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SECRETARY OF STATE  
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ARKANSAS PUBLIC SERVICE COMMISSION

IN THE MATTER OF THE APPLICATION OF )  
CARROLL ELECTRIC COOPERATIVE )  
CORPORATION FOR A CERTIFICATE OF PUBLIC )  
CONVENIENCE AND NECESSITY TO )  
CONSTRUCT, OWN AND OPERATE CERTAIN )  
TRANSMISSION FACILITIES IN BENTON )  
COUNTY, ARKANSAS )

DOCKET NO. 13-062-U  
ORDER NO. 3

FILED

ORDER

On June 10, 2013, Carroll Electric Cooperative Corporation ("CECC" or the "Company") filed an application for a Certificate of Public Convenience and Necessity ("CCN") pursuant to Ark. Code Ann. § 23-3-201 *et seq.* and Sections 4 and 7 of the Arkansas Public Service Commission's ("Commission") *Rules of Practice and Procedure* ("RPPs") requesting authority to upgrade an existing 69 kV transmission line from Arkansas Electric Cooperative Corporation's ("AECC") existing Centerton Substation to a point near CECC's existing SW Rogers Substation ("Proposed Transmission Line"). CECC states its loads and service reliability requirements continue to grow rapidly in the area around I-540 in Benton County and to adequately serve the growing need for electricity in that area, it must upgrade this line. CECC further states the line will be constructed and insulated for future operation at 161 kV even though it will initially be operated at 69 kV. The Proposed Transmission Line will increase reliability for three substations serving the I-540 corridor area. Because this is a line upgrade, routing is not an issue as easements are already in place for most of the upgrade. CECC states in its Application that adjustments to existing easements will be required for minor realignment and/or increased guying requirements in certain areas. CECC has committed to work with the landowners in an attempt to obtain these additional easements.

On October 3, 2013, CECC filed a copy of a Notice sent by first-class mail to each of the

addressees listed on Exhibit A filed with the Notice. Order No. 2 set this matter for hearing on November 22, 2013. No motion to intervene or for a limited appearance was received in the docket. No public comments were received or filed in the docket.

A hearing was commenced in this matter by the undersigned Administrative Law Judge ("ALJ") on November 22, 2013, in Little Rock, Arkansas. Upon calling the hearing to order, attorneys for the Company and the General Staff of the Arkansas Public Service Commission ("Staff") waived opening statements. An opportunity was given to make oral public comment; however, no one appeared at that time to make oral public comment.

On July 15, 2013, CECC filed the Prepared Testimony of Karl G. Kinler, a Registered Professional Engineer with Allgeier, Martin and Associates. In his Prepared Testimony, Mr. Kinler described the general location, engineering design and costs of the Proposed Transmission Line. He evaluated information obtained from on-site inspections of the area involved and examined various maps and documents of the area. His evaluation considered the appropriateness of the routing of the facilities, the reasonableness of the associated costs, and the necessity of the proposed upgrade.

According to Mr. Kinler, the Proposed Transmission Line consists of the upgrade of a 69 kV transmission line starting at AECC's Centerton Substation in Section 35, T20N, R31W in Benton County and terminating in Section 21, T19N, R30W in Benton County. Mr. Kinler stated that while the line will be upgraded and insulated for future operation at 161 kV, it will continue to operate at 69 kV for some time. Mr. Kinler stated the planned upgrade will use three 954 MCM 45/7 ACSR phase conductors and a 0.496" overhead optical ground wire. The upgraded line will be designed to allow a second 954 MCM 45/7 ACSR conductor to be added to each phase in the future. The upgrade will be accomplished almost completely using the existing line easements with adjustments to the existing easements to be required for minor realignment and/or increased guying requirements for certain

areas. Mr. Kinler further stated the Company is working with landowners to obtain easements for the areas these adjustments will be required. He estimated the line route to be approximately 6.6 miles. Mr. Kinler also stated these upgraded facilities are needed in order to increase the available supply of electric energy in the area for existing and future loads due to growth in the I-540 Corridor in Benton County. He further stated the existing route is an appropriate site for the Proposed Transmission Line as it minimizes impact to property and land use by utilizing the existing utility easements.

Mr. Kinler testified the costs of the project will be approximately \$5,180,000 which will be financed from CECC's general funds with an anticipated loan from the Rural Utilities Service ("RUS") to reimburse its general funds. According to Mr. Kinler, RUS has previously approved the work plan submitted in support of the proposed upgrade. In summary, Mr. Kinler stated this line is a major transmission supply to three substations in the area and the proposed upgrade will increase the available supply of electric energy in the area for existing and future loads. He recommended that the proposed upgrade be approved as being in the public interest.

The General Staff of the Arkansas Public Service Commission ("Staff") presented the Prepared Testimony of witness Clark D. Cotten, Senior Electrical Engineer, addressing CECC's overall request. Mr. Cotten conducted a review of CECC's Application, including information obtained from his visit to the site of the Proposed Transmission Line. Mr. Cotten determined that need existed for the Proposed Transmission Line, as the proposed upgrade will increase the available supply of electric energy in the area for existing and future loads.

Mr. Cotten addressed the seven factors considered by this Commission in determining whether the site for the Proposed Transmission Line is reasonable. He stated the total estimated cost of the Proposed Transmission Line is \$5,180,000, which will initially be financed from CECC's general fund, and eventually from a loan from the RUS in an amount equal to the cost of construction. He

testified health and safety concerns will be satisfied by CECC following the construction standards established in the Commission's *Special Rules—Electric*, Rule 5.01 and 5.02, which designate the current issue of the *National Electric Safety Code* and the *National Electrical Code* as standards to be followed. Witness Cotten stated the Proposed Transmission Line does not present any special engineering or technical concerns.

Witness Cotten testified that ecological/environmental disruptions caused by this project will be minimized due to the fact that the upgrade will occur on existing easements, except for a few minor adjustments to easements. According to Mr. Cotton, CECC has indicated a storm water pollution prevention plan will be developed and all necessary permits will be obtained from the Arkansas Department of Environmental Quality.

He stated that no additional clearing of the right of way ("ROW") is required since this is an upgrade to an existing, maintained transmission line. He further stated the construction would cause no major disruption of existing or proposed manmade property uses and the proposed site should have minimal impact or disruption to the environment. The most significant disruption will occur in a developed subdivision where backyards and privacy fences will have to be crossed to replace two structures. He stated that singular pole structures will provide a narrow profile, and while the new poles will be taller and larger in diameter than the existing poles, the design should be no more objectionable than the existing facilities. Mr. Cotten stated that CECC anticipated it would begin the project in the Spring of 2014 and would complete the project by the Fall of 2014. Mr. Cotten concluded that the location of the Proposed Transmission Line in the existing ROW is reasonable. Based on his review of the application and CECC's evidence that the expected load growth along the I-540 corridor will require additional facilities to meet its electrical requirements and provide service reliability, Mr. Cotten stated it was his opinion that the Proposed Transmission Line is in the public

interest and that CECC should be granted a CCN to upgrade, operate, and maintain its existing transmission line from the Centeron Substation to the SW Rogers Substation, as requested in this application. Additionally, Mr. Cotten recommended that CECC be directed to comply with Rules 7.01(b) and 7.01(c)<sup>1</sup> of the RPPs by filing the required completion or delay of construction reports in this docket.

CECC has demonstrated a reasonable need for the Proposed Transmission Line. As to the remaining factors to be considered, CECC has met its burden of establishing the project presents only minimal concerns, if any, regarding the health and safety, engineering and technical, ecological/environmental disruption, or disruption to or interference with existing or planned manmade property uses.

From the application, exhibits, testimony, and all other matters taken into consideration, I make the following findings of fact and conclusions of law:

1. CECC is an electric cooperative corporation, organized and existing under Ark. Code Ann. § 23-18-301 *et seq.*, having its principal place of business in Berryville, Carroll County, Arkansas. CECC is a public utility within the meaning of Ark. Code Ann. § 23-1-101, and is engaged in the business of transmitting and distributing electrical power and energy in Northwest Arkansas.

2. The Arkansas Public Service Commission has jurisdiction and authority over CECC's Application in this proceeding pursuant to Ark. Code Ann. § 23-3-201 *et seq.*

3. CECC has filed proof of service to the landowners and proof of publication of notice, and I find that notice of the application has been given as required by law.

4. No objections have been filed or received by the Commission from property owners in

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<sup>1</sup> Rules 7.01(b) and 7.01(c) were modified by the Commission's new *Rules of Practice and Procedure*, which became effective January 1, 2014, and are now RPPs 6.05(a) and 6.05(b).

the vicinity, governmental agencies, or persons in general to the construction or the location of the Proposed Transmission Line.

5. CECC demonstrated a reasonable need for the Proposed Transmission Line in order to increase the capacity of the existing transmission line thereby providing for future expected load growth.

6. The estimated total project cost for the Proposed Transmission Line is approximately \$5,180,000. CECC will finance the construction from its general fund and will eventually reimburse its general fund from a loan from the Rural Utility Service in an amount equal to the cost of construction.

7. The Company will construct and operate the Proposed Transmission Line in accordance with Rules 5.01 and 5.02 of the Commission's *Special Rules—Electric*, which designate the *National Electrical Safety Code* and the *National Electrical Code* as standards.

8. The Company will ensure construction methods and activities in the field meet U.S. Department of Labor Occupational Safety and Health Organization requirements.

9. There are no engineering or technical concerns associated with this project, and there are no major disruptions of existing or proposed manmade property uses expected since the proposed construction is using an existing ROW for an existing transmission line. The most significant disruption will occur in a developed subdivision where backyards and privacy fences will have to be crossed to replace two structures. CECC has indicated a storm water pollution prevention plan will be developed and all necessary permits will be obtained from the Arkansas Department of Environmental Quality.

10. The Company's planned use of a single-pole weathering steel design with braced-post supports for the conductors will offer a narrow profile, even though the new poles will be taller and

larger in diameter than the existing poles. This design should be no more objectionable than the existing facilities and will minimize the aesthetic displeasure of the installation.

11. Construction of the Proposed Transmission Line is scheduled to be completed by the Fall of 2014.

12. The sites proposed for the location of the Proposed Transmission Line are reasonable and appropriate.

13. The Proposed Transmission Line is needed and will serve the public interest, convenience and necessity.

**IT IS, THEREFORE, ORDERED:**

(a) CECC is hereby granted a CCN authorizing it to upgrade, operate, and maintain its existing transmission line from AECC's Centerton Substation to the SW Rogers Substation, as requested in this application, and as more fully described in the application, exhibits and testimony of the parties filed in this docket.

(b) CECC shall comply with Rule 6.05(a) or Rule 6.05(b) of the Commission's RPPs, as the case may be. This construction report shall be filed in the captioned docket.


(c) Nothing in this order shall be construed as a finding of value for ratemaking purposes.

(d) The Commission retains jurisdiction of this matter for such further proceedings or orders as may be necessary or appropriate.

(e) 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 hereby denied.


BY ORDER OF THE ADMINISTRATIVE LAW JUDGE PURSUANT TO DELEGATION,

This 7<sup>th</sup> day of March, 2013.

  
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Connie C. Griffin  
Administrative Law Judge

  
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Dallas W. Heltz  
Secretary of the Commission

I hereby certify that the following order  
issued by the Arkansas Public Service  
Commission has been served on all  
parties of record this date by electronic  
mail, using the email address of each  
party as indicated in the official docket file.

  
\_\_\_\_\_  
Secretary of the Commission  
Date 3/7/2014