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APPLICATION OF AEP TEXAS INC. TO AMEND ITS CERTIFICATE OF CONVENIENCE AND NECESSITY FOR THE GOODLETT-TO-QUANAH 138-KV TRANSMISSION LINE IN HARDEMAN COUNTY PUBLIC UTILITY COMMISSION OF TEXAS

NOTICE OF APPROVAL

This Notice of Approval addresses the application of AEP Texas Inc. to amend its certificate of convenience and necessity (CCN) number 30170 for approval to construct a new 138-kilovolt (kV) single-circuit transmission line in Hardeman County. The Commission amends AEP Texas's CCN number 30170 to authorize AEP Texas to construct, own, and operate the proposed 138-kV transmission line in Hardeman County using route A to the extent provided in this Notice of Approval.

I. Findings of Fact

The Commission makes the following findings of fact.

<u>Applicant</u>

- 1. AEP Texas is a Delaware corporation registered with the Texas secretary of state under filing number 802611352.
- AEP Texas owns and operates for compensation facilities and equipment to generate, transmit, and distribute electricity in the Electric Reliability Council of Texas (ERCOT) region.
- 3. AEP Texas is required under CCN number 30170 to provide retail electric utility service within its certificated service area.

Application

 On January 14, 2022, AEP Texas filed an application to amend its CCN number 30170 to construct, own, and operate the proposed Goodlett-to-Quanah 138-kV single-circuit transmission line in Hardeman County.

- 5. AEP Texas retained Burns & McDonnell Engineering Company, Inc. to prepare an environmental assessment and routing analysis for the transmission line, which was included as part of the application.
- 6. On May 20, 2022, AEP Texas filed an errata to the application to correct typographical errors contained in the application.
- 7. No party challenged the sufficiency of the application.
- 8. In Order No. 2 filed on February 15, 2022, the Commission administrative law judge (ALJ) found the application administratively complete.

Description of Proposed Transmission Line

- 9. AEP Texas proposes to construct a new 138-kV transmission line, initially operated at 69-kV, using single-circuit concrete monopole structures for tangents, and tubular steel monopole structures for dead-ends, on a combination of direct-embedded concrete foundations for tangents and anchor bolted type drilled pier foundations for dead-end and larger angle structures.
- 10. The proposed transmission line will begin at the existing AEP Texas Goodlett substation located west of Farm-to-Market Road 1166 along the existing AEP Texas Childress-to-Quanah 69-kV transmission line and will terminate at one of two proposed tie-ins into the existing Childress-to-Quanah transmission line. The first tie-in is referred to as the East Tie-In Point and is located near the junction of Arkansas Road and Mayfield Road, and the other tie-in option is the West-Tie-In Point and is located approximately one mile west from the same intersection of Arkansas Road and Mayfield Road.
- 11. The typical single-circuit structure will be 70 to 110 feet in height; however, the height may vary depending on the clearance requirements at a particular location, due to the terrain, span lengths, and overhead obstructions.
- 12. The proposed transmission line will be approximately six to 7.6 miles in length, depending on the alternative route selected, and will require a 100-foot wide right-of-way.
- 13. AEP Texas will own, operate, and maintain the proposed transmission line.
- 14. The existing Goodlett substation is owned by AEP Texas, and the existing Childress-to-Quanah transmission line is owned by AEP Texas.

<u>Schedule</u>

15. AEP Texas estimated that it would acquire all rights-of-way by September 22, 2023, finalize engineering and design by October 22, 2023, procure material and equipment by October 15, 2023, complete construction by April 1, 2024, and energize the transmission line by April 1, 2024.

Public Input

- 16. AEP Texas notified potentially affected landowners that it had created a website where landowners could find their property and the proposed routing segments on an interactive map and provide comments. Information was also included on the website about the Commission's regulatory-approval process, the need for the transmission line, the routing analysis process, and the type of transmission-line structures that AEP Texas was proposing for the transmission line.
- 17. AEP Texas hosted live virtual public meetings over WebEx on July 22 and August 10, 2021, to provide information about the transmission line and to answer participants' questions. In the notice of the virtual public meetings, AEP Texas provided landowners with a questionnaire, similar to those typically provided at the in-person public meetings, and a pre-paid return envelope for landowners to submit their comments. The notice also identified multiple ways that landowners could contact AEP Texas, including a toll-free phone number, email, and the transmission-line website.
- 18. The COVID-19 pandemic and the social-distancing recommendations made by the Centers for Disease Control and Prevention and the State of Texas constitute good cause for AEP Texas to have held online public meetings over WebEx rather than hold an in-person public meeting for the transmission line.
- 19. AEP Texas mailed written notices of the virtual public meetings to all owners of property within 300 feet of the centerline of each alternative routing segment. A total of 36 invitation letters were mailed to landowners for the virtual public meeting.
- AEP Texas sent an email to the Department of Defense Siting Clearinghouse on July 2, 2021, providing notice of the virtual public meeting.

- 21. A total of three individuals attended the virtual public meetings. AEP Texas received five completed questionnaires.
- 22. The principal concerns or issues presented by the landowners were minimizing impact to streams and rivers; maximizing distances from residences, businesses, and schools; maximizing distance from parks and recreational facilities; and minimizing visibility of the transmission line.
- 23. Burns & McDonnell contacted federal, state, and local regulatory agencies, elected officials, and organizations regarding the proposed transmission line including the Department of Defense Siting Clearinghouse. All agency comments, concerns, and information received were taken into consideration by Burns & McDonnell and AEP Texas in development of the alternative routes. Copies of correspondence with the various state and federal regulatory agencies, and local and county officials and departments are included in appendix A of the environmental assessment.

Notice of the Application

- 24. On January 14, 2022, AEP Texas sent written notice of the application by priority mail to neighboring utilities, the judge of Hardeman County, each of the commissioners of the four precincts in Hardeman County, the mayor of the City of Quanah, directly affected landowners, and the Office of Public Utility Counsel.
- 25. On January 14, 2022, AEP Texas sent written notice of the application by email to the Department of Defense Siting Clearinghouse.
- 26. On January 14, 2022, AEP Texas sent written notice of the application and a copy of the environmental assessment by first class mail to the Texas Parks and Wildlife Department.
- 27. On January 21, 2022, notice of the application was published in *The Quanah Tribune-Chief*, a newspaper of general circulation in Hardeman County.
- 28. On February 4, 2022, AEP Texas filed the affidavit of Roy R. Bermea, regulatory consultant representing AEP Texas, attesting to the provision of notice by mail and email on January 14, 2022, and by publication on January 21, 2022.
- 29. On February 4, 2022, AEP Texas filed a publisher's affidavit attesting to the publication of notice in *The Quanah Tribune-Chief*.

 In Order No. 2 filed on February 15, 2022, the Commission ALJ found AEP Texas's notice sufficient.

<u>Intervenors</u>

31. In Order No. 3 filed on February 28, 2022, the Commission ALJ granted the motions to intervene filed by Kevin B. and Marita Lane and Chris Hammack.

Statements of Position and Testimony

- 32. On May 20, 2022, AEP Texas filed the direct testimony of Dewey G. Peters, project manager in the transmission services department of American Electric Power Service Company; and Thomas Ademski, senior project manager with Burns & McDonnell.
- 33. On July 13, 2022, Commission Staff filed the direct testimony of John Poole, engineer with the Commission's Infrastructure Division.
- 34. On August 3, 2022, AEP Texas filed the rebuttal testimony of Mr. Ademski.

Referral to the State Office of Administrative Hearings (SOAH) for Hearing

- 35. On March 22, 2022, the Commission referred this docket to SOAH and filed a preliminary order specifying issues to be addressed in this proceeding.
- 36. In SOAH Order No. 2 filed on April 20, 2022, the SOAH ALJ provided notice of a hearing on the merits to begin on August 23, 2022.
- 37. In SOAH Order No. 4 filed on July 20, 2022, the SOAH ALJ dismissed Kevin B. and Marita Lane and Chris Hammack as intervenors for failing to file direct testimony or a statement of position.
- 38. In SOAH Order No. 6 filed on August 18, 2022, the SOAH ALJ abated the proceeding and hearing at the request of AEP Texas and Commission Staff.
- 39. In SOAH Order No. 7 filed on August 29, 2022, the SOAH ALJ extended the abatement of the proceeding at the request of AEP Texas and Commission Staff.
- 40. On September 2, 2022, AEP Texas and Commission Staff filed an agreed notice of approval supporting approval of the AEP Texas application using route A and a motion to admit evidence, cancel the hearing, and remand the proceeding to the Commission for further processing.

- 41. In SOAH Order No. 8 filed on September 8, 2022, the SOAH ALJ admitted the following into the evidentiary record: (a) AEP Texas's application and accompanying attachments filed on January 14, 2022, including the errata filed on May 20, 2022; (b) AEP Texas's response to Order No. 1 filed on January 28, 2022; (c) AEP Texas's proof of notice and publication filed on February 4, 2022; (d) the direct testimony of AEP Texas witness Mr. Peters filed on May 20, 2022; (e) the direct testimony of AEP Texas witness Mr. Ademski filed on May 20, 2022; (f) the direct testimony of AEP Texas witness Mr. Poole filed on July 13, 2022; and (g) the rebuttal testimony of AEP Texas witness Mr. Ademski filed on August 3, 2022.
- 42. In SOAH Order No. 8 filed on September 8, 2022, the SOAH ALJ dismissed the proceeding from SOAH's docket and remanded it to the Commission.

Route Adequacy

- 43. AEP Texas and Burns & McDonnell developed, evaluated, and filed 17 routing links and six alternative routes for the proposed transmission line.
- 44. No party filed testimony or a position statement challenging whether the application provided an adequate number of reasonably differentiated routes to conduct a proper evaluation, and no party requested a hearing on route adequacy.
- 45. The application provided an adequate and sufficiently delineated route to conduct a proper evaluation.
- 46. All alternative routes are viable and constructible.

Need for the Proposed Transmission Line

- 47. The proposed transmission line will replace a section of the existing Childress-to-Quanah 69-kV transmission line.
- 48. Underground mining activities at a gypsum mine and years of natural erosion in the study area have compromised portions of the existing AEP Texas Childress-to-Quanah 69-kV transmission line and the existing Acme Bestwall substation, causing reliability and safety concerns.
- 49. The natural erosion in conjunction with the mining activity around the AEP Texas Childress-to-Quanah 69-kV transmission line's structures has created a reliability concern

and will lead to future safety issues along its route, which is further compromised by the natural erosion in the area.

- 50. AEP Texas will need to replace a portion of the AEP Texas Childress-to-Quanah 69-kV transmission line and will retire the existing Acme Bestwall substation to ensure continued reliable and safe electric service in the area.
- 51. Because the incremental cost is not significant and the cost would be much greater to replace the line when 138-kV service is needed in the future, the proposed transmission line is being constructed in a manner that will allow for future 138-kV operation.
- 52. No party challenged the need for the transmission line.
- 53. AEP Texas demonstrated a reasonable need for the proposed transmission line.

Proposed Transmission Line Alternatives

- 54. There are no practical distribution alternatives to the proposed transmission line or alternatives involving upgrading of existing transmission facilities that would meet the need for the proposed transmission line.
- 55. Failing to replace the portion of the existing transmission line that is being removed from service would create unacceptable reliability problems and safety issues.
- 56. AEP Texas is subject to the unbundling requirements of PURA¹ § 39.051 and is therefore not required to consider distributed generation or energy efficiency as an alternative to the proposed transmission line.
- 57. Given the nature of the need for the proposed transmission line, there are no practical alternatives.

Engineering Constraints

- 58. AEP Texas evaluated engineering and construction constraints when developing the routes.
- 59. AEP Texas did not identify any engineering constraints that would prevent construction of the transmission line along the proposed routes.

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

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

- 60. The proposed routes parallel existing transmission right-of-way, apparent property lines, and other existing compatible rights-of-way for 61.2% (route E) to 85.1% (route B) of their length.
- 61. Route A parallels existing transmission right-of-way, apparent property lines, and other existing compatible rights-of-way for 84.4% of its length.
- 62. Route A parallels existing transmission right-of-way, apparent property lines, and other existing compatible rights-of-way to a reasonable extent.

Effect of Amending the CCN on Utilities Serving the Proximate Area

- 63. South Plains Electric Cooperative, Golden Spread Electric Cooperative, Inc., and Harmon Electric Association, Inc. are located within five miles of the proposed transmission line.
- 64. The proposed transmission line will not be directly connected to any other electric utility. No other electric utility is involved with the construction of the transmission line. The transmission line does not use existing facilities owned by any other electric utility.
- 65. It is unlikely that the construction of the transmission line along route A will adversely affect service by other utilities in the area.

Estimated Costs

- 66. The estimated costs for the proposed transmission line range from approximately \$10,169,000 (for route C) to approximately \$12,458,000 (for route F).
- 67. The estimated cost of route A is \$10,634,551.
- 68. The total estimated cost for the proposed transmission line along route A is reasonable.
- 69. AEP Texas will finance the transmission line through a combination of debt and equity.

<u>Prudent Avoidance</u>

- 70. Prudent avoidance is the limiting of exposures to electric and magnetic fields that can be avoided with reasonable investments of money and effort.
- 71. The number of habitable structures within 300 feet of the centerline ranges from one on routes C and E to two on routes A, B, D, and F.

72. The construction of the transmission line along route A complies with the Commission's policy of prudent avoidance.

Community Values

- 73. Information regarding community values was received from local, state, and federal agencies and incorporated into the environmental assessment and the transmission line route selection.
- 74. The proposed transmission line adequately addresses the expressed community values and the proposed routes will have minimal impact on community values.

Other Comparisons of Land Uses and Land Types

- 75. The study area traversed by the alternative routes for the proposed transmission line is in central Hardeman County, approximately four miles southwest of the Texas-Oklahoma border.
- 76. The study area is rural and is primarily in agricultural use, with isolated residences and farmsteads interspersed among agricultural fields and rangeland tracts.
- 77. Commercial development is concentrated along United States Route 287 and State Loop 285, where the Georgia-Pacific gypsum plant (formerly the Acme Mine) occurs in the center of the study area.

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

- 78. There are no commercial AM radio transmitters identified within 10,000 feet of the centerline of the proposed routes.
- 79. There are no FM radio transmitters, microwave relay stations, or other electronic installations located within 2,000 feet of the centerline of the proposed routes.
- 80. It is unlikely that the presence of the transmission line along route A will adversely affect any communication operations in the proximity of route A.

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

81. There is one public airport (Quanah Municipal Airport) registered with the Federal Aviation Administration with at least one runway longer than 3,200 feet located within 20,000 feet of the centerline of the proposed routes. The location of the airport was

shown on figure 2-2 in the map pocket of the routing study and the distance of the airport from each alternative route was identified in tables 6-2 through 6-7 of the routing study.

- 82. There are no public airports registered with the Federal Aviation Administration where there is not a runway more than 3,200 feet in length located within 10,000 feet of the centerline of the proposed routes.
- 83. There are no private airstrips located within 10,000 feet of the centerline of the proposed routes.
- 84. There are no heliports located within 5,000 feet of the centerline of the proposed routes.
- 85. It is unlikely that the presence of the transmission line along route A will adversely affect any airports, airstrips, or heliports.

c. <u>Irrigation Systems</u>

- 86. The proposed routes do not cross land irrigated by known mobile irrigation systems.
- 87. It is unlikely that the presence of the transmission line along route A will adversely affect any agricultural lands with known mobile irrigation systems.

d. <u>Pipelines</u>

- 88. Routes A, B, and C cross one pipeline transmitting hydrocarbons.
- 89. It is unlikely that the presence of the transmission line along route A will adversely affect any crossed or paralleled metallic pipelines that transport hydrocarbons.

Recreational and Park Areas

- 90. There are no parks or recreational areas crossed by or within 1,000 feet of the centerline of the proposed routes.
- 91. It is unlikely that the presence of the transmission line along route A will adversely affect the use and enjoyment of any recreational or park areas.

Historical and Archeological Values

- 92. No known cultural resource site is crossed by or is within 1,000 feet of the centerline of the proposed routes.
- 93. No National Register of Historic Places listed properties or determined eligible site is crossed by or is within 1,000 feet of the centerline of the proposed routes.

- 94. All six alternative routes cross areas of high archeological site potential.
- 95. It is unlikely that the presence of the proposed transmission line along route A will adversely affect historical or archeological resources.

<u>Aesthetic Values</u>

- 96. No outstanding aesthetic resources, designated scenic views, or unique visual elements were identified from the literature review or from ground reconnaissance of the study area for the proposed transmission line.
- 97. The study area for the proposed transmission line exhibits a moderate degree of aesthetic quality for the region. The majority of the study area is in agricultural use, with a mixture of pastureland, rangeland, and cropland, but the landscape has experienced a moderate degree of alteration with large-scale mining operations, current and remnant oil and gas infrastructure, existing electric transmission facilities, and road and rail transportation corridors.
- 98. To further evaluate aesthetic impacts, measurements were made to estimate the length of the proposed route that would fall within the foreground visual zone (one-half mile with unobstructed views) of major highways, farm-to-market roads, and parks or recreational areas.
- 99. Portions of each primary alternative route would be within the foreground visual zone of United States and state highways. The estimated length of right-of-way within the foreground visual zone of United States and state highways ranges from a low of approximately 1,380 feet (routes A and B) to a high of approximately 33,694 feet (route F).
- 100. Portions of each primary alternative route would be within the foreground visual zone of farm-to-market roads. The estimated length of right-of-way within the foreground visual zone of farm-to-market roads ranges from a low of approximately 4,485 feet (routes D and E) to a high of approximately 7,789 feet (routes A, B, and C).
- 101. None of the primary alternative routes are located within the foreground visual zone of parks or recreational areas.

102. It is unlikely that the proposed transmission line along the route A will significantly or adversely impact the aesthetic quality of the landscape.

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

- 103. The proposed routes parallel existing transmission right-of-way, apparent property lines, and other existing compatible rights-of-way for 61.2% (route E) to 85.1% (route B) of their length.
- 104. Route A parallels existing transmission right-of-way, apparent property lines, and other existing compatible rights-of-way for 84.4% of its length.
- 105. Route A parallels existing transmission right-of-way, apparent property lines, and other existing compatible rights-of-way to a reasonable extent.

Environmental Integrity

- 106. AEP Texas and Burns & McDonnell analyzed the possible impacts of the transmission line on numerous environmental factors.
- 107. Current county listings for federally and state-listed threatened and endangered species were obtained from United States Fish and Wildlife Service and Texas Parks and Wildlife Department. United States Fish and Wildlife Service designated critical habitat locations were included in the review.
- 108. According to United States Fish and Wildlife Service and Texas Parks and Wildlife Department, two federal or state-listed endangered or threatened fish species are of potential occurrence in Hardeman County. These are the state-listed threatened prairie chub and Red River pupfish. These species would not be expected due to the ephemeral nature of the streams within the study area. Furthermore, named creeks such as South Groesbeck Creek would be spanned. Overall, it is unlikely that the proposed transmission line will adversely affect these species, or any other endangered or threatened aquatic species.
- 109. The state-listed (threatened) Texas kangaroo rat and Texas horned lizard may occur in small numbers in the study area where potential habitat is present. If present within the proposed right of way, these species could experience minor temporary disturbance during construction efforts. In many instances, however, potential habitat may be completely

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avoided, or otherwise spanned to avoid impacts. Overall, it is unlikely that the proposed transmission line will affect these two species.

- 110. The federally-listed whooping crane (endangered), piping plover, red knot, and eastern black rail (threatened), and the state-listed interior least tern (endangered) and white-faced ibis (threatened) are not expected to occur in the study area except as migrants or vagrants and would not be expected to stay for extended periods. Additionally, the normal flying altitudes of most migrant species are greater than the heights of the proposed transmission structures (Gauthreaux, 1978; Willard, 1978). It is unlikely that avian species listed as potentially occurring within the study area would be adversely affected by the proposed transmission line.
- 111. The monarch butterfly, a federal candidate species, may occur in the study area as a spring breeder or during migration. However, it is unlikely that this species would be adversely affected by the proposed transmission line.
- 112. It is unlikely that construction of the proposed transmission line will have significant impacts on terrestrial recreationally and commercially important species in the study area.
- 113. No endangered or threatened plant species have been recorded from Hardeman County; therefore, no listed plant species will be adversely affected by the proposed transmission line.
- 114. No federally determined critical habitat has been designated in the study area for endangered or threatened species. Therefore, no impact to critical habitat will occur because of the proposed transmission line.
- 115. After Commission approval of a route, field surveys may be performed, if necessary, to identify potential suitable habitat for federally- and state-listed animal species and determine the need for any additional species-specific surveys. If potential suitable habitat is identified or federally- or state-listed animal species are observed during a field survey of the Commission-approved route, AEP Texas may further coordinate with the Texas Parks and Wildlife Department and United States Fish and Wildlife Service to determine avoidance and/or mitigation strategies.

- 116. AEP Texas can construct the transmission line in an ecologically sensitive manner on route A.
- 117. AEP Texas will mitigate any effect on federally listed plant or animal species according to standard practices and measures taken in accordance with the Endangered Species Act.
- 118. It is appropriate for AEP Texas to protect raptors and migratory birds by following the procedures outlined in the following publications: *Reducing Avian Collisions with Power Lines: The State of the Art in 2012*, Edison Electric Institute and Avian Power Line Interaction Committee, Washington, D.C. 2012; *Suggested Practices for Avian Protection on Power Lines: The State of the Art in 2006*, Edison Electric Institute, Avian Power Line Interaction Committee, and the California Energy Commission, Washington, D.C. and Sacramento, CA 2006; and *Avian Protection Plan Guidelines*, Avian Power Line Interaction Committee and United States Fish and Wildlife Service, April 2005. It is appropriate for AEP Texas to take precautions to avoid disturbing occupied nests and take steps to minimize the burden of construction on migratory birds during the nesting season of the migratory bird species identified in the area of construction.
- 119. It is appropriate for AEP Texas to minimize the amount of flora and fauna disturbed during construction of the transmission line.
- 120. It is appropriate for AEP Texas to re-vegetate cleared and disturbed areas using native species and consider landowner preferences and wildlife needs in doing so.
- 121. It is appropriate for AEP Texas to avoid, to the maximum extent reasonably possible, causing adverse environmental effects on sensitive plant and animal species and their habitats as identified by the Texas Parks and Wildlife Department and the United States Fish and Wildlife Service.
- 122. It is appropriate for AEP Texas to implement erosion-control measures and return each affected landowner's property to its original contours and grades unless the landowners agree otherwise. However, it is not appropriate for AEP Texas to restore original contours and grades where different contours or grades are necessary to ensure the safety or stability of any transmission line.

- 123. It is appropriate for AEP Texas to exercise extreme care to avoid affecting non-targeted vegetation or animal life when using chemical herbicides to control vegetation within rights-of-way. The use of chemical herbicides to control vegetation within rights-of-way is required to comply with the rules and guidelines established in the Federal Insecticide, Fungicide, and Rodenticide Act and with the Texas Department of Agriculture regulations.
- 124. It is appropriate for AEP Texas to use best management practices to minimize the potential burdens on migratory birds and threatened or endangered species.
- 125. It is unlikely that the presence of the transmission line along route A will adversely affect the environmental integrity of the surrounding landscape.

Texas Parks and Wildlife Department's Written Comments and Recommendations

- 126. The Texas Parks and Wildlife Department's Wildlife Habitat Assessment Program provided information and recommendations regarding the preliminary study area for the proposed transmission line to Burns & McDonnell on February 22, 2021.
- 127. The Texas Parks and Wildlife Department was provided a copy of the environmental assessment for the proposed transmission line.
- 128. On March 15, 2022, the Texas Parks and Wildlife Department filed its comments and recommendations on the proposed transmission line.
- 129. The Texas Parks and Wildlife Department identified route A as the route that best minimizes adverse effects on natural resources.
- 130. Before beginning construction, it is appropriate for AEP Texas to undertake appropriate measures to identify whether a habitat for potential endangered or threatened species exists and to respond appropriately.
- 131. AEP Texas will use avoidance and mitigation procedures to comply with laws protecting federally listed species.
- 132. AEP Texas will re-vegetate the new right-of-way as necessary and according to AEP Texas's vegetation management practices, the storm water pollution prevention plan developed for construction of the transmission line, and in many instances, landowner preferences or requests.

- 133. AEP Texas's standard vegetation removal, construction, and maintenance practices adequately mitigate concerns expressed by the Texas Parks and Wildlife Department.
- 134. AEP Texas will use appropriate avian protection procedures.
- 135. AEP Texas will comply with all environmental laws and regulations, including those governing threatened and endangered species.
- 136. AEP Texas will comply with all applicable regulatory requirements in constructing the proposed transmission line, including any applicable requirements under section 404 of the Clean Water Act.
- 137. AEP Texas will cooperate with the United States Fish and Wildlife Service and the Texas Parks and Wildlife Department if threatened or endangered species' habitats are identified during field surveys.
- 138. If construction impacts federally listed species or their habitat or impacts water under the jurisdiction of the United States Army Corps of Engineers or the Texas Commission on Environmental Quality, AEP Texas will cooperate with the United States Fish and Wildlife Service, the United States Army Corps of Engineers, and the Texas Commission on Environmental Quality, as appropriate, to coordinate permitting and perform any required mitigation.
- 139. The standard mitigation requirements included in the ordering paragraphs in this Notice of Approval, coupled with AEP Texas's current practices, are reasonable measures for a utility to undertake when constructing a transmission line and are sufficient to address the Texas Parks and Wildlife Department's comments and recommendations.

<u>Permits</u>

- 140. Before beginning construction of the transmission line approved by this Notice of Approval, it is appropriate for AEP Texas to obtain any necessary permits or clearances from federal, state, or local authorities.
- 141. It is appropriate for AEP Texas to conduct a field assessment of the approved route before beginning construction of the transmission line approved by this Notice of Approval to identify water resources, cultural resources, potential migratory bird issues, and threatened and endangered species' habitats disrupted by the transmission line. As a result of these

assessments, AEP Texas will identify all necessary permits from Hardeman County and federal and state agencies. AEP Texas will comply with the relevant permit conditions during construction and operation of the transmission line along the approved route.

142. After designing and engineering the alignments, structure locations, and structure heights, AEP Texas will determine the need to notify the Federal Aviation Administration based on the final structure locations and designs. If necessary, AEP Texas will use lower-thantypical structure heights, line marking, or line lighting on certain structures to avoid or accommodate requirements of the Federal Aviation Administration.

Coastal Management Program

- 143. No part of the proposed transmission line is located within the Coastal Management Program boundary as defined in 31 TAC § 503.1.
- 144. The proposed construction of the transmission line along route A will not have any effect on any of the applicable coastal natural resource areas as defined under Texas Natural Resources Code § 33.203 and 31 TAC § 501.3(b).

Effect on the State's Renewable Energy Goal

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

Probable Improvement of Service or Lowering Consumer Cost

- 147. The transmission line approved by this Notice of Approval are needed to maintain safe and reliable electric service in the area.
- 148. The proposed transmission line is not being proposed to, and is not expected to, result in a lowering of costs to customers.

<u>Seven-Year Time Limit</u>

- 149. It is reasonable and appropriate for a CCN order not to be valid indefinitely because it is issued based on the facts known at the time of issuance.
- 150. Seven years is a reasonable and appropriate limit to place on the authority granted in this Notice of Approval for AEP Texas to construct the transmission line.

Informal Disposition and Administrative Approval

- 151. More than 15 days have passed since the completion of notice requirements in this docket.
- 152. Kevin B. and Marita Lane and Chris Hammack, the only intervenors in this proceeding, were dismissed.
- 153. AEP Texas and Commission Staff are the only remaining parties to this proceeding.
- 154. No hearing is necessary.
- 155. Commission Staff recommended approval of the application.
- 156. This decision is not adverse to any party.

II. Conclusions of Law

The Commission makes the following conclusions of law.

- 1. The Commission has authority over this matter under PURA §§ 14.001, 32.001, 37.051, 37.053, 37.054, and 37.056.
- 2. AEP Texas is a public utility as defined in PURA § 11.004(1) and electric utility as defined in PURA § 31.002(6).
- 3. AEP Texas must obtain the approval of the Commission to construct the transmission line and provide service to the public using the transmission line under PURA § 37.053.
- 4. The application is sufficient under 16 TAC § 22.75(d).
- 5. The application complies with the requirements of 16 TAC § 25.101.
- 6. The Commission processed this docket in accordance with the requirements of PURA, the Administrative Procedure Act,² and the Commission's rules.
- 7. AEP Texas provided notice of the application in compliance with PURA § 37.054 and 16 TAC § 22.52(a).
- 8. There is good cause under 16 TAC § 22.5(b) to grant an exception to the requirements of 16 TAC § 22.52(a)(4) for AEP Texas to have held an online public meeting instead of an in-person public meeting.

² Administrative Procedure Act, Tex. Gov't Code §§ 2001.001-2001.903.

- 9. The transmission line using route A is necessary for the service, accommodation, convenience, or safety of the public within the meaning of PURA § 37.056 and 16 TAC § 25.101.
- 10. The transmission line complies with PURA § 37.056(c) and 16 TAC § 25.101(b)(3)(B), including the Commission's policy of prudent avoidance, to the extent reasonable to moderate the impact on the affected community and landowners.
- 11. The Texas Coastal Management Program does not apply to the transmission line approved by this Notice of Approval and the requirements under 16 TAC § 25.102 do not apply to this application.
- 12. The requirements for administrative approval in 16 TAC § 25.101(b)(3)(C) have been met in this proceeding.
- 13. The requirements for informal disposition under 16 TAC § 22.35 have been met in this proceeding.

III. Ordering Paragraphs

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

- The Commission amends AEP Texas's CCN number 30170 to include the construction, ownership, and operation of the proposed 138-kV transmission line in Hardeman County using route A (routing links 1, 2, 5 and 7).
- 2. AEP Texas must consult with pipeline owners or operators in the vicinity of the proposed route regarding the pipeline owners' or operators' assessment of the need to install measures to mitigate the effects of alternating-current interference on existing pipelines that are paralleled by the electric transmission line approved by this Notice of Approval.
- 3. AEP Texas must conduct surveys, if not already completed, to identify metallic pipelines that could be affected by the transmission line approved by this Notice of Approval and cooperate with pipeline owners in modeling and analyzing potential hazards because of alternating-current interference affecting metallic pipelines being paralleled.
- 4. AEP Texas must obtain all permits, licenses, plans, and permissions required by state and federal law that are necessary to construct the transmission line approved by this Notice of

Approval, and if AEP Texas fails to obtain any such permit, license, plan, or permission, it must notify the Commission immediately.

- 5. AEP Texas must identify any additional permits that are necessary, consult any required agencies (such as the United States Army Corps of Engineers and the United States Fish and Wildlife Service), obtain all necessary environmental permits, and comply with the relevant conditions during construction and operation of the transmission line approved by this Notice of Approval.
- 6. If AEP Texas encounters any archeological artifacts or other cultural resources during construction, work must cease immediately in the vicinity of the artifact or resource, and AEP Texas must report the discovery to, and act as directed by, the Texas Historical Commission.
- 7. Before beginning construction, AEP Texas must undertake appropriate measures to identify whether a potential habitat for endangered or threatened species exists and must respond as required.
- 8. AEP Texas must use best management practices to minimize the potential impact to migratory birds and threatened or endangered species.
- 9. AEP Texas must follow the procedures to protect raptors and migratory birds as outlined in the following publications: *Reducing Avian Collisions with Power Lines: State of the Art in 2012*, Edison Electric Institute and Avian Power Line Interaction Committee, Washington, D.C. 2012; *Suggested Practices for Avian Protection on Power Lines: The State of the Art in 2006*, Edison Electric Institute, Avian Power Line Interaction Committee, and the California Energy Commission, Washington, D.C. and Sacramento, CA 2006; and *Avian Protection Plan Guidelines*, Avian Power Line Interaction Committee and United States Fish and Wildlife Service, April 2005. AEP Texas must take precautions to avoid disturbing occupied nests and take steps to minimize the burden of construction on migratory birds during the nesting season of the migratory bird species identified in the area of construction.
- 10. AEP Texas must exercise extreme care to avoid affecting non-targeted vegetation or animal life when using chemical herbicides to control vegetation within the rights-of-way.

Herbicide use must comply with rules and guidelines established in the Federal Insecticide, Fungicide, and Rodenticide Act and with Texas Department of Agriculture regulations.

- 11. AEP Texas must minimize the amount of flora and fauna disturbed during construction of the transmission line, except to the extent necessary to establish appropriate right-of-way clearance for the transmission line. In addition, AEP Texas must re-vegetate using native species and must consider landowner preferences and wildlife needs in doing so. Furthermore, to the maximum extent practical, AEP Texas must avoid adverse environmental effects on sensitive plant and animal species and their habitats, as identified by the Texas Parks and Wildlife Department and the United States Fish and Wildlife Service.
- 12. AEP Texas must implement erosion-control measures as appropriate. Erosion-control measures may include inspection of the rights-of-way before and during construction to identify erosion areas and implement special precautions as determined reasonable to minimize the effect of vehicular traffic over the areas. Also, AEP Texas must return each affected landowner's property to its original contours and grades unless otherwise agreed to by the landowner or the landowner's representative. However, the Commission does not require AEP Texas to restore original contours and grades where a different contour or grade is necessary to ensure the safety or stability of the transmission line's structures or the safe operation and maintenance of the transmission line.
- 13. AEP Texas must cooperate with directly affected landowners to implement minor deviations in the approved route to minimize the disruptive effect of the transmission line. Any minor deviations in the approved route must only directly affect the landowners who were sent notice of the transmission line in accordance with 16 TAC § 22.52(a)(3) and landowners that have agreed to the minor deviation.
- 14. AEP Texas is not authorized to deviate from the approved route in any instance in which the deviation would be more than a minor deviation without first further amending its CCN.
- 15. If possible, and subject to the other provisions of this Notice of Approval, AEP Texas must prudently implement appropriate final design for the transmission line to avoid being subject to the Federal Aviation Administration's notification requirements. If required by federal law, AEP Texas must notify and work with the Federal Aviation Administration to

ensure compliance with applicable federal laws and regulations. The Commission does not authorize AEP Texas to deviate materially from this Notice of Approval to meet the Federal Aviation Administration's recommendations or requirements. If a material change would be necessary to meet the Federal Aviation Administration's recommendations or requirements, then AEP Texas must file an application to amend its CCN as necessary.

- 16. AEP Texas must include the transmission line approved by this Notice of Approval on its monthly construction progress reports before the start of construction to reflect the final estimated cost and schedule in accordance with 16 TAC § 25.83(b). In addition, AEP Texas must provide final construction costs, with any necessary explanation for cost variance, after completion of construction when all charges have been identified.
- 17. The Commission limits the authority granted by this Notice of Approval to a period of seven years from the date this Notice of Approval is signed unless, before that time, the transmission line is commercially energized.
- The Commission denies all other motions and any other requests for general or specific relief that have not been expressly granted.

Signed at Austin, Texas the 28th day of September 2022.

PUBLIC UTILITY COMMISSION OF TEXAS

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CHRISTINA DENMARK ADMINISTRATIVE LAW JUDGE

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