

STATE OF ILLINOIS

ILLINOIS COMMERCE COMMISSION

AMEREN TRANSMISSION COMPANY OF)
 ILLINOIS)
)
 Petition for Certificate of Public Convenience and)
 Necessity, pursuant to Section 8-406.1 of)
 the Illinois Public Utilities Act, and an)
 Order pursuant to Section 8.503 of the) Docket No. 12-0598
 Public Utilities Act, to Construct, Operate)
 and Maintain a New High Voltage Electric)
 Service Line and Related Facilities in the)
 Counties of Adams, Brown, Cass,)
 Champaign, Christian, Clark, Coles,)
 Edgar, Fulton, Macon, Montgomery,)
 Morgan, Moultrie, Pike, Sangamon,)
 Schuyler, Scott and Shelby, Illinois.

INITIAL BRIEF OF INTERVENORS MAGDI, BARBARA, AND ADAM RAGHEB
("RAGHEB FAMILY")

NOW COME Intervenors, Magdi, Barbara, and Adam Ragheb ("Ragheb Family") and state for their Initial Brief as follows:

I. INTRODUCTION

On November 7, 2012, Ameren Transmission Company of Illinois ("ATXI") filed its Petition to construct, operate, and maintain a new 345 kV electrical transmission line and related facilities, including new or expanded substations, within portions of the State of Illinois.

The Ragheb Family filed its Petition to Intervene herein on January 3, 2013, and this Petition was granted on January 16, 2013.

On January 16, 2013, the Administrative Law Judges ruled that the ATXI Petition would be considered to have been completely filed only as of January 7, 2013 as the result of a need to amend the landowner list.

As of April 23, 2013, verified Petitions to Intervene were filed herein by 72 parties, most of whom are individual landowners, and of those intervening parties, 36 have filed testimony (ATXI Exhibit 10.0, lines 35-43). Additionally, Mr. Greg Rockrohr has filed direct testimony on behalf of the Staff of the Illinois Commerce Commission.

This Initial Brief will refer to the testimony submitted on behalf of the Ragheb Family by Dr. Magdi Ragheb, filed March 29, 2013 (Ragheb Family's Exhibit 1.0, revised as 1.0R on May 10, 2013) and admitted into evidence on May 16, 2013. This Brief will also refer to the testimony of Mr. Greg Rockrohr (ICC Staff Exhibit 1.0R), Ms. Donell Murphy, the Colfax-Scott Land Preservation Group ("CSLPG") (CSLPG Exhibits 1-4), the City of Champaign (Champaign/Savoy Exhibit 1.0C), and the Atkins Estate. (Champaign/Savoy Exhibit 2.0) Single references are also made to the testimony of Ms. Maureen Borokowski (ATXI Exhibit 1.0) and the exhibits (ATXI Exhibit 3.4) supporting the testimony of Mr. Jeffrey Hackman, P.E., among others.

II. REQUIREMENTS FOR A CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY

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III. OVERALL NEED FOR THE PROPOSED FACILITIES

MISO has stated that as an MVP the benefit-cost ratio for the Illinois Rivers Project is greater than unity, and we do not at all dispute that point. MISO has testified that it considered "alternative voltages and technologies [that] were more suitable for meeting RPS requirements in a region broader than the MISO footprint" (MISO Exhibit 2.0, lines 126-129) for the MVP portfolio. To the best of our knowledge, no quantitative data was presented in this case demonstrating that the benefit-cost ratio of those options, interpreted to include 765 kV AC or

HVDC facilities, was lower than that of the 345 kV option. The presentation of such information would, in our opinion, make for a more-complete record in this case, and provide a definitive answer as to which project option provides the greatest benefit-cost ratio to Illinois ratepayers. If someone were to offer a 10% return on investment (ROI), that would undeniably qualify as having a benefit-cost ratio of greater than one. But, if a 15% ROI option existed, surely the investor would like to be informed about it. Likewise, that same investor would like to be informed if a 5% ROI (but no 15% ROI) option existed, as it would add a “peace of mind” to fully justify the selection of the 10% ROI option.

This project was presented to the public with its first goal listed as “Facilitate the delivery of renewable energy” (<http://www.ilriverstransmission.com/need>). In his testimony at the evidentiary hearing, Staff witness Mr. Rockrohr testified that his “understanding of the petition is that the project is necessary for market reasons[. S]pecifically mentioned was the development of wind production and the transmittal of that wind both in Illinois as well as to the east of Illinois.” (Transcript, Testimony of Greg Rockrohr, 5/13/13, p. 235) Long distance transmittal of renewable energy, or any energy for that matter, would logically be part of as geographically broad a plan as possible, within of course the constraints of the Eastern Interconnection. MISO, by its own admission, looked at a broader plan, but concluded that “development of higher voltage solutions would require close coordination with development of interconnecting facilities in adjacent regions [whose] plans ... to meet [renewable energy development] ... have not been solidified.” (MISO Exhibit 2.0, lines 131-133) It is a good feature that transmission lines by law cannot be limited to carry only renewable energy, because as long as adjacent regions have a need for more energy, or energy at lower prices, then a broader plan would be the logical choice. MISO appears to agree with this general sentiment, as during the evidentiary hearings, MISO

stated in its questioning of Mr. Rockrohr “[a]nd you believe that the IRP is a superior approach, inasmuch as it addresses the needs of the entire region as opposed to just focusing on the local needs of different segments of Illinois?” to which Mr. Rockrohr responded “Yes.” (Transcript, Testimony of Greg Rockrohr, 5/13/13, page 265) From this it is clear that both MISO and Mr. Rockrohr agree that following regional instead of local needs is a superior approach to a project. We also agree with MISO and Mr. Rockrohr on this point. We would like to suggest, however, that a logical and reasonable extrapolation of this point would suggest that a national plan or one that at least spans multiple adjacent regions would be a superior approach to a project that is restricted to merely a single region.

We do not dispute or question the testimony by MISO in regards to the project being able to deliver energy in a manner that is more reliable and/or more economic than the *status quo*. We do however, wish to note that we did not have a chance in these expedited procedures to assess the MISO studies since these proceedings were meant to scrutinize ATXI’s petition (*i.e.* not the MISO analyses), and because the complete analyses, including the down-select process to the proposed 345 kV solution conducted by MISO was not presented as evidence. Given that “MISO is owned by the utility[ies] itself” (Transcript, Testimony of Dr. Magdi Ragheb, 5/16/13, page 660), it would seem very important to have a complete and transparent view of the down-select process and the benefit-cost comparisons between different transmission voltages and technologies. Finally, it is our opinion that the need for this project be assessed in comparison with other projects currently submitted to the ICC as well as others in the developmental stages in a regular, non-expedited procedure.

IV. LEAST-COST AND THE PROPOSED TRANSMISSION LINE ROUTES

- A. Mississippi River – Quincy** (*--intentionally left blank--*)
- B. Quincy – Meredosia** (*--intentionally left blank--*)
- C. Meredosia – Ipava** (*--intentionally left blank--*)
- D. Meredosia – Pawnee** (*--intentionally left blank--*)
- E. Pawnee – Pana** (*--intentionally left blank--*)
- F. Pana – Kansas** (*--intentionally left blank--*)
- G. Kansas – Indiana State Line** (*--intentionally left blank--*)
- H. Sidney – Rising**

The Ragheb Family agrees with ATXI (ATXI Exhibit 13.0 2nd Rev, lines 59-61 and 1439-1441), Staff witness Mr. Greg Rockrohr, the Colfax-Scott Land Preservation Group (CSLPG Exhibit 4.0, lines 26-28), and the City of Champaign (Champaign/Savoy Exhibit 1.0C, lines 55-67), that if constructed, the line should follow ATXI’s Primary Route (*i.e.* the ATXI Rebuttal Recommended Route) that utilizes existing rights-of-way along nearly its entire length. Mr. Greg Rockrohr states that “ATXI’s [P]rimary [R]oute is far shorter and would require fewer dead-end structures, and thus in my opinion is the best choice.” (ICC Staff Exhibit 1.0R, lines 1103-1104) The Ragheb Family opposes the ATXI Alternate Route, a sentiment shared by the Atkins Estate (Champaign/Savoy Exhibit 2.0C, lines 79-81), and CSLPG. (CSLPG Exhibit 1.0, lines 40-41, CSLPG Exhibit 2.0, lines 40-41, and CSLPG Exhibit 3.0, lines 40-41)

When compared to ATXI’s Primary Route, ATXI’s Alternate Route would affect more homes (ATXI Exhibit 4.5, page 4), be 40% longer (ICC Staff Exhibit 1.0R, line 1109), would not utilize existing rights-of-way (ATXI Exhibit 4.2, part 1 of 100, page 24 of 27), and would permanently ruin the Ragheb Family’s planned ultralight flightpark. (Ragheb Family Exhibit

1.0R, lines 391 and 397) It should be emphasized that Staff Witness Mr. Rockrohr is the only party in this case that has no direct interest in the outcome or routing of the project, and he finds the Primary Route between Sidney and Rising to be the “best choice.” (ICC Staff Exhibit 1.0R, line 1104) Based on ATXI’s baseline cost estimates (ATXI Exhibit 16.3, pages 1 and 9), the Primary Route between Sidney and Rising would be \$24,640,000 cheaper than the Alternate Route. The cost of the Alternate Route is 61% greater than the Primary Route.

As a result of our ground-based field reconnaissance, the Ragheb Family agrees with Mr. Rockrohr that the new, additional substations at Sidney and Rising should be excluded from any CPCN that the Commission grants. Mr Rockrohr states “[i]t again appears to me to be unnecessary for ATXI to construct additional substations rather than terminating its 345 kV transmission line at AIC’s existing substations. [] Unless ATXI can demonstrate why additional substations at Sidney and Rising are necessary, the Commission should exclude these new, additional substations from any CPCN that it grants.” (ICC Staff Exhibit 1.0R, lines 1087-1094). ATXI claims that “it is impractical, and in some instances impossible, for the necessary facility additions and connections to be made at existing substations.” (ATXI Exhibit 10.0, lines 322-323) The Rising substation is not one of those instances.

In addition to the testimony of the five parties mentioned earlier in this section, we present our evaluation of the best Sidney-Rising route based on each of the 11 criteria specified by the Commission:

1. Length of the Line

ATXI’s Primary Route is shorter by 9.6 miles when compared to ATXI’s Alternate Route, which is 40% longer. (ICC Staff Exhibit 1.0R, line 1109)

2. Difficulty and Cost of Construction

ATXI's Primary Route will be cheaper to construct. (ATXI Exhibit 16.3, pages 1 and 9)

3. Difficulty and Cost of Operation and Maintenance

ATXI's Primary Route will presumably be cheaper to operate and maintain due to its significantly shorter length.

4. Environmental Impacts

ATXI's Primary Route will have the least environmental impact of the three routes. Less total environmental impacts may be inferred from a shorter line assuming an equal amount of impact per length of transmission line. Additionally, the endangered Upland Sandpiper has been identified along ATXI's Alternate Route (ATXI Exhibit 4.0, lines 665-668) but not along the Primary Route.

5. Impacts on Historical Resources (*--intentionally left blank--*)

6. Social and Land use Impacts (*--intentionally left blank--*)

7. Number of Affected Landowners and other Stakeholders and Proximity to Homes and other Structures

ATXI's Primary Route affects fewer landowners due to its shorter length and has no "Intervenor Owned Property" along its route. (ATXI Exhibit 13.9, pages 1-3) According to the Route Comparison Summary of ERM/ATXI, 20 residential and 33 non-residential structures lie between 0 and 500 ft from the route; this compares to 78 residential and 83 non-residential structures for ATXI's Alternate Route. (ATXI Exhibit 4.5, Page 4)

8. Proximity to Existing and Planned Development

ATXI's Primary Route will "minimize any additional impacts of the potential for future urban development" by the City of Champaign (Champaign/Savoy Exhibit 1.0C, lines

66-67), will avoid “creat[ing] unnecessary burdens and barriers for development” by the Atkins group (Champaign/Savoy Exhibit 2.0C, lines 83-85), and avoid the Ragheb Family’s planned ultralight flightpark. (Ragheb Family Exhibit 1.0R, lines 391 and 397)

9. Community Acceptance (*--intentionally left blank--*)

10. Visual Impact

ATXI’s Primary Route will result in the lowest visual impact. By collocating 3 miles of lines with the project approved in ICC Docket 12-0080, the additional visual impact of the Sidney-Rising route will be minimized. Also, less visual impact may be inferred from the significantly shorter Primary Route.

11. Presence of Existing Corridors

ATXI’s Primary Route utilizes existing corridors. (ICC Staff Exhibit 1.0R, lines 1104-1106) ATXI’s Alternate Route does not

In summary, the Ragheb Family agrees with at least five parties that if the Illinois Rivers Project is approved, it should follow the ATXI Primary Route between Sidney and Rising. If for some reason the Primary Route is not selected by the Commission, however, the Ragheb Family reiterates its position that it believes the second best route is the Ragheb modification to ATXI’s Alternate Route (Ragheb Family Exhibit 1.0R, lines 284-403) and that ATXI’s unmodified Alternate Route is the third best of the three routes.

V. MANAGING AND SUPERVISING THE CONSTRUCTION PROCESS

The Ragheb Family does not question the ability of ATXI to manage and supervise the construction process of the project at this time, but reserves the right to comment on this issue in its reply brief.

VI. FINANCING THE PROPOSED CONSTRUCTION

ATXI has no standalone credit rating as it does not have “sufficient assets and financial size to be rated” (ATXI Exhibit 6.0, lines 133-134). Cash flow generated from depreciation of the Project’s assets would be used to “provide[] additional support to [ATXI’s] credit metrics[.]” (ATXI Exhibit 6.0, lines 172-174) This cash flow from depreciation that would be used to help ATXI gain recognition from credit rating agencies would be paid for by Illinois ratepayers, among others.

VII. OTHER

ATXI has sought approval pursuant to expedited procedures and would have the Commission believe that it must act at this time and not delay a decision. These expedited procedures have caused problems, and when asked if he “believe[s] the schedule for this proceeding allows for development of a complete and thorough record upon which the Commission can base its decision[,]” Mr. Rockrohr answered “No[.]”(ICC Staff Exhibit 1.0R, lines 1132-1135) This is a case in which a full record, including evidence of due consideration for other means, should be developed. This is a project that could cost as much as 1.22 to 1.31 billion dollars (ATXI Exhibit 3.4, page 1 of 1) and would be approximately 375 miles in length. (ATXI Exhibit 1.0, line 51) With current legislation being considered to limit expedited procedures to projects that do not exceed 5 miles in length (Ragheb Family Exhibit 1.0R, lines 708-716), this expedited procedure, while there is no law explicitly prohibiting it, is inappropriate for a project of such magnitude.

Evidence has been submitted that suggests there is a motivation based on economic principles to rush a merchant transmission project to market, and slowing this process down would allow any question of that being a possible or contributing motivation to be nullified. In fact, during the cross-examination by MISO, Mr. Rockrohr testified that “[m]y understanding of

the petition is that the project is necessary for market reasons[.] (Transcript, Testimony of Greg Rockrohr, 5/13/13, p. 235) which would render this project applicable to the aforementioned economic principles. During ATXI's subsequent cross-examination of Mr. Rockrohr, ATXI's counsel made sure to address this market-based need through the asking of at least three questions to establish that it was Mr. Rockrohr's view that "market reasons were [not] the only need for the project." (*Id.*, pp 288-289) This point was apparently very important to ATXI, as it was the third topic covered in the cross-examination after discussing the existence of a process to identify a successor to Ms. Borkowski if necessary and that ATXI is able to secure financing for the project. (*Id.*, p. 283-288)

Slowing the process down, would presumably remove any question as to whether this project was deliberately rushed to market and possibly undersized, a point against which ATXI itself made a concerted effort to defend. Slowing this process down would also allow MISO the time necessary to submit quantitative information regarding the benefit-cost ratios of other already-evaluated options, and in general to develop a more complete and more thorough record in the case. Additionally, it may allow for the necessary time for "close coordination with development of interconnecting facilities in adjacent regions." (MISO Exhibit 2.0, lines 132-133)

Another benefit of slowing this process down is that it will allow for a complete and accurate record in this case. We have presented information, both in the form of testimony and photographs, that incorrect information exists in at least ATXI's maps of existing 138 kV lines for the Sidney to Rising portion. (Ragheb Family Exhibit 1.4, Part 2 of 2, pages 1 and 6-7) ATXI had 4 weeks to address or correct this information (Schedule, ICC Docket 12-0598), but elected to not even address those concerns in its rebuttal testimony. When questioned about it at the evidentiary hearings, ATXI witness Donell Murphy stated "[h]onestly, I would need to look at

high resolution photography as you have done to determine that” and that she “can concede it would take additional time [to do so].” (Transcript, Testimony of Donell Murphy, 5/16/13, p. 842) Prior to viewing satellite imagery, we performed ground-based field reconnaissance, and it could reasonably be extrapolated that for ERM and/or ATXI to perform this step would require even more additional time.

Incorrect maps are a significant issue, and it is not known whether other maps incorrectly display existing 138 and/or 161 kV transmission lines. ATXI should be granted more time to present factually correct maps, and that may be achieved through the abandonment of the expedited procedures.

A final benefit of slowing the process down for the Illinois Rivers Project would be that it could be evaluated against other cross-Illinois transmission projects designed to move renewable energy to and across the state. A need for this bigger picture, “statewide approach for organizing these transmission line projects” has been suggested by at least State Senator Sue Rezin. (Ragheb Family Exhibit 1.9, page 1)

CONCLUSION

In summary, if approved, the project should follow ATXI’s Primary Route between Sidney and Rising. The Ragheb Family strongly opposes ATXI’s Alternate Route between Sidney and Rising, and if for some reason the Primary Route between Sidney and Rising is not selected, the route should then follow the Ragheb modification to the Alternate Route and not ATXI’s unmodified Alternate Route. Additionally, the expedited procedures herein have not allowed for a complete record, and this is a very large project that impacts many Illinois residents. While not against the law *per se*, it appears that the use of expedited procedures does not follow the intent of the existing laws. In the near future, these existing laws may be amended to limit the

application of expedited procedures to only those projects that do not exceed 5 miles in length. Following a non-expedited timeline would allow for a more complete and accurate record in the case, which would include but not be limited to the relative benefit-cost information of other already-evaluated alternatives and corrected maps of existing 138 kV transmission lines.

Respectfully submitted,

/s/ Magdi Ragheb, /s/ Barbara Ragheb, /s/ Adam Ragheb

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DATED this 3rd day of June, 2013

PROOF OF SERVICE

STAR OF ILLINOIS :
: SS
COUNTY OF CHAMPAIGN :

We, being property owners on the Alternate Route of Ameren’s Illinois Rivers Transmission Project, herewith certify that we caused to be served copies of the foregoing INITIAL BRIEF OF THE RAGHEB FAMILY via electronic delivery to the Parties of Record named on the Commission’s official service list for ICC Docket No. 12-0598 on this 3rd day of June, 2013.

Respectfully Submitted,

/s/ Magdi Ragheb, /s/ Barbara Ragheb, /s/ Adam Ragheb

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