Routes

50. SPS considered and submitted a sufficient number of geographically diverse routes for the proposed transmission line.

51. The proposed transmission line complies with all aspects of PURA § 37.056 and P.U.C. SUBST. R. 25.101.

52. Consistent with the application and the stipulation, the proposed Rolling Hills substation shall be constructed adjacent to the west side of the Cherry Creek substation and the proposed transmission line shall be constructed along the settlement route comprised of Segments A, C, M, N, I, G, J-1, and K.

53. The settlement route complies with all aspects of PURA § 37.056 and P.U.C. SUBST. R. 25.101 and is the best alternative weighing the factors contained therein.

54. No party to this docket contests the substation location and settlement route as described above for the proposed transmission line.

Community Values

55. Pursuant to P.U.C. PROC. R. 22.52(a)(4), SPS and AECOM conducted one public open-house meeting on April 7, 2011, at the Amarillo civic center between the hours of 5:00 PM and 8:00 PM.

56. Information received from the public open-house meeting and from local, state, and federal agencies was considered and incorporated into both AECOM's routing analysis and SPS's selection of alternative routes.

57. Commission Staff recommends that SPS cooperate with directly affected landowners to implement minor deviations in the approved route to minimize the impact of the proposed transmission line.

58. There are 25 habitable structures located within 300 feet of the proposed transmission line along the settlement route.

59. There is one AM radio tower within 10,000 feet of the transmission line along the settlement route.

60. There are five FM electronic communication towers located within 2,000 feet of the transmission line along the settlement route.

61. There are no known FAA registered airfields within 20,000 feet of the centerline of the settlement route. There are no known heliports within 5,000 feet of the settlement route. There are no private airstrips within 10,000 feet of the centerline of the settlement route.

Park and Recreational Areas

62. There is one park within 1,000 feet of the proposed centerline of each of the alternative routes and the settlement route. The park is owned by the City of Amarillo.

63. The proposed transmission line will have no adverse impact on parks or recreational areas.

Historical and Archeological Areas

64. None of the alternate routes cross any previously recorded historical or archeological sites. The settlement route does not cross any previously recorded historical or archeological sites, and there are no such sites within 1,000 feet of the route.

Aesthetic Values

65. The aesthetic impacts of the proposed transmission line have been considered and minimized to the extent possible.

Effect of Granting the CCN on Other Utilities

66. The proposed transmission line will not adversely affect service by other utilities in the area and will result in SPS being able to provide reliable service.

Environmental Impact

67. Construction of the proposed transmission line will not have a significant effect on the geologic or physiographic features of the area.

68. The proposed transmission line will not have a long-term impact on soils. SPS will inspect the right-of-way (ROW) during and after construction to identify problem erosion areas and will take special precautions to minimize vehicular traffic over areas with very shallow soils. SPS will also exercise special care when clearing near waterways.

69. The proposed transmission line will have minimal impact on prime farmland and will be limited to the physical occupation of small areas at the base of support structures.

70. The construction of the proposed transmission line should have little impact on surface water.

71. A perennial tributary of West Amarillo Creek would be crossed by Segment J-1 of the settlement route. While the United States Geological Survey designates the stream as perennial, results from aerial photography review and a field reconnaissance in March 2011 indicate that the stream is intermittent and dry most of the year. However, SPS will span the tributary and structures should not be necessary within the channel. Since J-1 parallels the tributary, standard best management practices identified in the EA would be implemented, including the use of silt barriers to prevent sediment transport into the tributary, post-construction revegetation or hydroseeding if necessary, and suspending construction during extreme wet conditions to minimize ground disturbance and sediment transport. No other stream/tributary crossings by any of the alternate routes or the settlement route were identified in the EA based on review of United States Geological Survey maps and field reconnaissance. Should small ephemeral tributaries, streams or channels be encountered during construction, the measures recommended above for J-1 would apply.

72. Although it is likely that one or more transmission line structures for Segment J-1 will be located within a floodplain, careful siting should eliminate the possible impacts and should not significantly affect flooding. Structures located within the floodplain may require concrete foundations to avoid any damage from flooding; this would be determined during final design. Segment G of the settlement route and alternate routes would span the floodplain. No other floodplains are crossed by the settlement route. SPS will coordinate with the appropriate floodplain administrators for Potter County as necessary.

73. Construction of the proposed transmission line and substation should have little impact on the ground water resources of the area.

74. The main impact of the transmission line on vegetation will be the removal of woody vegetation along the proposed ROW and substation sites. Only minimal clearing will be necessary throughout the rangelands. When clearing vegetation, SPS will make efforts to retain native ground cover, where possible, and to minimize impacts to local vegetation.

75. The transmission line will have only a minor impact, if any, on aquatic/hydric habitat.

76. The transmission line will have only a minor impact on local wildlife.

77. The transmission line is not located within the boundaries of the Texas coastal management program boundary.

78. No plants currently listed as threatened or endangered by United States Fish and Wildlife Service (USFWS) and TPWD are known to occur along the proposed transmission line routes or on substation sites. No impacts to any federal or state-protected plant species are expected to result from this project.

79. No impacts to federal or state listed threatened or endangered wildlife or aquatic species are anticipated. The only endangered or threatened wildlife species listed in Potter County is the whooping crane. The only endangered or threatened aquatic species listed in Potter County is the Arkansas River shiner. No suitable habitat was identified for those species in the study area. SPS listed this as a potential reptile species in the study area but found no element occurrences or habitats for threatened or endangered species in the study area.

80. Non-listed, sensitive species that may occur in the habitat are the Black-tailed prairie dog, the Ferruginous Hawk, the Western Burrowing Owl, the Black-tailed prairie dog, and the swift fox. If construction is to occur within or adjacent to a prairie dog colony during burrowing owl nesting season from March 1 to August, SPS will consult USFWS for any required surveys.

81. Any construction activities should avoid burrows, including prairie dog colonies and mammal burrows to avoid potential impacts to prairie dogs and the swift fox.

82. SPS has conducted an adequate evaluation of potential environmental impacts of the proposed transmission line in the impacted area.

Prudent Avoidance

83. The proposed transmission line has been routed in accordance with the Commission's policy of prudent avoidance. There are 25 habitable structures within 300 feet of the centerline of the settlement route.

TPWD Written Comments and Recommendations

84. SPS has committed to comply with all environmental laws and regulations independent of any language included by the Commission in an order.

85. In addition to obtaining a CCN from the Commission, SPS may need additional permits and may be required to make additional notification in order to construct the project.

86. After a transmission line route has been selected and approved by the Commission, qualified individuals will conduct a field assessment of the entire length of the project to identify water resources, cultural resources, potential migratory bird issues, and threatened or endangered species habitat that may be impacted as a result of the project. As a result of these assessments, SPS will identify additional permits that are necessary, will obtain all necessary environmental permits, and will comply with the relevant permit conditions during construction and operation of the transmission line.

87. It is appropriate that SPS utilize permitted biological monitors to ensure compliance with the Endangered Species Act.

88. SPS's construction practices are sufficient and thus no additional permitted biological monitors are necessary during clearing and construction activities for state-listed species.

89. It is proper that SPS undertake measures necessary to comply with the Migratory Bird Treaty Act.

90. The standard mitigation requirements included in the ordering paragraphs in this Order, coupled with SPS's construction and mitigation practices are reasonable measures for a utility to undertake when constructing a transmission line.

91. It is appropriate that SPS use best management practices to minimize the potential impact to migratory birds and threatened or endangered species.

92. To the extent prairie dog towns are in the immediate proximity of the route, it is appropriate that SPS undertake the measures described in the letter dated August 1, 2011, from TPWD that is in the record in this docket regarding the Black-Tailed Prairie Dog.

II. Conclusions of Law

1. SPS is an electric utility as defined in PURA §§ 11.004 and 31.002(6).

2. SPS is not a participant in the retail competition market under PURA, Chapter 39, Subchapter I.

3. The Commission has jurisdiction over this matter pursuant to PURA §§ 14.001, 32.001, 37.051, 37.053, 37.054, and 37.056.

4. SPS provided proper notice of the application in compliance with PURA § 37.054 and P.U.C. PROC. R. 22.52(a).

5. This docket was processed in accordance with the requirements of PURA, the Administrative Procedure Act, TEX. GOV'T CODE ANN. Chapter 2001 (Vernon 2011), and Commission rules.

6. SPS is entitled to approval of the application described in the findings of fact, utilizing the settlement route, having demonstrated that the proposed transmission line facilities are necessary for the service, accommodation, convenience, and safety of the public within the meaning of PURA § 37.056(c).

7. The settlement route complies with all aspects of PURA § 37.056 and P.U.C. SUBST. R. 25.101, as well as the Commission's policy of prudent avoidance.

8. This application does not constitute a major rate proceeding as defined by P.U.C. PROC. R. 22.2.

9. Consistent with the stipulation, the application is reasonable and should be approved.

10. The requirements for informal disposition under P.U.C. PROC. R. 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 Order:

1. Consistent with the stipulation, SPS's application is approved.

2. Consistent with the stipulation, CCN No. 30153 is amended to include the construction and operation of the transmission line facilities requested in the application. SPS will use the settlement route comprised of Segments A, C, M, N, I, G, J-1, and K, approximately six miles in length, as described in Exhibit A to the stipulation and provided with this Order as Attachment 1.

3. Resolution of this docket was the product of negotiation and compromise between the Parties. Entry of this Order does not indicate the Commission's endorsement or approval of any principle or methodology that may underlie the stipulation. Entry of this Order shall not be regarded as binding precedent as to the appropriateness of any principle underlying the stipulation.

4. In the event SPS or its contractors encounter any artifacts or other cultural resources during project construction, work shall cease immediately in the vicinity of the resource and the discovery shall be reported to the Texas Historical Commission. In that situation, SPS shall take action as directed by the Texas Historical Commission.

5. SPS shall implement erosion control measures as appropriate. SPS shall return each affected landowner's property to its original contours and grades unless otherwise agreed to by the landowner or landowners' representatives. SPS 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.

6. SPS shall follow the procedures for raptor protection outlined in the *Avian Power Line Interaction Commission (APLIC), Suggested Practices for Raptor Protection on Power Lines: The State of the Art in 2006 (2006);* and in the APLIC and USFWS in the avian protection plan guidelines (2005). SPS shall take precautions to avoid disturbing

occupied nests and will take steps to minimize the impact of construction on migratory birds, especially during nesting season.

7. SPS 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.

8. SPS 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. Additionally, SPS shall re-vegetate using native species and shall consider landowner preferences and wildlife needs in doing so. Furthermore, to the maximum extent practicable, SPS shall avoid adverse environmental impacts to sensitive plant and animal species and their habitats as identified by TPWD and the USFWS.

9. SPS shall use best management practices to minimize the potential impact to migratory birds and threatened or endangered species.

10. SPS shall cooperate with directly affected landowners to implement minor deviations in the approved route to minimize the impact of the project. Any minor deviations in the approved route shall only directly affect landowners who were sent notice of the transmission line in accordance with P.U.C. PROC. R. 22.52(a)(3) and shall directly affect only those landowners that have agreed to the minor deviation, excluding public rights-of-way.

11. SPS 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, SPS 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 the project. Unless these two conditions are met, this paragraph does not authorize

SPS to deviate from the approved route except as allowed by the other ordering paragraphs in this Order.

12. SPS shall update the reporting of this project on their monthly construction progress report prior to the start of construction to reflect final estimated cost and schedule in accordance with P.U.C. SUBST. R. 25.83(b).

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

SIGNED AT AUSTIN, TEXAS the 15th day of December 2011.

PUBLIC UTILITY COMMISSION OF TEXAS

DONNA L. NELSON, CHAIRMAN

KENNETH W. ANDERSON, JR., COMMISSIONER

ROLANDO PABLOS, COMMISSIONER

q:\cadm\orders\final\39000\39467fo.docx

Attachment 1

Exhibit A

Settlement Route Segments

The Settlement Route Consists of Segments A, C, M, N, I, G, J-1, and K.

Segment A

Segment A originates at the revised settlement location of the proposed Rolling Hills Substation near the southern boundary of Section 163, adjacent to the west side of the existing Cherry Street Substation. The segment extends to the south crossing of W. Cherry Avenue and continues south parallel to the eastern ROW of Leroy Way Street for approximately 5,321 feet, in then crosses W. Willow Creek Drive and terminates south of W. Willow Creek Drive, at the intersection of Segments A, O, and C near the northern boundary of Section 165. Segment A is approximately 5,421 feet long.

Segment C

Segment C originates at the intersection of Segments A, O, and C near the northern boundary of Section 165 and extends west, parallel to the south side of the W. Willow Creek Drive ROW and terminates at the intersection of Segments C, D, M, and F in the northwest corner of Section 165. Segment C is 2,665 feet long.

Segment M

Segment M originates at the intersection of Segments M, C, D, and F southeast of the intersection of W. Willow Creek Drive and Broadway Drive/FM 2176, in the northwest corner of Section 165. Segment M runs south for approximately 4,839 feet, east of Broadway Drive/FM 2176, before terminating on the north side of the State Loop 335/St. Francis Avenue off-ramp.

Segment M terminates at the intersection of Segments M, L, and N in the southwest corner of Section 165. The existing SPS distribution line will be underbuilt on the new transmission line for the entire length of Segment M. Segment M is 4,839 feet long.

Segment N

Segment N originates at the intersection of Segments N, L, and M in the southwestern corner of Section 165, north of the State Loop 335/St. Francis Avenue off-ramp. The segment heads south, spanning State Loop 335/St. Francis Avenue and the on- and off-ramps for a distance of 548 feet before turning due west in the northwest corner of Section 166. From this point Segment N extends 236 feet west, crossing Broadway Drive/FM 2176 before terminating at the intersection of Segments N, D, I, and E in the northeast corner of Section 191. Segment N is 784 feet long. This portion of transmission line will also have the existing distribution line underbuilt on it to utilize an existing corridor.

Segment I

Segment I begins at the intersection of Segments I, D, N, and E in the northeast corner of Section 191 and extends 5,061 feet west, paralleling the south side ROW of State Loop 335/St. Francis Avenue before terminating in the northwest corner of Section 191 at the intersection of Segments I, G, and F.

Segment G

Segment G begins at the intersection of Segments G, F, and I in the northwest corner of Section 191, paralleling the west side of Section 191 for 2,691 feet to the intersection of Segments G, J-1, and H.

Segment J-1

Segment J-1 originates at the intersection of Segments J-1, G, and H in Section 191. The segment extends 1,320 feet west from this intersection before turning south. The segment extends another 2,600 feet south, within the east half of the southeast ¼ of Section 222, before crossing an existing distribution line and intersecting with W. Hastings Avenue. Segment J-1 then extends south another 190 feet, crossing W. Hastings Avenue and an existing 69-kV transmission line that parallels the south side of W. Hastings Avenue, entering into Section 223. Segment J-1 then turns east, extending another 1,320 feet paralleling the south side of the 69- kV transmission line, within Section 223, before terminating at the intersection of Segments J, H, and K in the northwest corner of Section 190. The total length of Segment J-1 is 5,430 feet.

Segment K

Segment K originates in the northwest corner of Section 190 at the intersection of Segments K, H, and J-1. The segment extends 4,789 feet, paralleling the south side of W. Hastings Avenue, south of the existing 69-kV transmission line ROW before terminating at the Hastings Substation in the northeast corner of Section 190. Segment K is 4,789 feet long.

LEGEND
Proposed 115kV Route
345kV LINE
230kV LINE
115kV LINE
69kV LINE
NORTH
Settled Route
ROUTE MAP
ROLLING HILLS TO HASTING
115kV
RM-112
A
C
M
N
I
K
G
J