

**STATE OF ILLINOIS
ILLINOIS COMMERCE COMMISSION**

AMEREN TRANSMISSION COMPANY OF)
ILLINOIS)

Petition for a Certificate of Public Convenience and) Docket No. 12-0598
Necessity, pursuant to Section 8-406.1 of the Illinois)
Public Utilities Act, and an Order pursuant to Section)
8-503 of the 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.)

BRIEF ON EXCEPTIONS TO PROPOSED ORDER
BY
MIDCONTINENT INDEPENDENT SYSTEM OPERATOR, INC.

Kimberly W. Bojko
Carpenter Lipps & Leland LLP
280 Plaza, Suite 1300
280 North High Street
Columbus, Ohio 43215
Telephone: (614) 365-4100
Facsimile: (614) 365-9145
bojko@carpenterlipps.com

MIDCONTINENT INDEPENDENT
SYSTEM OPERATOR, INC.

Colleen A. Check
Carpenter Lipps & Leland LLP
180 N. LaSalle Street
Suite 2640
Chicago, IL 60601
Telephone: (312) 777-4300
Facsimile: (312) 777-4839
check@carpenterlipps.com

MIDCONTINENT INDEPENDENT
SYSTEM OPERATOR, INC.

Jeffrey L. Small
MISO
P.O. Box 4202
Carmel, IN 46082-4202
Telephone: (317) 249-5248
Facsimile: (317) 249-5912
jsmall@misoenergy.org

MIDCONTINENT INDEPENDENT
SYSTEM OPERATOR, INC.

TABLE OF CONTENTS

I. INTRODUCTION.....1

II. EXCEPTIONS TO THE JULY 3, 2013 PROPOSED ORDER.....4

 A. Exception No. 1: The Proposed Order fails to approve the Pawnee to Pana segment.....4

 B. Exception No. 2: The Proposed Order fails to approve a location for the Mt. Zion substation... ..8

 C. Exception No. 3: The Proposed Order fails to approve the Pana to Mt. Zion segment... ..11

 D. Exception No. 4: The Proposed Order fails to approve the proposed new or expanded substations at Ipava, Kansas, Sidney, and Rising.....14

 E. Proposed Language for Findings and Ordering Paragraphs18

III. CONCLUSION.....20

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I. INTRODUCTION

Pursuant to Section 200.830 of the Illinois Commerce Commission’s (“ICC”) Rules of Practice, the Midcontinent Independent System Operator, Inc. (“MISO”) hereby respectfully submits its Brief on Exceptions to the Administrative Law Judges’ Proposed Order, dated July 3, 2013 (“Proposed Order”), in the above-captioned matter.¹ While MISO concurs in the Proposed Order in most respects, MISO requests clarification and/or reconsideration of a few issues in the Proposed Order that may negatively affect MISO’s ability to satisfy its obligations as a regional transmission organization (“RTO”) for the region that includes a majority of the State of Illinois.

¹ 83 Ill. Adm. Code 200.830.

As the RTO, MISO is responsible for ensuring that the regional transmission system is reliably planned to provide for existing and expected use of that system.² To fulfill its RTO obligations, MISO performs collaborative planning functions for the transmission system with its member transmission owners (“TO”), state regulatory authorities, and other stakeholders while independently assessing regional transmission needs.³ In the instant case, MISO’s extensive, multi-year planning effort identified the Illinois Rivers Project (“IRP” or “Project”) as a key project that will provide benefits to Illinois as well as the surrounding region.⁴

As the Proposed Order correctly recognizes, the IRP is an important portion of MISO’s Multi-Value Project (“MVP”) portfolio of transmission upgrades that “is necessary to address transmission and reliability needs in an efficient and equitable manner and will benefit the development of a competitive electricity market.”⁵ The Proposed Order also aptly concludes that the record supports a finding that the IRP is generally the best approach to satisfy these needs.⁶ MISO concurs with this overall assessment, and states that the evidentiary record supports the finding that the entire Project, and each component of the Project, is “necessary to provide adequate, reliable, and efficient service” to the customers of Illinois and is the least cost means of doing such, and that the “Project will promote the development of an effectively competitive

² For a general description of MISO’s functions, see MISO Ex. 1.0(Rev) at 4-5 (Webb Direct).

³ MISO Brief at 2 (referencing MISO Ex. 1.0(Rev) at 5 and MISO Ex. 2.0(Rev) at 4-6 (Webb Rebuttal)).

⁴ MISO’s process included the identification of candidate transmission projects, identification of alternatives, and completion of reliability analyses of all identified projects and alternatives, stakeholder vetting, and multiple studies that consider various options and alternatives to designing and structuring needed transmission facilities. MISO Reply Brief at 5; ATXI Brief at 6-8, 16-22; Staff Brief at 8; see also MISO Ex. 1.0(Rev) at 17-24 (Webb Direct); Transcript at 262-65 (May 13, 2013); WOW Ex. 1.0 at 7-12 (Goggin Direct).

⁵ Proposed Order at 13-14 (Section V); also see Section VI at 14 (“Although overall the need to construct the transmission lines is not questioned”).

⁶ Id. at 14.

electricity market that operates efficiently, is equitable to all customers, and is the least cost means of satisfying those objectives.”⁷

Despite the Proposed Order’s finding that ATXI’s application for the IRP is necessary and appropriate under Section 8-406.1(f)(1) of the Public Utilities Act for a Certificate of Public Convenience and Necessity,⁸ the Proposed Order discusses each line segment and substation of the IRP and selectively approves or defers approval on each segment and substation, presumably only granting a Certificate of Public Convenience and Necessity for portions of the Project.⁹ Accordingly, the Proposed Order’s conclusion that there is a general need for the Project is severely encumbered by subsequent provisions of the Proposed Order.

The necessary service that will be adequate, reliable, and efficient and/or that will promote the development of an effective competitive market can only occur and operate efficiently if the electricity can reach the customers in Illinois. Without a contiguous transmission system, reliable and efficient service cannot be provided. Without a completed Project, the stated benefits of the Project will not be realized: local load serving needs of the system in the area will not be met; a reliable and efficient competitive electric market will not be developed; assurances of satisfying the renewable portfolio standards of all states in the MISO footprint will not occur; and, economic benefits from reduced congestion and production costs to ratepayers within the region will not come to fruition.¹⁰

MISO’s multi-year process occurred and designed an end-to-end transmission line across the state to meet local and regional reliability needs to allow for a more efficient dispatch of

⁷ 220 ILCS 5/8-406.1(f)(1).

⁸ 220 ILCS 5/8-406.1(f).

⁹ Proposed Order at 133.

¹⁰ MISO Reply Brief at 4 (referencing MISO Ex. 1.0(Rev) at 17-26 (Webb Direct)); ATXI Reply Brief at 62; WOW Brief at 2, 3.

generation resources, open markets to competition, satisfy renewable portfolio standards, and spread the benefits of low cost generation throughout the MISO footprint.¹¹ The proposed transmission line was studied, designed, and approved by the region's RTO, its TOs, and stakeholders through MISO's FERC-approved process in order to address local and regional needs.

The timely construction and proper sequencing of the construction of the entire Project is essential to the ability of ATXI's and Ameren Illinois Company ("AIC")'s transmission systems to continue providing reliable service to customers.¹² Further, such timely construction is important to provide Illinois with the economic benefits provided by completion of the MVP portfolio of transmission projects, as well as benefits to the entire MISO footprint. Each segment of MISO's well designed, comprehensive regional plan needs to be constructed to provide the full benefits of the Project to Illinois, and a delay of any of the segments could cause a delay of the benefits that have been determined a key component of the approval of the IRP.¹³

MISO is concerned about the proposal to defer approval of certain segments and substations, and respectfully requests that the proposed findings be reconsidered in order to provide the benefits to Illinois customers that the Project was designed to provide without delay. MISO offers the following specific exceptions to the Proposed Order and suggested replacement findings as required by Section 200.830(b) of the Commission's Rules.¹⁴

¹¹ MISO Ex. 1.0(Rev) at 24-25 (Webb Direct).

¹² MISO Reply Brief at 2; ATXI Reply Brief at 61-63; see also ATXI Ex. 11(Rev) at 10 (Kramer Rebuttal).

¹³ Staff Brief at 7-8; MISO Brief at 2, 4, 9-12.

¹⁴ 83 Ill. Adm. Code 200.830(b).

II. EXCEPTIONS TO THE JULY 3, 2013 PROPOSED ORDER

A. Exception No. 1: The Proposed Order fails to approve the Pawnee to Pana segment.

The Proposed Order incorrectly accepts Staff's assertions¹⁵ that the Kincaid to Mt. Zion route was not considered, and surmises that a lack of sufficient time under an expedited process may be the culprit for such a deficiency.¹⁶ The Proposed Order also seems to express a desire for ATXI and MISO to explore or better explain why a Kincaid to Mt. Zion line segment is not preferable over the Pawnee to Pana segment. The Proposed Order, however, does not recognize that the record does not support Staff's conclusion. Record evidence, ATXI/Staff Joint Cross Ex. 1 at 7-8 (ICC-ATXI 6.01 and ICC-ATXI 6.01S), states that ATXI considered the Kincaid substation, and that an electrical configuration that involves the Kincaid facilities has operational and reliability concerns that were considered.¹⁷ Although MISO stated in discovery that no formal MISO study had been conducted for a route through the Kincaid generating station, MISO did explain in that same response that the MISO TOs identified a set of candidate projects that would address the TOs' local reliability needs and would be compatible with the overall reliability goals of the region.¹⁸ ATXI explained that they considered this configuration and did not propose it as a candidate project in the MVP process.¹⁹

Additionally, MISO Witness Webb stated that a pathway from Pana to Sugar Creek would relieve heavy loading that exists in the area, providing additional 345 kV capabilities to deliver generation from the Coffeen generating station, which is directly connected to Pana.²⁰

¹⁵ Staff Reply Brief at 11.

¹⁶ Proposed Order at 82-83.

¹⁷ See, also, ATXI Reply Brief at 61-62.

¹⁸ Staff-MISO Joint Ex. 1.0 at ENG-MISO 3.1.

¹⁹ ATXI/Staff Joint Cross Ex. 1 at 7-8 (ICC-ATXI 6.01 and ICC-ATXI 6.01S); ATXI Reply Brief at 61-62.

²⁰ MISO Ex. 1.0(Rev) at 22 (Webb Direct).

By avoiding Pana, the Coffeen generation station cannot utilize the new 345 kV capabilities and the instability condition will not be mitigated. Furthermore, at hearing, MISO Witness Webb testified that two components of the proposed transmission line are needed earlier than others to meet local reliability needs in Illinois, one of which was the Pana to Mt. Zion segment (Decatur area).²¹ ATXI Witness Kramer also explained that due to the urgent local reliability needs, completion of the transmission line segments in these two areas is scheduled by ATXI to be completed in 2016.²² MISO has concerns that delaying the approval of the proposed connections between Pawnee, Pana, and Mt. Zion, which not only provide the necessary contiguous path to deliver the benefits of the MVP portfolio but provide the supply to the Decatur area by 2016, will jeopardize the ability to reliably supply the Decatur area loads.

The Proposed Order also seems to adopt Staff's argument that the Kincaid to Mt. Zion option may be a lower cost option. Similar to Staff's previous assertions, there is no record support for this conclusion. It appears that Staff may be basing its assumption purely on the length of the transmission line;²³ however, as discussed throughout the Proposed Order, length is not the only factor. The nature and complexity of the interconnecting substations, for example, has potential to add to costs as well as construction time. Staff's analysis does not appear to recognize the fact that the Kincaid substation serves a generation station located in PJM to which connections would need to be carefully coordinated with existing generator protection schemes so as to maintain consistent levels of reliability.

The Proposed Order does not recognize that the record supports that while it may be possible to construct alternative projects to resolve specific loading and voltage issues within

²¹ Transcript at 371, lns 6-8 (May 14, 2013) (examination of MISO Witness Webb by ALJ Yoder).

²² ATXI Ex. 2.4 (accompanying ATXI Ex. 2.0 (Kramer Direct)).

²³ Staff Reply Brief at 11.

Illinois, the IRP is the superior approach because it addresses needs within Illinois as well as within MISO's entire operating region.²⁴

To resolve these concerns, MISO recommends the following changes to the Proposed Order at pages 82-83:

Staff, rather than primarily supporting one of ATXI's proposed routes, or recommending a route of its own, recommends that the Commission decline to choose a route for this portion of the Illinois Rivers Project. Staff suggests that ATXI and MISO have failed to consider whether it would be preferable to have a line from Kincaid to Mt. Zion, which Staff believes might obviate the need for the Pawnee to Pana segment of the project. Staff agrees with ATXI, however, that should the Commission decide to authorize a route for this segment, the best choice would be ATXI's Alternate Route 2.

~~Staff, however, also notes that Section 8-406.1 of the Act requires that, to grant a certificate, the Commission must find that, based upon ATXI's petition and the evidentiary record, the project is the least cost means of satisfying the objectives that initiated the project. Staff ~~assumes~~ argues that given the shorter length of the fact that neither ATXI nor MISO appear to have studied the Kincaid-Mt. Zion option, which Staff indicates appears to be it is a lower cost method to satisfy the project's objectives; and therefore, the Commission should not include in any certificate granted in this proceeding, permission to construct the route from Pawnee to Pana.~~

~~The Commission recognizes that ATXI disagrees with Staff on this issue, asserting, however, the Commission is troubled by ATXI's responsive argument. In essence, it appears to the Commission that ATXI argues that ATXI and MISO considered many different route options, and since the Kincaid to Mt. Zion line was not chosen as, it is reasonable to conclude that it was not optimal given that the Kincaid facilities' configurations present operational and reliability concerns that would impact any decision to connect there. In its Reply Brief, ATXI cites to discovery responses, stating: "the record makes clear that discussions were held regarding MVP configurations connecting to the Kincaid station during the MISO RGOS and MVP development meetings. (ATXI/Staff Joint Cross Ex. 1, pp. 7-8 (Resp. to ICC-ATXI 6.01 & Attach).)" makes the following argument, "(a)s it is well-established that the MISO-MVP process examined numerous system configurations..., it is reasonable to conclude that a Kincaid—Mt. Zion alternative did not emerge as a superior option." (ATXI Reply Brief at 61 (emphasis in original)). ATXI also indicates that the Kincaid facilities~~

²⁴ MISO Reply Brief at 5; Staff Brief at 7; ATXI Reply Brief at 3; see also Transcript at 235, 265 (May 13, 2013).

~~configurations present operational and reliability concerns that would impact any decision to connect there.~~

~~As ATXI explains, The Commission is frankly surprised that ATXI would argue that the Kincaid to Mt. Zion option was not selected as the preferred option through the multi-year, extensive collaborative planning process. Rather, the Pawnee to Pana route was selected as the option that would best assure delivery of the benefits of the MVP portfolio and the necessary reliable supply to the Decatur area by the requisite 2016 date. is not feasible, as in essence, it must have been considered and rejected because it was not chosen. While ATXI chose to file this proceeding under the expedited process provided in Section 3-406.1 of the Act, it appears to the Commission that one of the potential consequences of that filing is insufficient time to consider alternate routes. Additionally, the Commission gives very little weight to the argument that this alternative must have been considered and found wanting. The Commission, therefore, finds Staff's ATXI's arguments to be persuasive with regard to this portion of the project. Although Staff raises questions regarding whether a Kincaid to Mt Zion line can satisfy the need for a 354 kV source in the greater Decatur area at a lower cost than a Pawnee-Pana-Mt. Zion line. Staff did not produce any evidence to substantiate its argument, and will not find that the proposed ATXI Alternate Route 2 is the least cost option after consideration of all the evidence presented.~~

~~Having reviewed the evidence of record, and upon consideration of all relevant route selection criteria as described by the parties, The Commission will therefore find that the criteria described above favor the proposed ATXI Alternate Route 2 portion of the project, over all other proposed routes. Therefore, the Commission finds that the ATXI Alternative Route 2 for deeline to include as a portion of the Illinois-Rivers Project authorization to construct a transmission line from the Pawnee to Pana portion of the project is the least-cost route when all costs and benefits are taken into account.~~

B. Exception No. 2: The Proposed Order fails to approve a location for the Mt. Zion substation.

Despite the finding of need for a new substation in the Mt. Zion area, the Proposed Order defers the site selection to a subsequent proceeding.²⁵ The Proposed Order dismisses MISO's and ATXI's concerns about the scheduled in-service date of 2016, and states that it cannot

²⁵ Proposed Order at 85.

abdicate its authority and responsibility to MISO.²⁶ MISO respects each state's authority over the siting of transmission facilities and recognizes the importance of states' participation in the collaborative planning process as established by the Federal Energy Regulatory Commission's (FERC) Order No. 2000.²⁷ Simultaneous and consistent with the states' authority, however, each independent RTO is responsible for planning, directing, or arranging necessary transmission expansions, additions, and upgrades within its region to ensure that the RTO is providing efficient, reliable, and nondiscriminatory service.²⁸ MISO focuses on the reliability and stability of the region, and coordination with neighboring planning regions. As the reliability coordinator for its footprint, MISO conducted the FERC-approved regional planning function collaboratively with its TOs and stakeholders,²⁹ and also provided an independent assessment and perspective of the needs of the transmission system overall.³⁰

Upon completion of its analysis, including the review of alternative designs,³¹ MISO concluded that "[t]he Project is an integral part of MISO's Regional Plan for the continued development of a reliable and efficient regional transmission system."³² The Project was approved for the regional plan and became a part of the base plan wherein incremental system

²⁶ Id.

²⁷ 89 FERC ¶61,285 at 626-28 (December 19, 1999) (Order No. 2000) (In establishing RTOs, FERC asserted its authority pursuant to "section 202(a) of the FPA to promote and encourage regional districts for the voluntary interconnection and coordination of transmission facilities by public utilities and non-public utilities for the purpose of assuring an abundant supply of electric energy throughout the United States with the greatest possible economy"), *order on reh'g*, 90 FERC ¶61,201 at 69-72 (February 25, 2000) (Order No. 2000-A).

²⁸ Id.

²⁹ See *Preventing Undue Discrimination and Preference in Transmission Service*, Order No. 890, FERC Stats. & Regs. ¶ 31,241, *order on reh'g*, Order No. 890-A, FERC Stats. & Regs. ¶ 31,261 (2007), *order on reh'g and clarification*, Order No. 890-B, 123 FERC ¶ 61,299 (2008), *order on reh'g*, Order No. 890-C, 126 FERC ¶ 61,228 (2009), *order on clarification*, Order No. 890-D, 129 FERC ¶ 61,126 (2009); *Transmission Planning and Cost Allocation by Transmission Owning and Operating Public Utilities*, Order No. 1000, 136 FERC ¶ 66,051 (2011), *order on reh'g*, Order No. 1000-A, 139 FERC ¶ 61,132 (2012), *order on reh'g and clarification*, Order No. 1000-B, 141 FERC ¶ 61,044 (2012).

³⁰ See MISO Ex. 1.0(Rev) at 6-10 (Webb Direct).

³¹ MISO Ex. 1.0(Rev) at 22-24 (Webb Direct); MISO Ex. 2.0(Rev) at 6-7 (Webb Rebuttal).

³² MISO Ex. 2.0(Rev) at 14-15 (Webb Rebuttal).

needs have been identified relying upon that base plan.³³ The Mt. Zion substation and transformer were part of the model and design of the regional plan that was evaluated and approved by MISO, as well as discussed with MISO stakeholders during the lengthy MVP open and transparent planning process.³⁴ If certain segments are not approved and segment connections and substation locations are debated in subsequent dockets, construction would be delayed in the Decatur area where a 2016 in-service date is required as recognized by the Proposed Order.³⁵ The record reflects that ATXI's and MCPO's experts also analyzed and considered alternatives to the transmission system design approved in the MVP, specifically considering Staff's proposed alternate location for the Mt. Zion substation, and concluded that Staff's proposal was inferior from a reliability standpoint.³⁶

Delay of approval of the construction of the Mt. Zion substation will also affect the base plan approved by MISO. As MISO Witness Webb explained, modifications to the base plan and redesign of the transmission system may have "ripple effects" on subsequent projects and planning cycles that can affect the RTO's ability to address other transmission system needs that were also discussed, evaluated, and designed as necessary facilities to meet local and regional reliability needs.³⁷

To recognize the joint responsibilities of the state and RTO, MISO recommends the following changes to the Proposed Order at page 85:

The Commission has considered the competing concerns of the parties regarding the location of a new Mt. Zion substation and finds Staff's ATXI's and MISO's arguments most persuasive. Although the Commission understands the Staff's desire to continue to evaluate alternate locations and routes for the

³³ Id. at 9.

³⁴ Id. at 10.

³⁵ Proposed Order at 85; see also ATXI Brief at 59.

³⁶ ATXI Reply Brief at 30; MCPO Reply Brief at 2.

³⁷ Id. at 9.

substation, as well as for other segments, the Commission is concerned that Staff's proposal may be problematic from a reliability standpoint. Given that the Commission agrees, and the record supports, that a new substation in the Mt. Zion area is necessary, the Commission recognizes that plans for the Mt. Zion substation resulted from a FERC-approved planning process that included the Mt. Zion substation as part of the overall MVP portfolio of transmission projects, exactly where that substation should be located is less certain. The record reflects that the new substation, wherever it is built, will include a 345/138-kV transformer, therefore there will be at least one 138-kV transmission line emanating from the new Mt. Zion substation. Specifying the location of the substation based solely on the location of one of the connecting 345-kV lines (that being the line from Kansas) without knowing where other connecting transmission lines will be coming from (the aforementioned 138-kV line and the other 345-kV line from either Pawnee or Pona) would unreasonably restrict future efforts to site those other transmission lines. Therefore the Commission will not approve a particular location for a new Mt. Zion area substation at this time.

Although the Commission is sympathetic to Staff's concerns regarding the need for more time, The Commission must balance those concerns with other concerns involving delay and the effect of such on the regional reliability plan. The Commission also cannot ignore the recognizes that MISO engaged in significant electrical design and planning that occurred prior to the initiation of this docket, as well as the analysis conducted during the proceeding by Moultrie PO and ATXI experts to agree to a stipulated location for the Mt. Zion substation.

The Commission finds based on the evidence presented in this proceeding that a new Mt. Zion substation is necessary and that the construction of the new Mt. Zion substation at the location supported by ATXI and Moultrie PO should be approved, and acknowledges MISO's concerns about delay, but can not simply abdicate its authority and responsibility to MISO. Acceptance of the MISO process and results on blind faith would render the Commission's review a meaningless gesture.

Fortunately for ATXI, the uncertainty surrounding the location of a new Mt. Zion substation does not prohibit the Commission from selecting a route for the 345-kV line from Mt. Zion to Kansas. One of the three proposed routes between Mt. Zion and Kansas rises above the other two and warrants selection regardless of the ultimate location of the Mt. Zion substation. The Commission will compare and contrast the three proposed routes below.

Correspondingly, MISO proposes the following changes to the Proposed Order at page 99:

Upon consideration of all of the criteria, the Commission finds the MZK Route to be the least cost route for the Mt. Zion to Kansas segment of the Illinois

~~Rivers Project. But because, as discussed above, the location of the new Mt. Zion substation has not been approved, the MKK Route is only approved from the existing Kansas substation west to the Macon County line. Stopping the line at the Macon County and Piatt County border at this time will provide sufficient flexibility to resume the line along an appropriate route once the location of the new Mt. Zion substation is identified. That portion of segment from the substation to the county border should be determined at the same time the substation location is determined.~~

C. Exception No. 3: The Proposed Order fails to approve the Pana to Mt. Zion segment.

The Proposed Order defers approval of the Pana to Mt. Zion segment until the location of the Mt. Zion substation is determined in a subsequent proceeding.³⁸ The Proposed Order notes that if a transmission line is built between Pawnee and Mt Zion, the link between Pana and Mt. Zion may not be necessary. Given MISO's in-service date of 2016 for the Pana to Mt. Zion segment, the alteration of the sequencing will likely affect MISO's MVP and the reliability issues scheduled to be corrected in the Decatur area in 2016 as discussed above. For the reasons stated above and given that MISO's suggested modifications to the Proposed Order include the approval of the location of the Mt. Zion substation, the Proposed Order should address the route options for the transmission line between Pana and Mt. Zion and adopt the appropriate route as supported by the record.

To resolve these concerns and to recognize the proposed approval of the location of the Mt. Zion substation, MISO recommends the following changes to the Proposed Order at page 83:

F. Pana - Kansas

Following the Pawnee to Pana segment, the Illinois Rivers Project reflects a 345 kV transmission line from Pana to ~~a~~ the new proposed substation southwest of Mt. Zion (i.e., the Mt. Zion substation). The transmission line would then run

³⁸ Proposed Order at 83.

from Mt. Zion to a proposed substation near Kansas. ~~In light of the conclusion concerning the Pawnee to Pana segment, however, there is no need to address the route options for a transmission line between Pana and Mt. Zion at this time. If a direct transmission line between Pawnee and Mt. Zion is found to be appropriate, a link to Pana will not even be necessary.~~ The new Mt. Zion substation will include a 345/138 kV transformer, at least one 138 kV transmission line emanating from the new Mt. Zion substation, and the two connecting 345 kV lines (one being the line from Kansas and the other 345 kV line from Pana). The Commission, therefore, rejects all route proposals that do not connect to the Mt. Zion substation.

For the Pana-Mt. Zion route, ATXI, Moultrie PO, Staff, and the Shelby County Land Owners support the Stipulated Route, which is ATXI's Primary Route. It appears that Mr. Corzine is the only party opposing the Stipulated Route. Mr. Corzine recommends that the route follow Highway 51, which would create a shorter route along an existing right of way.

ATXI argues that Mr. Corzine's route will require more angle structures and is within close proximity of several residences south of Assumption. ATXI notes that the significant increase in the number of angle structures will increase the cost of the route. ATXI argues that the Stipulated Route would also resolve Gan Properties' concerns. ATXI therefore believes the Stipulated Route represents the best balancing of factors and interests in light of the issues described above and the compromise reached through the Stipulation.

ATXI represents that the table below illustrates the support for the routes proposed for this portion of the project, as reflected in the parties' respective Initial Briefs:

<u>PANA - MT. ZION</u>			
<u>Route</u>	<u>Stipulated (ATXI Primary) Route</u>	<u>ATXI Alternative</u>	<u>Assumption Group/Corzine Highway 51 Route</u>
<u>Part(ies) Recommending Approval</u>	<u>ATXI, Staff, MCPO, Shelby, Gan</u>	<u>None</u>	<u>Corzine</u>

The record reflects that the parties and Staff overwhelmingly prefer the Stipulated Route (ATXI's Primary Route) as the superior route for the Pana-Mt. Zion transmission line segment. The Commission's analysis of the routing criteria discussed in the positions of the parties indicates that on many issues, such as

environmental impact, cost, affected landowners, and social and land-use impacts there is preference for the Stipulated Route supported by several parties.

Having reviewed the evidence of record, and upon consideration of all relevant route selection criteria as described by the parties, the Commission finds that the criteria favor the Stipulated Route for the Pana-Mt. Zion segment of the project, which is ATXI's Primary Route, over all other proposed routes. Therefore, the Commission finds that the Stipulated Route for the Pana-Mt. Zion portion of the project is the least-cost route when all costs and benefits are taken into account.

D. Exception No. 4: The Proposed Order fails to approve the proposed new or expanded substations at Ipava, Kansas, Sidney, and Rising.

To the extent that delay is caused by the failure of the Proposed Order to approve ATXI's proposed expansion of existing or construction of new substations and the necessary interconnections to support the transmission upgrades and overall Project, MISO is concerned with the viability of the entire Project designed to bring benefits to Illinois and the region. MISO, therefore, requests that the Proposed Order be modified to approve the proposed modifications and expansions to the existing substations and the construction of new substations.

MISO concurs with the Proposed Order that expansions of existing substations and the construction of new substations and facilities need to occur smartly and efficiently, and only if necessary to support the transmission upgrades designed for the Project.³⁹ The record supports the necessity for such a determination by the Commission in this proceeding.⁴⁰ The record demonstrates that certain substations were selected to be the "drop off" points for the Illinois MVPs in order to connect to the existing transmission system, and alleviate reliability

³⁹ Proposed Order at 54, 119, and 128.

⁴⁰ ATXI Ex. 3.0(2d Rev) at 14 (Hackman Direct); ATXI Ex. 12.0(Rev) at 21-22 (Hackman Rebuttal).

concerns.⁴¹ The record also demonstrates that it is imperative that the Project be connected to the existing transmission system and deliver energy to the load in order to correct reliability issues.⁴²

As explained herein, all segments of the Project, including substation interconnections, need to be completed by 2018 in order to be compatible with MISO's regional development of the MVP portfolio outside of Illinois. MISO reiterates the importance of constructing the entire Project to ensure that missing links are not created and to prevent reliability problems at the point of any missing link in the 345 kV transmission system. Further, not granting approval of the proposed new or expanded substations in this proceeding (deferring the issue to subsequent proceedings) will cause unnecessary delay of the overall project, affect the sequencing of construction of the entire Project, and unduly burden the parties.⁴³

To clarify and address MISO concerns, MISO recommends the following changes to the Proposed Order at pages 53-54, 119, and 128:

Pages 53-54:

An additional issue which is presented for this segment appears to be ATXI's desire to build a new substation south of Ipava. ~~The Commission notes, however, that there is a paucity of discussion on this issue in ATXI's Initial or Reply Brief following the hearing.~~ The Commission does notes that ATXI witness Dyslin testified in part as follows:

2. ATXI intends to acquire a new substation site south of Ipava, Illinois. The land ATXI intends to acquire consists of approximately 154 acres and is currently being farmed. This parcel is currently held by a private landowner, from whom ATXI has a signed contract for sale. ATXI anticipates closing on the transaction on or before November 15, 2012; (ATXI Ex. 8.0 at 3)

⁴¹ See MISO Reply Brief at 9, citing ATXI Brief at 9 (citations omitted)(emphasis added). See also ATXI Brief at 59; Transcript at 370, lns 2-5 (May 14, 2012)("considerable reliability issues at the point that you stopped the line").

⁴² MISO Reply Brief at 9-10; see also Transcript at 370, lns 2-5 (May 14, 2012).

⁴³ ATXI Reply Brief at 61-63.

Staff, however, suggests that the existing substation at Ipava could be expanded to the south or to the north to provide adequate space for the 345 kV termination and tie to existing AIC 345 kV line. Staff notes that ATXI does not propose installing a 345/138 kV transformer at Ipava, so not as much space would be required as at some of the other substation sites that it proposes. Staff suggests there does not appear to be any compelling reason why a new, additional substation site east of the existing AIC substation site would be necessary to tie the proposed 345 kV line to the existing AIC 345 kV line. Staff further states, however, that ATXI does not possess a drawing of or know the dimensions of the it is unclear whether existing Ipava substation, and so does not know whether it ATXI could terminate its proposed 345 kV line using the existing AIC substation at Ipava.

ATXI witness Hackman explained that the design experts determined the area around the existing Ipava substation had physical and practical limitations that would prevent the existing substation from being modified or expanded to accommodate new facilities. (ATXI Ex. 3.0(2d Rev) at 14.) Further, in response to Staff's arguments, ATXI witness Hackman stated that it would be "impractical, if not impossible, for the necessary facility additions and connections to be made within the existing substations Mr. Rockrohr identifies. As explained in my direct testimony, ATXI determined that it was preferable to construct new substations, rather than modify the existing facilities, based on space requirements, engineering requirements (including, but not limited to, control cable length, station service design limiting bus crossing and circuit ingress and egress, topology), and potential future development needs of the existing substations. . . . The proposed configurations at Ipava, Kansas, Sidney and Rising require a much larger substation development than exists." (ATXI Ex. 12.0(Rev) at 21).

The Commission finds based on the evidence presented in this proceeding that ~~there is insufficient evidence at this time to authorize the construction of a new substation at Ipava, Illinois.—The Commission finds that based on the evidence presented,~~ the current substation located at Ipava, Illinois is not sufficiently sized and capable of expansion such that it could handle the additional facilities required by the this portion of the Illinois Rivers Project—. The Commission concludes that it will grant ATXI approval to construct a new substation at the second alternate site identified by ATXI to accommodate the new transmission line.

Page 119:

With regard to the expansion of the existing Kansas substation, the Commission understands the issue to be simply whether space exists in the existing substation to accommodate new equipment. ~~This question should be resolved through discovery because whether sufficient space exists should be~~

~~easily discernible. Why this has not occurred here is uncertain. Instead, the Commission is faced with ATXI's position that more space is necessary and contravenes Staff's assertion that sufficient space is available now. Perhaps had more time been available to pursue this issue in discovery and otherwise consider such details, this issue could have been avoided. Absent a more persuasive showing by ATXI Staff in this record that ATXI's proposal is incorrect and that the existing substation west of Kansas lacks sufficient space, the Commission concludes that it will not grant ATXI approval to construct new or expand the existing substation as necessary to accommodate the new transmission line.~~

Page 128:

With regard to the construction of new substations adjacent to the existing substations in Sidney and Rising, the Commission understands the issue to be simply whether space exists in the existing substations to accommodate new equipment. ~~This question should be resolved through discovery because whether sufficient space exists should be easily discernible. Why this has not occurred here is uncertain. Instead, the Commission is faced with ATXI's claims that it needs more space than is present in the existing substations; however, and Staff's asserts argument that sufficient space is available now. Perhaps had more time been available to pursue this issue in discovery and otherwise consider such details, this issue could have been avoided. Absent a more persuasive showing by ATXI Staff in this record that the existing substations in Sidney and Rising have lack sufficient space, the Commission concludes that it will not grant ATXI approval to construct new or expand the existing substations in these locales as necessary to accommodate the new transmission line.~~

E. Proposed Language for Findings and Ordering Paragraphs

Consistent with MISO's requested modifications stated in this pleading, MISO requests the following changes to the "Findings and Ordering Paragraphs" contained in the Proposed Order at page 132:

XI. FINDINGS AND ORDERING PARAGRAPHS

Having given due consideration to the entire record, the Commission is of the opinion and finds that:

- (1) ATXI is a public utility pursuant to the Act;
- (2) the Commission has jurisdiction over ATXI and the subject matter of this proceeding;
- (3) the facts recited and conclusions reached in the prefatory portion of this Order are supported by the evidence and are hereby adopted as findings herein;
- (4) the route for the transmission line segment between the Mississippi River and Quincy, Quincy and Meredosia, Meredosia and Ipava, Meredosia and Pawnee, Pawnee and Pana, Pana and Mt. Zion, Mt. Zion and Kansas, Kansas and the Indiana state line; and Sidney and Rising should be approved along the routes identified in the prefatory portion of this Order;
- (5) ~~the route for the transmission line segment between Pawnee and Pana and between Pana and Mt. Zion should not be approved in this proceeding;~~
- (6) the proposed new or expanded substations at Quincy, Meredosia, and Pawnee, Ipava, Pana, Mt. Zion, Kansas, Sidney, and Rising should be approved at the locations identified in the prefatory portion of this order;
- (7) ~~the proposed new or expanded substations at Ipava, Pana, Mt. Zion, Kansas, Sidney, and Rising should not be approved in this proceeding;~~
- (8) pursuant to Section 8-406.1(f)(1) of the Act, the Commission finds that the portions of the project approved herein are necessary to provide adequate, reliable, and efficient service to the public utility's customers and is the least cost means of satisfying the service needs of the public utility's customers or that the project will promote the development of an effectively competitive electricity market that operates efficiently, is

equitable to all customers, and is the least cost means of satisfying those objectives;

- (9) pursuant to Section 8-406.1(f)(2) of the Act, the Commission finds that ATXI is capable of efficiently managing and supervising the construction process and has taken sufficient action to ensure adequate and efficient construction and supervision of the construction;
- (10) pursuant to Section 8-406.1(f)(3) of the Act, the Commission finds that ATXI is capable of financing the proposed construction without significant adverse financial consequences for the utility or its customers;
- (11) pursuant to Section 8-406.1(h), the Commission finds that ATXI shall pay a one time construction fee to each county in which the project is constructed within 30 days after the completion of construction; the construction fee shall be \$20,000 per mile of high voltage electric service line constructed in that county, or a proportionate fraction of that fee; the fee shall be in lieu of any permitting fees that otherwise would be imposed by a county;
- (12) pursuant to Section 8-406.1(i) of the Act, ATXI is authorized, pursuant to Section 8-503 of the Act, to construct the high voltage electric service line, the new and expanded substations and related facilities as approved by the Commission in the prefatory portion of this Order; and
- (13) all motions, petitions, objections, and other matters in this proceeding which remain unresolved should be disposed of consistent with the conclusions herein.

IT IS THEREFORE ORDERED by the Illinois Commerce Commission that a Certificate of Public Convenience and Necessity is hereby issued to Ameren Transmission Company of Illinois pursuant to Section 8-406.1 of the Public Utilities Act, and that said certificate shall read as follows:

III. CONCLUSION

The record demonstrates that need exists for the entire IRP to be constructed across the state of Illinois. The Project, as designed and proposed by ATXI through this proceeding, is a component of a larger plan of inter-related transmission projects that span many states throughout MISO's footprint, which will compliment broader regional and national projects that are subsequently designed.

Just as the completion of a fully connected transmission line to existing facilities is a necessary component of the IRP, it is imperative that the entire IRP be completed as designed, including the sequencing of the construction. As written, MISO is concerned with the negative impact, both in Illinois and elsewhere, that would result from the Proposed Order not approving the construction of the entire IRP as planned and designed. Reliability, economic, and other negative implications will result if the IRP is not approved as designed,⁴⁴ and the IRP will not be able to deliver the reliability, economic, renewable, and other benefits to serve short- and long-term needs that it was designed to achieve.⁴⁵

As ATXI and MISO have emphasized throughout this proceeding,⁴⁶ the IRP should be examined in its entirety and not in a piecemeal manner in order to ensure that all benefits are obtained in the necessary timeframe at the lowest total cost to customers.

⁴⁴ See MISO Reply Brief at 7, citing MISO Brief at 9, ATXI Brief at 9, 14-22, and MISO Ex. 1.0(Rev) at 31 (Webb Direct).

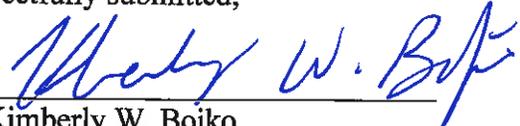
⁴⁵ See MISO Reply Brief at 7, citing ATXI Brief at 13-15 and MISO Brief at 9.

⁴⁶ MISO Reply Brief at 14; ATXI Reply Brief at 62-63; MISO Brief at 17; ATXI Brief at 59.

WHEREFORE, MISO respectfully requests that its requested modifications be adopted in their entirety, consistent with the arguments set forth herein; the Proposed Order should be modified accordingly.

Dated: July 18, 2013

Respectfully submitted,

By: 
Kimberly W. Bojko
Carpenter Lipps & Leland LLP
280 Plaza, Suite 1300
280 North High Street
Columbus, Ohio 43215
Telephone: (614) 365-4100
Facsimile: (614) 365-9145
bojko@carpenterlipps.com

Colleen A. Check
Carpenter Lipps & Leland LLP
180 N. LaSalle Street
Suite 2640
Chicago, IL 60601
Telephone: (312) 777-4300
Facsimile: (312) 777-4839
check@carpenterlipps.com

Jeffrey L. Small
MISO
P.O. Box 4202
Carmel, IN 46082-4202
Telephone: (317) 249-5248
Facsimile: (317) 249-5912
jsmall@misoenergy.org

MIDCONTINENT INDEPENDENT
SYSTEM OPERATOR, INC.