



AGENDA MEMORANDUM

Action Item for the City Council Meeting of February 25, 2014

DATE: February 18, 2014

TO: Ronald L. Olson, City Manager

FROM: Tom Tagliabue, Director, Intergovernmental Relations
tomtag@cctexas.com
361.826.3850

Resolution recommending routing priorities for the proposed Electric Transmission Texas (ETT) electric transmission line connecting the Barney Davis Substation to Naval Base Substation; authorizing intervention in the ETT application for a Certificate of Convenience and Necessity (CCN) with the Public Utility Commission (PUC) of Texas and hiring outside legal counsel and consulting services.

CAPTION:

Resolution recommending routing priorities for the proposed Electric Transmission Texas, LLC, 138-kilovolt (kV) electric power transmission line connecting the Barney Davis Substation to Naval Base Substation near Naval Air Station Corpus Christi; authorizing intervention in the Electric Transmission Texas, LLC, application for a Certificate of Convenience and Necessity with the Public Utility Commission of Texas for the electric transmission line and hiring legal and consulting services.

PURPOSE:

The City of Corpus Christi needs to proactively communicate to ETT about its concerns with potential routes and the impacts it could have on neighborhoods, home values, the tax base, city infrastructure, training missions at NAS-Corpus Christi and the environment prior to the company filing its application for a Certificate of Convenience and Necessity with the Public Utility Commission of Texas. In addition, the City needs to authorize staff to officially intervene in the CCN filing with the PUC so the City's interests can be protected throughout the process and appropriate legal services and consultants can be engaged in a timely manner to protect the City's interests.

BACKGROUND AND FINDINGS:

Electric Transmission Texas, LLC, is a transmission utility co-owned by subsidiaries of American Electric Power (AEP) and MidAmerican Energy Holdings Company. AEP is also the parent company of AEP Texas Central Company. According to notice provided by ETT in October 2013, the proposed 138-kilovolt (kV) electric power transmission line was recommended by the Electric Reliability Council of Texas (ERCOT) to address transmission service reliability issues that exist for the Flour Bluff/South Corpus Christi area. The line will reportedly will provide the necessary support of the area transmission network needed to reduce the possibility of the loss of electric load, particularly during scheduled maintenance outages of autotransformers at the Airline Substation west of Oso Bay. At Laguna Substation, ETT is also required to construct a new 138-kV busbar and install a new 138 kV / 69 kV-autotransformer.

In early March 2014, ETT is expected to submit routing recommendations to the Public Utility Commission of Texas in an application for a Certificate of Convenience and Necessity. The PUC will ultimately make the final decision on the route for the new transmission line. ETT projected the in-service date for the new transmission line in the third quarter of 2016. A party has 45 days from the date the application is filed to formally intervene in the case with the PUC.

ETT held two public meetings in Flour Bluff on October 28 and 29, 2013, to explain the project, gather public input, and answer questions from neighbors, stakeholders, and other interested parties regarding route identification and evaluation process. Since those public meetings, it is the understanding of City staff that ETT officials also met with landowners, homeowners and business owners along potential routes, officials from Naval Air Station Corpus Christi, the Flour Bluff Independent School District, as well as representatives of environmental organizations.

More than 70 potential route segment locations were initially identified by ETT. Among the potential were five routes in a generally north-south alignment: (1) Rodd Field Road, (2) Flour Bluff Drive, (3) Waldron Road, (4) Laguna Shores Road, and (5) in the Laguna Madre off shore of Laguna Shores Road. Among the potential routes were about five routes in a generally east-west alignment: (1) State Highway 358/South Padre Island Drive, (2) Yorktown Boulevard, (3) along Oso Creek, (4) in the vicinity of Holly Road and (5) through an assortment of residential areas, including Division Street, and Glen Oak.

Among the areas of concern voiced by City staff, the public, Navy officials, environmental interests, and other stakeholders about potential transmission line routes were:

- Avoid incompatibilities with Navy flight training missions at Naval Air Station Corpus Christi, Truax Field and Waldron Field;
- Recommend underground placement of the transmission line in any Clear Zone or Accident Prevention Zone or other area of conflict.
- Use existing right-of-way wherever possible to avoid displacing homes or businesses.
- Limited damage to or potential relocation of existing municipal infrastructure, including water lines, waste water lines, storm sewers, drainage areas, natural gas lines, fiber optic lines, park facilities, recreation centers, senior

- community centers, or other service-delivery location.
- Prevent a route along high-growth and future-growth corridors identified in comprehensive master plans, long-range infrastructure plans or development agreements which will drive future economic activity and sustainability.
 - Avoid the Flour Bluff Independent School District campuses along Waldron Road.
 - Prevent a route along high-voltage power lines through a residential neighborhood decreases the property value of homes and vacant land, decreasing vital tax revenues for local governments, and would present a danger to humans and wildlife.
 - Avoid to the greatest extent possible, certain routes that cross environmentally sensitive areas, such as wetlands, endangered species, wildlife management areas or refuges, park land, seagrass beds, nesting or spawning habitat.

A group of residents in the Glen Oak area of Flour Bluff wrote to members of the City Council recommending an underground route along Flour Bluff Drive because it is one of the least populated routes proposed by ETT. According to the Nueces County Appraisal District, for the entire length of Flour Bluff Drive, there are a total of 210 property owners, including 149 residential and 61 non-residential. This includes the large 2,000 acre parcel of land at the very southern end of Flour Bluff drive (non-residential) and excludes NAS-CC.

Once a route is selected, ETT will have to negotiate or condemn land in order to acquire the easement for transmission line.

Council should understand that there is no ideal or perfect route to recommend to ETT and the PUC. Any route recommended comes with both positive and negative aspects. The best avenue is to be fully engaged in the deliberations at the PUC so routes the City strongly opposes can be prevented and efforts can be made to mitigate or balance any potential proposed route.

ALTERNATIVES:

The Council has multiple options:

- (1) Adopt the resolution with its recommendations and authorize intervening in the CCN application immediately.
- (2) Wait until ETT makes its CCN application with the PUC before deciding to intervene.
- (3) Make additional recommendations for potential routes.
- (4) Make fewer recommendations for potential routes.
- (5) Make no recommendations for potential routes and do not authorize intervening in the CCN application.

OTHER CONSIDERATIONS:

CONFORMITY TO CITY POLICY:

N/A

EMERGENCY / NON-EMERGENCY:

This is a non-emergency item.

DEPARTMENTAL CLEARANCES:

City Attorney, Development Services, Engineering, Public Works, Environmental Services, Assistant City Managers

FINANCIAL IMPACT:

Operating Revenue Capital Not applicable

Fiscal Year: 2014-2015	Project to Date Expenditures (CIP only)	Current Year	Future Year FY 14	TOTALS
Line Item Budget				
Encumbered / Expended Amount				
This item				
BALANCE				

Comments: The City will likely need to engage outside counsel and possibly consultant services to intervene in the CCN application process with the PUC. Funding for those services will need to be identified and allocated. It is estimated that intervening in the transmission line routing application could cost as much as \$50,000.

RECOMMENDATION:

Staff recommends Council adopt the resolution.

LIST OF SUPPORTING DOCUMENTS:

1. ETT Q&A Fact Sheet
2. Potential Route map (October 2013)
3. ETT Routing and Siting Process Document
4. City staff comment letter (August 14, 2013)