

ICC Docket No. 12-0560**Commonwealth Edison Company's Response to
Rock Island Clean Line LLC's ("RI") Data Requests****RI-COMED 2.01 – 2.45****Date Received: July 2, 2013****Date Served: July 30, 2013****REQUEST NO. RI-COMED 2.02:**

- (a) Concerning the list of documents and information on lines 185-198 of ComEd Exhibit 2.0, please list those items on the list which Ms. Lapson believes can be obtained or developed by or for an electric transmission line project that is to be financed through a project finance approach, prior to the project obtaining each of the following: (i) state regulatory approval for the route of the transmission line; and (ii) a state regulatory certificate of public convenience and necessity or similar state authorization.
- (b) For each item on the list of documents and information that Ms. Lapson believes can be developed or obtained prior to obtaining either approval (i) or approval (ii) in part (a), state the basis for Ms. Lapson's belief.

RESPONSE:

- (a) The portion of Ms. Lapson's testimony that is the subject of this Data Request identifies various types of information and documentation that prospective investors in project debt offerings typically require prior to committing to provide financing. The Data Request, however, appears to be seeking a "yes" or "no" answer to whether such data is available prior to final state approval of a route or CPCN, as if the enumerated information was either available in full detail or not at all. In fact, in an electric transmission line project, information of these types should be available prior to the approval of the route and authorization of the CPCN, although that information may also evolve or become more detailed as the project progresses, including after the route is approved or a CPCN issued.

Ms. Lapson did not testify that each of the items she identified would or should be available in final form. *See* ComEd Ex. 2.0, 9:199-204 ("Equity investors and some lenders may issue commitments that are conditional upon satisfaction of an item above that is either missing or not complete, but it would be quite exceptional to get a commitment even on a conditional basis if none of the items above were available, as is the case with the RI project."). Rather, her testimony identifies information and documents that are typically developed and provided by a project sponsor to demonstrate the robustness of their business case and the seriousness of their financing effort. The following table identifies the level and form of availability of the information and documentation listed at lines 185–198 of ComEd Ex. 2.0 that Ms. Lapson believes is reasonable and practical to provide prior to selection of a route and issuance of a CPCN:

TABLE: PROJECT DOCUMENTS & INFORMATION (ComEd Exhibit 2.0, lines 185-98)

	ITEM	AVAILABILITY OR FORM OF AVAILABILITY PRIOR TO SELECTION OF ROUTE AND ISSUANCE OF CPCN	PROVIDED BY RI
1	Contracts with shippers or capacity agreements;	Preliminary outlines of terms of model contracts; lists of shippers who have indicated interest or are prospects or with which negotiations are underway.	No
2	Interconnection agreements;	Generally available following completion of required studies (see Section 212 of the PJM Tariff).	No
3	Detailed estimates of necessary costs and investments;	Estimates detailing different types of costs and sources and uses of investment funds are generally available.	No
4	Contracts for construction and procurement of materials (Engineering, Materials Procurement, and Construction contracts);	Explanation of the planned strategy for obtaining equipment, contracting with general contractor or multiple contractors, etc. Firm bids may also be available.	No
5	Economic models capable of projecting revenues, expenses, financing costs, gross and net income, and standard financial ratios, etc.;	Detailed model can be developed at any stage in project development, and is not dependent on regulatory approval of route or CPCN.	No
6	Relevant real estate permits and rights of way;	Assessment of the required permits and ROW property and the ability to practically secure them is part of the route evaluation process. It is also common to confirm availability of ROW and, in some cases, obtain options in advance of regulatory approval. All permits and ROWs are not likely to be acquired prior to route approval and certification.	No
7	Environmental permits and assessment of environmental impacts;	Impact assessments, feasibility studies, and preliminary environmental studies are common.	Yes
8	Independent engineering report opining on the construction plan and budget, contingencies, completion tests, operating economics vs. model, etc.	Pre-approval analyses, as opposed to a final pre-construction evaluation, are common, although not fully comparable to or as thorough as a late-stage third-party independent engineering review.	No
9	Equity contribution commitments.	Equity commitments from sponsors; conditional equity commitments and expressions of interest from strategic investors.	No

- (b) The source of Ms. Lapson's views are her experience in the industry, including evaluating projects that did not yet have full documentation of all the elements necessary for formal ratings and funding. For example, from 2008-2011, Ms. Lapson participated in assessing approximately 40-50 project finance transactions that applied to the Department of Energy or Department of Agriculture for debt guarantees. The federal agencies did not require applicants to have in hand all regulatory approvals and licenses at the time of their application, but sponsors provided documentation similar to the items listed above in addition to an explanation of the engineering and technological aspects of the project and the project's commercial plan.