenience, or safety of the public within the meaning of PURA § 37.056(a), taking into consideration the factors set out in PURA § 37.056(c).
6. Alternative Route 8 complies with all aspects of PURA § 37.056(c) and 16 TAC § 25.101, as well as the Commission's policy on prudent avoidance.
7. The application does not constitute a major rate proceeding as defined by 16 TAC § 22.2(27).
8. No hearing was requested and the requirements for administrative approval pursuant to 16 TAC § 25.101(b)(3)(C) have been met in this proceeding.
9. The requirements for informal disposition pursuant to 16 TAC § 22.35 have been met in this proceeding.

III. Ordering Paragraphs

In accordance with these fact statements and legal conclusions, the Commission issues the following order:

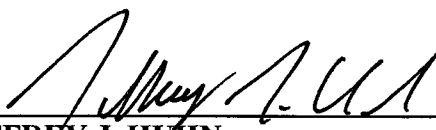
1. CenterPoint Energy's application for construction of a 138-kV transmission line in Harris County using Alternative Route 8 (composed of segments B-H-N-V-AA-AF-AI-AM) is approved.
2. CenterPoint Energy's CCN No. 30086 is amended to include the construction, ownership, and operation of the proposed project as requested in the application.
3. CenterPoint Energy shall comply with the following measures to mitigate construction impacts:
 - a. CenterPoint Energy shall minimize the amount of flora and fauna disturbed during construction of the transmission line, except to the extent necessary to establish appropriate ROW clearance for the transmission line. In addition, the utility shall re-vegetate using native species and shall consider landowner preferences in doing so. To the maximum extent practicable, the utility shall avoid adverse environmental impacts to sensitive plant and animal species and their habitats as identified by the TPWD and the United States Fish and Wildlife Service.
 - b. CenterPoint Energy shall implement erosion control measures during the construction of the proposed project as appropriate. Also, the utility shall return each affected landowner's property to its original contours and grades unless otherwise agreed to by the landowner or landowners' representatives. CenterPoint Energy shall not be required to restore original contours and grades where a different contour or grade is necessary to ensure the safety or stability of the project's structures or the safe operation and maintenance of the line.
 - c. CenterPoint Energy shall exercise extreme care to avoid affecting non-targeted vegetation or animal life when using chemical herbicides to control vegetation within the ROW, and shall ensure that such herbicide use complies with the rules

- and guidelines established in the Federal Insecticide, Fungicide and Rodenticide Act and with the Texas Department of Agriculture regulations.
- d. CenterPoint shall follow the procedures described in the following publications for raptor protection: *Suggested Practices for Raptor Protection on Power Lines: The State of the Art in 2006*, Avian Power Line Interaction Committee (APLIC) 2006, and the *Avian Protection Plan Guidelines* published by APLIC in April 2005, and *Reducing Avian Collisions with Power Lines: The State of the Art in 2012*, published by APLIC, October 2012.
 - e. In the event CenterPoint Energy or its contractors encounter any archaeological artifacts or other cultural resources during project construction, CenterPoint Energy shall cease work immediately in the vicinity of the resource and report the discovery to the Texas Historical Commission (THC) and shall take action as directed by the THC.
4. CenterPoint Energy shall cooperate with directly affected landowners to implement minor deviations in the approved route to minimize the impact of the proposed transmission line. Any minor deviations to the approved route shall directly affect only landowners who were sent notice of the transmission line in accordance with 16 TAC § 22.52(a)(3) and shall directly affect only those landowners that have agreed to the minor deviation, excluding public right-of-ways.
 5. CenterPoint Energy shall be permitted to deviate from the approved route in any instance in which the deviation would be more than a minor deviation, but only if the following two conditions are met. First, CenterPoint Energy shall receive consent from all landowners who would be affected by the deviation, regardless of whether the affected landowner received notice of, or participated in, this proceeding. Second, the deviation shall result in a reasonably direct path towards the terminus of the line and not cause an unreasonable increase in cost or delay of the project. Unless these two conditions are met, this paragraph does not authorize CenterPoint Energy to deviate from the approved route, except as allowed by the other ordering paragraphs of this Notice.
 6. CenterPoint Energy shall comply with the reporting requirements of 16 TAC § 25.83.

7. All other motions, requests for entry of specific findings of fact or conclusions of law, and any other requests for general or specific relief, if not expressly granted herein, are denied.

SIGNED AT AUSTIN, TEXAS on the 4th day of May, 2015.

PUBLIC UTILITY COMMISSION OF TEXAS



JEFFREY J. HUHN
ADMINISTRATIVE LAW JUDGE

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