

Table of Contents

I.	BACKGROUND	2
II.	RESPONSE TO AIC.....	3
	A. AIC’s use of Dual Circuit Structures.....	3
	1. Cost Recovery.....	4
	2. Additional Width for Rights-of-way	4
	3. Reliability and Maintenance Concerns	5
III.	RESPONSE TO VILLAGE OF SAVOY	5
IV.	CONCLUSION.....	6

I. BACKGROUND

On January 30, 2012, AIC filed with the Commission a Petition (“Petition”) for a Certificate of Public Convenience and Necessity (“Certificate” or “CPCN”) authorizing AIC to construct, operate, and maintain a new 138 kilovolt (“kV”) electrical transmission line consisting of two new non-contiguous transmission-line segments (the “New Segments”) totaling approximately 8.5 miles in length connecting to an existing 1.5 mile 138 kV line segment currently classified as a distribution line (the “Existing Distribution Line”) in Champaign County, Illinois. (Petition, p. 1) These three segments are collectively called the “Transmission Line.” The Company states that the Transmission Line will connect the Bondville Route 10 and Southwest Campus substations south and west of Champaign, Illinois. Substation modifications at the Bondville, Southwest Campus, and Windsor substations (which modifications, together with the Transmission Line and all appurtenant land rights, constitute the “Project”) will be required. (*Id.*)

On February 17, 2012, the Administrative Law Judge (“ALJ”) assigned to this proceeding held a preliminary hearing and established a schedule for the submission of pre-filed testimony, hearings, and briefs. (*Tr.*, Feb. 17, 2012, pp. 12-13) The hearing was continued until May 31, 2012. (*Id.*, p. 17)

In response to the Company’s filings, the following parties filed Petitions to Intervene, which were granted: the Village of Savoy, IL; Boyd Farm Trust; MACC Capital Holdings, Inc.; Curtis Orchard of Champaign, IL; Heffernan Family; Lo Family of Savoy, Illinois; and Cunningham Children’s Home Foundation.

The ALJ held a status hearing on May 29, 2012, in preparation for the evidentiary hearing. At the May 31, 2012 evidentiary hearing, Greg Rockrohr, Senior Electrical

Engineer in the Energy Engineering Department of the Safety and Reliability Division, and Michael McNally, Senior Financial Analyst in the Finance Department of the Financial Analysis Division testified on behalf of Staff. The Staff's Initial Brief summarized some of the issues between the parties. Staff proposed a modification to the Company's proposed route. This adjustment is contested.

II. RESPONSE TO AIC

A. AIC's use of Dual Circuit Structures

Staff recommends that AIC use dual circuit structures for the three mile segment of its proposed 138 kV transmission line directly south of Bondville Route 10 Substation should a planned 345 kV transmission line share the same route. AIC cost estimates indicate that its use of dual circuit structures, such as is illustrated by Ameren Ex. 8.1, rather than using single circuit structures, such as is illustrated by Ameren Ex. 3.2, would provide a combined cost savings for constructing the two transmission lines of approximately \$3 million. (Staff IB, pp. 6-7)

AIC agrees to utilize the dual circuit structures, as Staff recommends, if the Commission orders it to do so. (Ameren IB, p. 12) However, AIC identifies reasons it would prefer not to use dual circuit structures. Below, Staff reviews AIC's reasons for preferring to use two sets of single circuit structures, and explains why the reasons for AIC's preferences do not justify use of single circuit structures instead of dual circuit structures for the three mile segment south of Bondville Route 10 Substation.

1. Cost Recovery

AIC indicates that it will construct the 138 kV line with Staff's recommended modification, provided AIC can obtain full cost recovery. (Ameren IB, p. 12) AIC estimates that use of dual circuit structures will add \$6 million to the cost of the Bondville Route 10 to Southwest Campus 138 kV transmission line. (Ameren IB, p. 12) AIC's cost estimate assumes that all of the additional costs for the dual circuit structures would be charged to the 138 kV project. (Ameren Ex. 6.0, p. 6) Staff explains that AIC will know the route for the 345 kV line prior to the date it will need to purchase structures for the 3-mile segment south of Bondville Route 10 Substation. Therefore, AIC will know with certainty which type of structures to purchase for the three mile segment south of Bondville Route 10 Substation, single circuit or double circuit. If AIC purchases double circuit structures, AIC can appropriately allocate costs between the 138 kV and 345 kV transmission projects. (Staff IB, p. 7)

2. Additional Width for Rights-of-way

AIC indicates that its existing rights-of-way for the 3-mile segment south of Bondville Route 10 Substation are 132 feet wide, and that the minimum width of rights-of-way for a 345 kV line is 150 feet. (Ameren IB, p. 20) Staff does not object to AIC's obtaining additional right-of-way width. However, during the evidentiary hearing, Ameren witness Murbarger indicated that if AIC cannot obtain the additional right-of-way width, AIC can still install and utilize dual circuit towers on a right-of-way that is narrower than 150 feet by reducing the distance between the towers. (*Tr.*, May 31, 2012, p. 51-52).

3. Reliability and Maintenance Concerns

AIC states: “Having two lines in the same proximity increases the probability that the adjacent lines will be impacted by the same outage event. This is especially crucial in instances where the multiple lines support a common load pocket.” (Ameren IB, pp. 12-13) Staff does not disagree that two lines in the same proximity are more likely to be affected by the same outage event, such as a tornado or plane crash. However, the 138 kV and 345 kV transmission lines that Staff recommends AIC install on dual circuit structures would not supply common load pockets. The 138 kV line is needed to supply local load in the Champaign area, whereas the 345 kV line will move bulk power across Illinois to Indiana. (Ameren Ex. 6.0, p. 6, Ameren IB, p. 12, fn 1) AIC also expresses concern that if dual circuit structures are used, both circuits must be removed from service to perform maintenance on one circuit, making maintenance scheduling more difficult. (Ameren IB, p. 13) Staff makes the point that required maintenance should be very infrequent for a properly constructed 3-mile section of line. Furthermore, AIC, itself, proposes using dual circuit structures on other segments of its proposed 138 kV transmission line. (Staff IB, p. 7)

III. RESPONSE TO VILLAGE OF SAVOY

The Village of Savoy recommends that the Commission deny AIC’s petition. (Village IB, ¶ 20) Staff agrees with Savoy that AIC should have provided more information at its public meeting about other transmission lines AIC plans for the same general area. (Village IB, ¶ 12) AIC needs to take steps to mitigate the risk of voltage

collapse in the Champaign area, however, and with the modification discussed in the prior section, Staff finds AIC's proposed 138 kV transmission line is the least cost means of satisfying the service needs of its customers. Therefore, Staff continues to recommend that the Commission grant the certificate that AIC requests, except specifying use of dual circuit structures for segments common with the Sidney to Rising 345 kV line. (Staff IB, p. 13)

IV. CONCLUSION

For the reasons set forth *supra*, Staff respectfully requests that the Commission's Final Order in the instant proceeding reflect Staff's recommendations consistent with this Reply Brief and Staff's Initial Brief.

Respectfully submitted,

JESSICA L. CARDONI
CHRISTINE F. ERICSON

Counsel for the Staff of the Illinois
Commerce Commission

June 19, 2012

JESSICA L. CARDONI
CHRISTINE F. ERICSON
Office of General Counsel
Illinois Commerce Commission
160 N. LaSalle, Ste. C-800
Chicago, IL 60601
Phone: (312) 793-2877
Fax: (312) 793-1556
E-mail: jcardoni@icc.illinois.gov
cericson@icc.illinois.gov