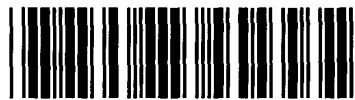


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Item Number: 8

Addendum StartPage: 0

DOCKET NO. 48202

RECEIVED

JOINT APPLICATION OF CROSS §  
TEXAS TRANSMISSION, LLC AND §  
THE CITY OF GARLAND TO §  
TRANSFER CERTIFICATE RIGHTS §  
FOR THE LIMESTONE TO §  
GIBBONS CREEK TRANSMISSION §  
LINE IN GRIMES, MADISON AND §  
LEON COUNTIES §

PUBLIC UTILITY COMMISSION  
OF TEXAS  
MAY 23 AM 10:16  
PUBLIC UTILITY COMMISSION  
OF TEXAS  
BEING CLEAR

**COMMISSION STAFF'S FINAL RECOMMENDATION**

**COMES NOW** the Staff of the Public Utility Commission of Texas (Staff), representing the public interest, and files this Final Recommendation in response to Order No. 2 and would show the following:

**I. BACKGROUND**

On March 23, 2018, Cross Texas Transmission, LLC (Cross Texas) and the City of Garland (Garland) filed an application for approval of the transfer of certificate of convenience and necessity (CCN) rights to an existing transmission line segment. Specifically, Cross Texas seeks to transfer a portion of its CCN for the Limestone to Gibbons Creek 345 kV transmission line to Garland, consistent with the ownership structure described in the application for the CCN to construct the Limestone to Gibbons Creek line.<sup>1</sup>

On April 25, 2018, Order No. 2 was issued, establishing a deadline of May 23, 2018, for Staff to file a final recommendation on the application or to request a hearing on the merits. This pleading is therefore timely filed.

**II. RECOMMENDATION**

Cross Texas and Garland filed a supplement to the application on May 7, 2018. As detailed in the attached memorandum from Blake Ianni in the Commission's Infrastructure and Reliability Division, Staff has reviewed the application, as supplemented, and recommends that the

<sup>1</sup> See *Application of Cross Texas Transmission, LLC to Amend a Certificate of Convenience and Necessity for the Limestone to Gibbons Creek 345-kV Transmission Line in Brazos, Freestone, Grimes, Leon, Limestone, Madison, and Robertson Counties*, Docket No. 44649, Application at 3, 5, and 12 (Apr. 24, 2015).

application be approved. Specifically, Staff has reviewed the transfer under PURA<sup>2</sup> § 37.154, which allows the transfer of electric CCN rights if the Commission determines that the transferee can provide adequate service. Staff's analysis indicates that Garland has demonstrated that it can provide adequate service. Staff therefore recommends that the Commission approve the application.

### **III. CONCLUSION**

For the reasons detailed above, Staff recommends that the application be approved. A joint proposed order, including findings of fact, conclusions of law, and ordering paragraphs will be filed according to the procedural schedule established in Order No. 2.

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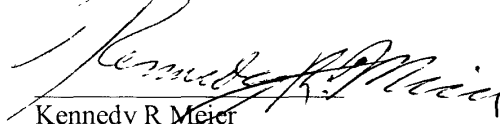
<sup>2</sup> Public Utility Regulatory Act, Tex. Util. Code Ann. §§ 11.001-58.302 (West 2016 & Supp. 2017), §§ 59.001-66.016 (West 2007 & Supp. 2017) (PURA).

Respectfully Submitted,

**PUBLIC UTILITY COMMISSION OF  
TEXAS LEGAL DIVISION**

Margaret Uhlig Pemberton  
Division Director

Katherine Lengieza Gross  
Managing Attorney

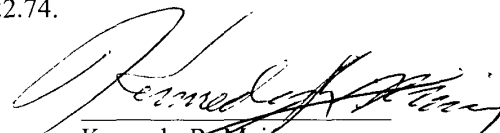


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**DOCKET NO. 48202**

**CERTIFICATE OF SERVICE**

I certify that a copy of this document will be served on all parties of record on this the 23<sup>rd</sup> of May, 2018 in accordance with 16 TAC § 22.74.



Kennedy R. Meier

# *Public Utility Commission of Texas*

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## **Memorandum**

**TO:** Kennedy Meier  
Legal Division

**FROM:** Blake Ianni  
Infrastructure and Reliability Division

**DATE:** May 23, 2018

**RE:** ENGINEERING REVIEW  
Docket No. 48202, Joint Application of Cross Texas Transmission, LLC and the City of Garland to Transfer Certificate Rights for the Limestone to Gibbons Creek Transmission Line in Grimes, Madison, and Leon Counties

On March 23, 2018 Cross Texas Transmission, LLC (CTT) and the City of Garland (Garland) filed a joint application to transfer a portion of CTT's certificate of convenience and necessity (CCN) rights for the Limestone to Gibbons Creek 345 kV double-circuit transmission line in Grimes, Leon, Limestone, and Madison counties, Texas ("Limestone-Gibbons Creek Line"), to Garland.

### **I. Proposed Transaction & Background**

#### Overview

The transaction is for a partial transfer of CTT's CCN rights to Garland to own and operate Garland's portion of the 345 kV double-circuit Limestone-Gibbons Creek Line.

#### Background

In April 2014, the Electric Reliability Council of Texas (ERCOT) approved a project called the Houston Import Project and appointed CenterPoint Energy Houston Electric LLC, CTT, and Garland collectively to be responsible for the construction and operation of the transmission lines for the project. The Limestone-Gibbons Creek Line in this docket is one aspect of the Houston Import Project, and ERCOT designated in 2014 that Garland and CTT would be responsible for this particular line.<sup>1</sup> Concurrent with these ERCOT decisions, the 84<sup>th</sup> Texas Legislature made a statutory change requiring municipal utilities to obtain a CCN if they were attempting to operate transmission facilities more than 10 miles outside of their municipal territory.<sup>2</sup>

At the time construction was set to begin on the Houston Import Project, Garland and CTT agreed that CTT would apply for and construct the Limestone to Gibbons Creek 345 kV Project, with Garland paying for its portion of the line throughout the

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<sup>1</sup> Joint Application to Transfer Certificate of Convenience and Necessity at 3-4 (Mar. 23, 2018) (Joint Application).

<sup>2</sup> Public Utility Regulatory Act, Tex. Util. Code Ann. § 37.051(g) (West 2016) (PURA).

construction process.<sup>3</sup> Additionally, the two entities agreed that once construction was complete, CTT would transfer Garland's portion of the line to Garland. This Joint Application is the culmination of the outlined process for the Limestone-Gibbons Creek Line, and if approved by the Commission, it will provide Garland the necessary authority to own and operate its portion of the 345 kV line.

## **II. Engineering Review and Analysis**

I have reviewed the application with regard to whether Garland and CTT can continue to provide adequate, reliable service subsequent to the transfer. Specifically, I reviewed the application with regard to factors listed in Public Utility Regulatory Act (PURA) § 37.154<sup>4</sup> and highlight the following:

- A. CTT currently holds CCN 30195, and Garland holds CCN 30063.<sup>5</sup>
- B. The Limestone-Gibbons Creek Line in question was approved in Docket No. 44649 and constructed by CTT, with Garland paying for its portion of line throughout the construction process.<sup>6</sup>
- C. As of the end of April of 2018, the line is energized.<sup>7</sup>
- D. The portion of the line that would be transferred to Garland is approximately 38.93 miles long, beginning at the existing Gibbons Creek Substation in Grimes County and ending at dead end structure 39/7 in Leon County (See attached map).<sup>8</sup>

## **III. Conclusions and Recommendation**

Both CTT and the City of Garland currently provide electric service in Texas. Transferring CCN rights to Garland for its portion of the Limestone-Gibbons Creek Line is not expected to result in a decline in the availability or reliability of service for customers. Therefore, I recommend that the Commission issue a determination that the transaction is reasonable and transfer CTT's CCN rights for Garland's portion of the Limestone-Gibbons Creek Line to Garland.

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<sup>3</sup> *Id.*

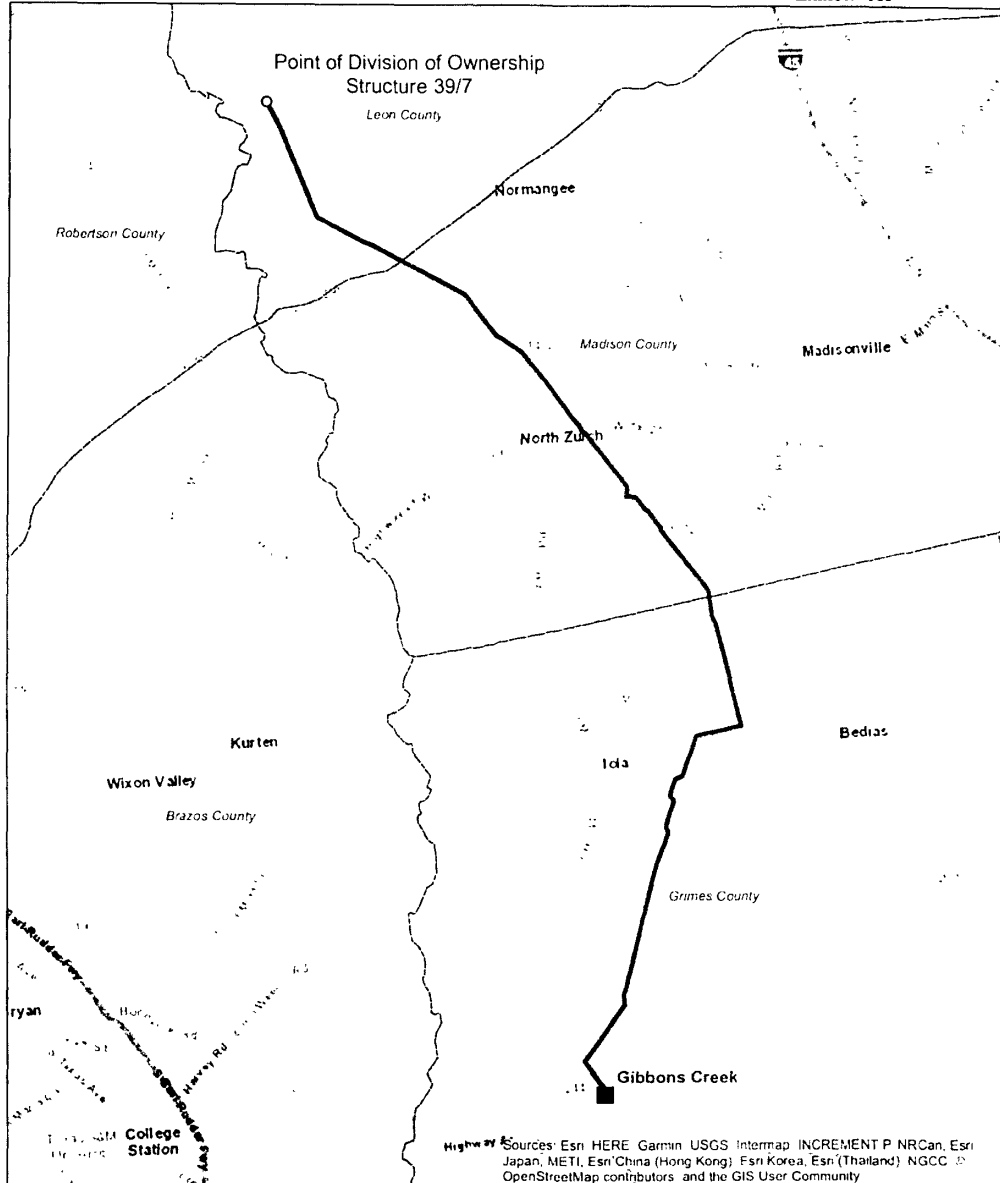
<sup>4</sup> *See* PURA § 37.154.

<sup>5</sup> Garland, DBA "Garland Power and Light"

<sup>6</sup> Joint Application at 4.




<sup>7</sup> *Id.* and 2018 Monthly Construction Progress Report Pursuant to 16 TAC § 25.83, Project No. 47927, Cross Texas Transmission Construction Progress Report for (04/2018) (May 15, 2018). (Filed as item no. 125).

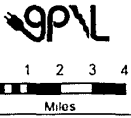
<sup>8</sup> Joint Application at 6; Supplement to Joint Application to Transfer Certificate of Convenience and Necessity at 3 (May 7, 2018).



Sources: Esri, HERE, Garmin, USGS, Intermap, INCREMENT P, NRCan, Esri Japan, METI, Esri China (Hong Kong), Esri Korea, Esri (Thailand), NGCC, OpenStreetMap contributors, and the GIS User Community

**Legend**

-  Transmission Line (Garland Segment 38.93 miles)
-  Existing Substation
-  County Boundaries



**City of Garland's Portion of Limestone to Gibbons Creek 345kV Transmission Line Project**

Revised April 2018