

**STATE OF ILLINOIS
ILLINOIS COMMERCE COMMISSION**

ROCK ISLAND CLEAN LINE, LLC)	
)	
Petition for an Order granting)	
Rock Island Clean Line LLC a)	
Certificate of Public Convenience and)	Docket No. 12-0560
Necessity Pursuant to Section 8-406 of)	
The Public Utilities Act as a Transmission)	
Public Utility and to Construct, Operate)	
And Maintain an electric Transmission)	
Line and Authorizing and Directing)	
Rock Island pursuant to Section 8-503 of)	
The Public Utilities Act to construct an)	
Electric Transmission Line.)	

**ILLINOIS AGRICULTURAL ASSOCIATION'S BRIEF ON
EXCEPTIONS TO THE ILLINOIS COMMERCE
COMMISSION'S PROPOSED ORDER DATED AUGUST 11, 2014**

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NOW COMES the ILLINOIS AGRICULTURAL ASSOCIATION a/k/a the Illinois Farm Bureau (“Farm Bureau”), by and through its attorneys, Brown, Hay & Stephens, LLP, and as and for its Brief on Exceptions to the Illinois Commerce Commission’s Proposed Order dated August 11, 2014, hereby states as follows:

I. PROCEDURAL HISTORY

On October 6, 2010, in Docket No. 10-0579, Rock Island Clean Line, LLC (“Rock Island”) filed a Verified Petition for a Certificate of Public Convenience and Necessity as a Public Utility (“Original Petition”) pursuant to § 8-406(a) of the Public Utilities Act (220 ILCS 5/8-406(a)) (“PUA”) to operate as a public utility and for related approvals. After the Staff of the Illinois Commerce Commission (the “Commission”) filed a Motion to Dismiss on November 30, 2010, Rock Island moved to dismiss its Original Petition on August 27, 2012, which motion was ultimately granted by the Commission on September 19, 2012.

After withdrawing its Original Petition, Rock Island filed a new petition in this docket, styled as a Verified Petition of Rock Island Clean Line, LLC for a Certificate of Public Convenience and Necessity as a Transmission Public Utility and to Construct, Operate and Maintain an Electric Transmission Line and Authorizing and Directing Rock Island Clean Line to Construct an Electric Transmission Line (“Verified Petition”). The Verified Petition seeks from the Commission an Order (1) granting Rock Island a certificate of public convenience and necessity pursuant to § 8-406(a) of the PUA to operate as a transmission public utility in the State of Illinois, (2) granting Rock Island a certificate of public convenience and necessity pursuant to § 8-406(b) of the PUA to construct, operate, and maintain an electric transmission line, (3) authorizing and directing Rock Island, pursuant to § 8-503 of the PUA to construct the electric transmission line, and (4) granting Rock Island certain other relief in connection with its operations as a public utility. The proposed transmission project shall be referred to as “the Project” herein.

After the hearings concluded on the Verified Petition on December 13, 2013, Rock Island, ComEd, Staff, the ILA, the IAA, WOW, the IBEW, and the Environmental Intervenors filed post-hearing initial briefs. All of the previously referenced parties filed reply briefs except for the IBEW. Rock Island and ComEd then filed suggested orders and the ILA filed a summary of its position as to a Commission Order. The ALJ issued his Proposed Order herein on August 11, 2014.

II. SUMMARY OF THE FARM BUREAU’S POSITION

When reviewing the Administrative Law Judge’s (“ALJ”) Proposed Order, one word can accurately describe whether Rock Island now meets or will ever meet the statutory criteria required to entitle it to relief under Sections 8-406 and 8-503: uncertain. In fact, “uncertain” or

“uncertainty” appears thirty-four times in the Proposed Order, including three times in the Commission’s Conclusions where the ALJ identifies that a proper statutory assessment is difficult given the uncertainties presented by the Project. (See Proposed Order, pp. 26, 114, 145). “Uncertain” is an accurate response as to whether Rock Island will build the project, have adequate employee resources, expand its capacity if required, obtain adequate financing, ever request eminent domain powers, or meet the multiple contingencies provided for the Project in the Proposed Order.

In addition, there is a word that can accurately describe the Project: unnecessary. It has been recognized by all of the parties in this docket that the Project is not required to make the electric system in Illinois more reliable and the market adequately competitive. The Staff concludes that the electricity market is sufficiently competitive. Plainly put, the Project should not be considered by the Commission when its proposed existence is not necessary to improve anything, and there is zero evidence of customer need or demand in the State of Illinois.

This application by a non-utility new entrant to market, seeking to build a merchant DC transmission line is one of first impression to the Commission. The investors in Rock Island and its parent, Clean Line Energy Partners, LLC (“Clean Line”), certainly have the right to invest in any speculative business ventures as they wish; however, Illinois farmer members of the Farm Bureau should not be forced to participate in such a risky scheme. The Farm Bureau has never opposed a transmission project before, but it is opposed to its members being burdened by the construction of a large-scale merchant DC transmission line with no apparent need, plagued by considerable uncertainties, and led by a start-up company that has never before built a transmission line.

The uncertainties of the Project, and its absence of any necessity whatsoever, require that

the Commission deny Rock Island's Verified Petition. The ALJ's Proposed Order dated August 11, 2014, including the unprecedented contingencies, should be rejected by the Commission. The ALJ's "Commission Conclusions" in the Proposed Order are simply irreconcilable with the factual findings contained in the Proposed Order. At a minimum, the exceptions to the Proposed Order detailed by the Farm Bureau herein should be adopted by the Commission. The Farm Bureau's positions are fully laid out in its Initial Brief (filed on January 31, 2014) and Reply Brief (filed on February 27, 2014) and will not be restated in this Brief on Exceptions.

III. MOTIONS TO DISMISS

As detailed in the Farm Bureau's Motion to Dismiss (filed on February 7, 2013) and Reply in support of its Motion to Dismiss (filed on March 7, 2013), only "public utilities" are entitled to relief under Sections 8-406(a)-(b) and 8-503. Section 3-105 of the PUA provides, "public utility means and includes. . . every. . . limited liability company. . . that. . . owns, controls, operates, or manages within this state, directly, for public use, any. . . plant, equipment or property used or to be used for or in connection with. . . the transmission, delivery, or furnishing of. . . electricity." 220 ILCS 5/3-105; 22 ILCS 3-105(a)(1). (emphasis added). Plainly put, Rock Island owns nothing within the State of Illinois, including the necessary transmission infrastructure, and therefore is not a "public utility" under Section 3-105 and is not eligible for relief under Sections 8-406 or 8-503. As such, the Verified Petition should be dismissed with prejudice, and the exceptions detailed below in Section III(A) should be made to p. 8 of the ALJ's Proposed Order.

A. Exceptions to the Commission Conclusion regarding the Motions to Dismiss on p. 8 of the Proposed Order.

| In the instant Order, the Commission ~~concludes~~ inconcludes that the rationale and determination contained in the ruling of March 18, 2013 which denied the Motions with respect | to Rock Island's request for relief under Section 8-406 is incorrect. As Rock Island does not

~~own any transmission infrastructure in Illinois, it therefore does not meet the prerequisite definition of a public utility under Section 3-105 of the PUA. As such, the Commission lacks jurisdiction over the Verified Petition and need not make an analysis under Sections 8-406 and 8-503. Therefore, the Commission hereby finds that Rock Island's Verified Petition is dismissed with prejudice. The Commission observes that the question of whether Rock Island should be granted a Certificate under Section 8-406 was extensively addressed on the merits in the course of the proceeding, and is considered in this Order below.~~

~~With respect to the request to dismiss the relief sought under Section 8-503, the ruling of March 18, 2013 stated, in part, "Assuming without argument that Section 8-406 relief is granted to the applicant, the question of whether Rock Island should also be granted relief under Section 8-503 at the same time is an issue that can be further addressed in the course of the proceeding as has been done in prior cases, and will not be further ruled upon at this time." The Commission observes that the question of whether Rock Island should be granted relief under Section 8-503 was in fact addressed on the merits in the course of the proceeding, and findings are contained in this Order below.~~

IV. SECTION 8-406(A)

In addition to the Project being uncertain and unnecessary, Rock Island does not own any transmission infrastructure or property in Illinois, does not have any Illinois electricity customers, and has never provided electricity to anyone, ever. A company without Illinois customers is not an Illinois public utility. Moreover, the record is absent a showing by Rock Island that (1) the Project is needed, (2) it will ever own transmission infrastructure in Illinois, or (3) it will deliver electricity to Illinois consumers for public use. In order to be a "public utility" in Illinois, the services provided must be for the "public use." 220 ILCS 5/3-105. In order to be for the public use, "all persons must have an equal right to use the utility, and it must be in common, upon the same terms, however few the number who avail themselves of it." *Palmyra Tel. Co. v. Modesto Tel. Co.*, 336 Ill. 158 (1929).

Rock Island, via Mr. Berry, has made clear that the "permanent installation of facilities cannot and will not commence unless and until the need for the Project is actually established through the market test of transmission customers contracting for sufficient service on the transmission line to support and justify financings that raise sufficient capital to cover the total

Project cost.” (Additional Supplemental Direct Testimony of David Berry, Rock Island Ex. 10.13, p. 4). The Commission should not grant a certificate to a start-up company to transact business in Illinois when the applicant does not know and has not presented any evidence as to whether even one Illinois consumer needs the Project, and whether even one Illinois consumer will use the electricity provided by the Project. The Project is uncertain and unnecessary.

As previously identified, the analysis related to Section 8-406(a) contains a conclusion consistently reached throughout the Proposed Order: “As with most of the issues in this case, an assessment ... is complicated by the many uncertainties associated with the “merchant” nature of the proposed transmission line project.” (Proposed Order, p. 26). Uncertainties such as when this Project seeks to presubscribe its capacity by up to 75% to private customers, largely out-of-state private customers, leaving only 25% capacity to the Illinois public in open action, does this Project operate for the “public use” in Illinois? The *Mississippi River* decision by the Illinois Supreme Court leads one to believe that it would not. The Staff went further by stating:

What Rock Island is asking the Commission to do is grant it a CPCN so it looks like a “public utility” for purposes of condemning private property to build its line, while at the same time it plans to offer only a token percentage of that line’s capacity for “public use.” The transmission service that Rock Island plans to provide on its transmission line does not meet the public use standard under Section 3-105 of the PUA. (Staff RB, p. 9).

Additionally, uncertainties also remain such as despite its previous assertion that it would be “unable to resize the Project were the solicitation process to reveal market interest in excess of its planned transmission capacity. . .” (FERC Order at 22), would Rock Island be able to expand its transmission capacity for the public use as required by federal law? The record, the prefatory paragraphs, and the recitations in the Proposed Order lead to the conclusion that Rock Island does not and will not operate the Project for “the public use,” yet the Proposed Order incorrectly draws the opposite conclusion.

The Proposed Order should be revised to reflect that Rock Island is not a “public utility,” has not met the public use standard of Section 3-105, and is not entitled to a certificate to transact business as a public utility in Illinois. As a result of the foregoing, the Farm Bureau requests that the exceptions detailed below in Section IV(A) be made to pp. 25 - 27 of the ALJ’s Proposed Order.

A. Exceptions to the Commission Conclusion regarding Section 8-406(a) on pp. 25 - 27 of the Proposed Order.

In the conclusion in its initial brief, Staff stated that it “has concerns with any finding that Rock Island would be an Illinois ‘public utility’...” In its reply brief, Staff concludes that “the transmission service that Rock Island plans to provide on its transmission line does not meet the public use standard under Section 3-105 of the PUA.”

Staff asserts that three-fourths of the capacity of the proposed project is intended to be pre-subscribed for private contracts to a limited number of pre-selected customers; that “only” 25 percent is assured of being available through open auction; and that Rock Island has not provided any evidence that it would be willing and able to expand the capacity of the project at issue to provide service to eligible customers if and when it becomes oversubscribed.

The Commission observes that Staff’s brief also provided an informative explanation of the Rock Island proceeding and decision at the FERC, 139 FERC ¶ 61,142, and another relevant proceeding before the FERC, 142 FERC ¶ 61,038, as summarized above.

ComEd contends that “RI has not proven that it will offer or provide service to the Illinois public.”

Among other things, ComEd argues that an entity does not become a transmission owner’s transmission customer simply because the power that they consume or resell has previously flowed over the transmission owner’s transmission line.

ComEd also states that Rock Island aims to reserve up to 75% of the Project’s capacity for contract anchor tenants in the Resource Area, leaving “merely” 25% to serve the Illinois public. ComEd argues that the Illinois Supreme Court in its *Mississippi River* decision has recognized that serving such a limited number of entities in Illinois does not satisfy the “public use” requirement in the Act.

Other arguments by Staff and ComEd, and Rock Island’s response to those arguments, are summarized above and will not be repeated in detail here.

ILA and IAA also argue that Rock Island does not qualify as a utility within the meaning of Sections 8-406(a) and 3-105 of the PUA. Their arguments are largely the same as those made in their Motions to Dismiss as addressed above, and will not be further discussed here.

The Commission has reviewed the arguments of the parties. As with most of the issues in this case, an assessment of the “public use” issue is complicated by the many uncertainties associated with the “merchant” nature of the proposed transmission line project.

As indicated above, the FERC approved Rock Island’s proposal to pre-subscribe “up to” 75 percent of transmission capacity to anchor customers. 139 FERC ¶ 61,142 at Para 28-30.

The FERC also approved Rock Island’s request to sell the remaining 25 percent of the capacity using an open season auction. (*Id.* at Para. 28-30) As explained by Staff, this means that Rock Island would be required to offer its service to all customers in a non-discriminatory manner subject to a regional transmission organization (“RTO”) open access transmission tariff (“OATT”). ~~In fact,~~ Staff suggested that the requirement of non-discriminatory open access “could arguably overcome the public use hurdle” since all customers would have an equal right to use the utility on the same terms, as required for public use under Section 3-105 of the Act. (Staff IB at 16)

RI represents that it will comply with this FERC requirement. RI also asserts that potential users of transmission service to the Collins Substation, via the open-access tariff, would include parties seeking transmission capacity for delivery of electricity to northern Illinois. ~~The Commission finds this assertion to be reasonable. Although these hypothetical solicitations for access may occur, to constitute a “public use,” under Section 3-105, “all persons must have an equal right to use the utility, and it must be in common, upon the same terms, however few the number who avail themselves of it.” As noted above, Staff argues that Rock Island has not provided any evidence that it would be willing and able to expand the capacity of the project at issue to provide service to eligible customers if and when it becomes oversubscribed. Staff cites the FERC Order, which states, “Rock Island asserts that it would be unable to resize the Project were the solicitation process to reveal market interest in excess of its planned transmission capacity because it would result in delays and additional costs.” 139 FERC ¶ 61,142 at Para. 22. Staff also notes that in a subsequent FERC matter, 142 FERC ¶ 61,038, the FERC stated that “Public utility transmission providers are subject to the Commission’s OATT transmission requirements, including the obligation to expand their transmission systems, if necessary, to provide transmission service.” On this issue, it is not known whether the FERC would allow Rock Island to implement a tariff that deviates from the above policy pronouncement.~~

Given the considerations ~~in the two paragraphs immediately detailed~~ above, ~~and subject to the conditions below,~~ the Commission finds that ~~Rock Island is not a “public utility” as defined by Section 3-105 and that Rock Island’s proposal does not satisfies—satisfy~~ the public use standard under Section 3-105. ~~As such, Rock Island is denied a certificate to transact business in Illinois as a public utility pursuant to Section 8-406(a). The Commission wishes to emphasize that this finding does not reach the question of whether Rock Island has made the showings required by Section 8-406(b)(1), and no presumptions are created with respect thereto.~~

~~As noted above, Staff argues that Rock Island has not provided any evidence that it would be willing and able to expand the capacity of the project at issue to provide service to eligible customers if and when it becomes oversubscribed. Staff cites the FERC Order, which states, “Rock Island asserts that it would be unable to resize the Project were the solicitation process to reveal market interest in excess of its planned transmission capacity because it would result in delays and additional costs.” 139 FERC ¶ 61,142 at Para. 22. Staff also notes that in a subsequent FERC matter, 142 FERC ¶ 61,038, the FERC stated that “Public utility transmission providers are subject to the Commission’s OATT transmission requirements, including the obligation to expand their transmission systems, if necessary, to provide transmission service.”~~

~~On this issue, it is not known whether the FERC will allow Rock Island to implement a tariff that deviates from the above policy pronouncement. If Rock Island is required to file a FERC tariff which complies with that pronouncement, Rock Island will need to obtain approval from the Illinois Commerce Commission before undertaking any such expansion.~~

V. SECTION 8-406(B)

A. First Alternative Test

With regard to the first alternative test in Section 406(b)(1), which states “that the proposed construction is necessary to provide adequate, reliable, and efficient service to its customers and is the least-cost means of satisfying the service needs of its customers,” the Proposed Order accurately concludes “that Rock Island has not demonstrated that the Project is necessary to provide adequate, reliable, and efficient service to customers within the meaning of Section 8-406(b)(1).” However, the Proposed Order fails to detail that Rock Island further did not establish that it “is the least-cost means of satisfying the service needs of its customers” as required by the first alternative test in Section 406(b)(1). In addition, should the Commission adopt the Farm Bureau’s exceptions detailed herein, the portion of the Proposed Order at p. 110 related to the interconnection at the Collins substation shall be deemed unnecessary. As such, the Farm Bureau requests that the exceptions detailed below in Section V(C) be made to pp. 110 - 116 of the ALJ’s Proposed Order.

B. Second Alternative Test

With regard to the second alternative test in Section 406(b)(1), “that the proposed construction 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,” the Proposed Order again draws the incorrect conclusion. As the Commission reviews the Proposed Order, this would be an appropriate time to review the lay of the land. In addition to being plagued with uncertainties, it has been established that the Project is not necessary. This opinion is shared by the Administrative Law Judge, MISO, PJM, ComEd, the ILA, the Farm Bureau, and even Rock Island’s witnesses. Despite that a proposed transmission line is not necessary, even by every interested party’s admission, Section 406(b) provides a “door number 2” of sorts with the second alternative test.

In order to enter “door number 2,” Rock Island must prove by a preponderance of the evidence that their 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.” The evidentiary record developed here amounts to nothing more than an ambitious business plan by a start-up company that has never built or operated a transmission line and is not sufficient to support findings necessary to grant a CPCN under “door number 2.” (See ComEd’s Initial Brief, pp. 22, 27-29, and ComEd’s Reply Brief, pp. 1-4, 14-22).

Rock Island and its team of newcomers have insufficient experience, and insufficient financial and human resources to lead this proposed \$1.8B project. There is also nothing in the record to establish that customers or generators will ever exist, or that the Project will definitely be built. An ambitious business plan is not enough. As put succinctly by the Staff:

In effect, these RICL witnesses argue that the Commission need not concern itself with the cost or the viability of RICL's Project because RICL is a "merchant transmission company" and not a traditional public utility. However, the Commission is not authorized to grant certificates of public convenience and necessity to anyone with an idea for a transmission project, on the off chance that the project *might* succeed. Such an interpretation of Section 8-406(b) would render the section meaningless and the protections that it is intended to provide to the public superfluous. (emphasis added.)

(Staff IB, p. 27).

Also, as ComEd has stated, Rock Island "asks the Commission to accept its vision of a future where the Project's financial and operational obstacles are eliminated, its incomplete features are filled-in favorably, 4000 MW of new generation materializes and interconnects with the Project, and a thus-far disinterested market enthusiastically embraces the Project. (ComEd RB, pp. 1-2). Then, addressing how the evidence does not support a finding in favor of Rock Island, Com Ed provides the following succinct summary:

To recap – briefly: the Project has no customers, generation or load. The 4000 MWs of wind generation that RI assumes will use the line does not exist and RI cannot even point to prospective generators in any regional transmission operator's ("RTO") queue. There is no evidence of any competitive market failure now and the Project solves no reliability or transmission deficiencies. It was never included in the regional planning process and has never been shown to be the least-cost means of gaining "extra" reliability. The Project also remains critically incomplete. A new 765kV interconnection option emerged from a few lines of RI's surrebuttal testimony. There are grave doubts about whether the Project can be operated safely and reliably at anything near its advertised 3500 MW capacity; at least without hundreds of millions of dollars of additional transmission upgrades that RI excludes from its Project for which it does not seek approval. RI's answer to potentially catastrophic stability concerns is as yet undeveloped "operating guides" that the PJM Interconnection, L.L.C. ("PJM") has considered only as a concept and that the Midcontinent Independent System Operator, Inc. ("MISO") has not reviewed at all. RI's brief tries to deflect this issue by reference to novel and proprietary "STATCOM" technologies, a notion neither reviewed or accepted by PJM and belatedly mentioned only in surrebuttal.

(ComEd RB, pp. 2-3).

The uncertainties stated above warrant a ruling by the Commission that the Project will not 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. That being said, even if the Commission develops a comfort level with Rock Island's experience and business plan, Rock Island has not established by a preponderance of the evidence (1) that sufficient capacity will be available and/or developed for the Project, or (2) that the Project will increase competition efficiently and equitably, and that the costs of the Project will not outweigh the benefits, and will otherwise be a least cost means of achieving its objective.

1. Capacity

The Project is premised upon the spontaneous appearance of now non-existent wind producers in western Iowa, and Rock Island argues that the Project will spur such activity and competition in the electricity market. In his study, Rock Island witness Dr. McDermott "assumes that a hundred percent of the generation that will provide the power that will flow on the line is wind." (Tr. 122) Other Rock Island witnesses also confirmed that the input data for their analyses are based on an hourly energy profile "equivalent to 100% wind." (ComEd IB at 25, citing Galli, Tr. 757-758). According to Rock Island, the wind producers will move to Iowa after Rock Island navigates the multiple regulatory steps in both Illinois and Iowa.

First, even assuming a sufficient number of wind producers are ready to break ground in western Iowa, Rock Island is prohibited from limiting the line to carrying only wind and FERC has denied its request to give wind generation preference. (Rock Island Clean Line LLC, 139 FERC ¶ 61,142 at 31). Rock Island witness Dr. Galli acknowledged that it must serve any generator that seeks to inter-connect, no matter how non-renewable. (ComEd IB at 26, citing Tr. 758). Essentially, it is entirely unknown whether wind producers will move into Iowa when the companies cannot be promised any preference or priority. Further, Rock Island's studies rely upon an assumption (only wind injection) that is inaccurate.

Not only is the birth of unplanned wind producers uncertain and speculative, as indicated by Staff, Congress permitted the \$22 per MWH federal production tax credit to expire on December 31, 2013.¹ (Staff IB, p. 25). Thus, the absence of these tax credits “could significantly affect the financial viability of new wind farms, and thus the viability of the Project.” (*Id.*) Again, the Project is plagued with uncertainties and is unnecessary.

ComEd accurately concludes that “[t]he 100% wind assumption and the wind-based hourly energy profile used to develop RI’s economic analyses are not supported by the record. As a result, the conclusions from such analyses cannot be relied upon to demonstrate compliance with the requirements for a CPCN.” (ComEd IB at 26, citing Tr. 758.) Any references in the Proposed Order that the Project will lead to the development of wind energy is too speculative, not supported by the record, and should be stricken as detailed below in Section V(C).

2. Competition, Costs, and Benefits

With respect to an effectively competitive marketplace, Rock Island presented theoretical arguments that the Project would enhance competition and that the costs would outweigh the benefits. Essentially, Rock Island analyzed a world with the Project and a world without the Project. Importantly, Staff witness Mr. Zuraski accurately identified that “[t]he direct testimony presented by RICL witnesses focuses only on certain alleged benefits of the project. RICL has not compared the benefits to the project’s expected costs.” (Staff IB, p. 45; Staff Ex. 3.0, 11).

The Farm Bureau urges the Commission to rely upon the detailed, sound opinions of ComEd’s witness, Mr. Naumann, and the ILA’s witness, Mr. Gray. The Staff summarized

¹ As of the date of the filing of this brief, the production tax credit for wind and other renewable energy technologies has not been renewed. The only extension of this credit was via a new provision included in the American Taxpayer Relief Act of 2012 (enacted in January 2013) allowing eligible projects that were under construction before January 1, 2014 to qualify for the tax credit.

Naumann's and Gray's conclusions regarding the uncertainties of the project very well in its initial brief:

Mr. Naumann's argument is that the impact of the Project on competition is unknown because "the Project is not sufficiently developed and has too many critical unknown factors." Dr. Gray's argument is that the impact of the Project on competition is unknown because:

1. "RICL has scarcely addressed the costs of negative land-use impacts and externalities that RICL would impose on the Illinois public for the benefit of eastern PJM states in meeting their RPS targets."
2. "RICL has assumed traits and characteristics about potentially connected generators that cannot be substantiated."
3. "RICL leaves open the possibility of allocating future transmission costs, of unknown amounts, to Illinois electricity consumers."
4. "RICL has not demonstrated a willingness to adequately protect the Illinois public from the risks of Project failure." (ILA 7.0, 10.)

The uncertainties regarding the effect of the Project on the competitive market and Illinois consumers are too high, and Rock Island has not met its burden to establish to the contrary. Further, the testimony of Staff's witness Mr. Zuraski, in one of many fashions, demonstrates that the actual and potential costs of the Project outweigh the benefits in his following discussion related to the expenses of the Project:

First, I do indeed understand that the stated intent of RICL is that 'the costs associated with the Project are paid through market-based rates not through a regulated cost of service approach.' I do not question that this is RICL's intent, hope, and expectation. However, even the best-laid plans can go awry. In such an instance, RICL might very well beseech the FERC, the Commission, and/or Illinois and Iowa state legislatures to help get the Project back on track. Such assistance could end up costing ratepayers more than what it would cost if all projects were based solely on the interaction of entrepreneurs vying against one another in a 'competitive market'. On the other hand, such an outcome

would be less likely if RICL were to make the type of assurances discussed in the rebuttal testimony of RICL witness Berry.

Second, RICL is more likely to seek such non-market assistance if it finds that it is unable to cover its costs (which in regulatory parlance, we usually call “revenue requirements”). This is why I relied on a revenue requirement model in my analysis. An axiom in competitive market analysis is that, in the long run, firms break even (i.e., they cover their costs, including a normal rate of return). I fear that this point was not made clear in my direct testimony, but I will make it now: I am not suggesting that RICL’s services should or will be priced using a set of revenue requirement calculations. Rather, I was using those calculations in a sensitivity analysis to judge the likelihood that the Project would fail to succeed with market-based rates, and hence the likelihood that RICL would seek a different means of cost-recovery.

RICL’s investors may face the brunt of the risk. However, due to the potential, discussed above, for RICL to seek government assistance to resuscitate the Project if it begins to financially falter, it is an overstatement to say ‘there is no risk to ratepayers.

(Staff Ex. 6.0 at 2-5)

In addition to there being risk to the ratepayers, the Staff has even identified that Mr. Zuraski’s own overall analysis is subject to uncertainty because many factors cannot be held constant. (Staff IB, p. 25). These uncertainties include the fact that he relied upon the application of the production tax credit, which no longer exists, and Project cost estimates which were provided by RICL. (*Id.*; Staff Ex. 3.1). As such, he addressed neither the concerns of additional upgrade costs raised by ComEd witness Naumann nor the cost implications of the various concerns raised by witnesses for the land owner interests, relating to the impact of the Project on land values, wildlife, quality of life, historically-significant lands, and the legacies left behind by the affected land owners. (Staff IB, p. 26). In effect, Mr. Zuraski raised many uncertainties which should cause concern to the Commission; plus, his own analysis relied upon

some unreliable data, which should cause additional uncertainties as to the effect of the Project.

Rock Island has failed to establish 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. As such, the Farm Bureau requests that the exceptions detailed below in Section V(C) be made to pp. 110 - 116 of the ALJ's Proposed Order.

C. Exceptions to the Commission Conclusion regarding Section 8-406(b) on pp. 110 - 116 of the Proposed Order.

Section 8-406(b) provides in part as follows, "Whenever after a hearing the Commission determines that any new construction or the transaction of any business by a public utility will promote the public convenience and is necessary thereto, it shall have the power to issue certificates of public convenience and necessity."

Section 8-406(b) then provides alternative tests for demonstrating the proposed construction will promote the public convenience and necessity. It states, in part:

The Commission shall determine that proposed construction will promote the public convenience and necessity only if the utility demonstrates: (1) that the proposed construction is necessary to provide adequate, reliable, and efficient service to its customers and is the least-cost means of satisfying the service needs of its customers or that the proposed construction 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....

As noted above, the FERC accepted Rock Island's proposal "to pre-subscribe up to 75 percent of transmission capacity to anchor customers." The FERC also approved Rock Island's request "to sell the remaining 25 percent of the Project's capacity using an open season auction." The FERC did not approve Rock Island's request "to apply a preference for energy from renewable resources in its open season." 139 FERC ¶ 61,142 at 10-11.

According to Rock Island, it has shown that the proposed transmission line project satisfies both of the alternative showings identified in Section 406(b)(1). IBEW agrees.

In addition to Rock Island, several parties presented witness testimony substantively analyzing this issue, among them ComEd, Staff, ILA and WOW.

ILA, ComEd and IAA argue that Rock Island has failed to satisfy either of the alternative showings in Section 406(b)(1).

Wind on the Wires and Environmental Intervenors, who support the application, argue that Rock Island has met the second test – that it will promote the development of an effectively competitive electricity market.

Preliminarily, the Commission observes, as it has with respect other issues in this case, that an assessment of the issue at hand is a particularly challenging undertaking given the “merchant” nature of the proposed transmission line project and the many unknowns associated with it.

With regard to the first alternative test in Section 406(b)(1), Staff, ComEd, ILA and IAA contend that Rock Island has not demonstrated that the proposed Project is necessary to provide adequate, reliable, and efficient service to its customers and is the least-cost means of satisfying the service needs of its customers.

Except for Rock Island and IBEW, no other Party has taken the position that Rock Island has met that test.

In fact, Wind on the Wires, which supports the application, observes that while Rock Island has addressed the first test in Section 8-406(b)(1), “the primary purpose of the line is really to improve the existing competitive electricity market in Illinois, which is the second or alternative finding in section 8-406(b)(1).” (WOW RB at 6-7) Similarly, the Staff witness stated that “RICL’s main argument for the proposed project is that it will promote the development of competitive electricity markets.”

Having reviewed the record, the Commission finds, with regard to the first alternative showing in Section 8-406(b)(1), that Rock Island has not demonstrated that the Project is necessary to provide adequate, reliable, and efficient service to customers and is the least-cost means of satisfying the service needs of its customers within the meaning of Section 8-406(b)(1).

As explained in Staff and ComEd testimony and briefs, Rock Island did not provide any independent studies from transmission system operators in Illinois. While Rock Island may not be required to vet this merchant project with such operators for that purpose, RI also did not provide, as an alternative to such an independent study, any load flow studies or similar analysis to substantiate its position.

On this issue, the Commission also notes that ComEd cites testimony from RI’s expert witness. The witness was asked, “You’re not testifying that the proposed addition of the Rock Island Clean Line is required to make the Illinois system more reliable, correct?” He responded, “That is correct.” (Tr. 749-750)

Accordingly, the Commission finds that Rock Island has not demonstrated that the Project is necessary to provide adequate, reliable, and efficient service to customers and is the least-cost means of satisfying the service needs of its customers within the meaning of Section 8-406(b)(1).

~~On a somewhat related point, ComEd witness Mr. Naumann raised a concern that Rock Island has not identified the network upgrades required to properly connect the proposed line to ComEd's existing 765 kV transmission system at the Collins substation and ensure the reliability of the ComEd system. (ComEd Ex. 1.0 Rev. at 21) While the Commission agrees with ComEd's emphasis on the importance of ensuring the integrity of the interconnection, the Commission believes that the PJM interconnection process, which will involve a number of studies to determine the reliability impact of a project on the system and the necessary facilities and network upgrades to accommodate the project before interconnection will occur, will be sufficient to avoid adverse impacts on reliability. The Commission notes that an informative description of how that PJM process works for a merchant project process is contained in Mr. Naumann's testimony. (Id. at 16-18) As a condition of this Order, Rock Island shall not attempt to effect the interconnection until it has fully complied with the applicable requirements of PJM and the other conditions in this Order, and has signed all interconnection agreements.~~

The Commission will next address the second alternative test, also referred to as the "competition prong" in Section 8-406(b)(1). Particularly, RI is required to establish that "that the proposed construction 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." Section 8-406(b)(1).

Rock Island witnesses testified that the Project will promote the development of an effectively competitive electricity market and they presented economic analyses purporting to show that the Project is the least cost means of doing so. They also critiqued Mr. Zuraski's analysis.

Rock Island's testimony and argument on this issue is described at length above and will not be repeated here.

WOW presented testimony and argument in support of its contention that the record shows the competitive prong has been satisfied. Environmental Intervenors and IBEW concur.

ILA and ComEd contend that RI failed to make the showing required under the competitive criterion. In support of their respective positions, ILA and ComEd rely on the testimony of ILA witness Dr. Gray and ComEd witness Mr. Naumann. These witnesses criticized the assumptions in and results of RI's studies, as described above. IAA reaches the same conclusion in its briefs

Staff witness Mr. Zuraski focused on the benefits and costs of the Project. He also offered comments with respect to the Project's impact on competition.

Mr. Zuraski reviewed the purported benefits of the Project as calculated by Rock Island's witnesses. He testified that the Rock Island had not demonstrated that the Project's benefits outweigh its costs, noting that the direct testimony of Rock Island witnesses focused only on certain alleged benefits of the project, and did not consider the costs. (Staff Ex. 3.0 at 11)

Mr. Zuraski performed a study comparing the benefits and costs of the project, and he described the methodology and assumptions used in his analysis. (Staff Ex. 3.0 at 16-29) He examined three scenarios through which approximately 15 million MWHs of additional RECs per year could be made available to Illinois firms subject to the State's RPS, and the additional revenues that would be needed to cover the costs.

Mr. Zuraski took into account, and explained, a source of benefits that he called "LMP savings." He also explained the capacity factor assumptions used in his analysis, and its significance. In an appendix, he identified the assume values of inputs used in his analysis.

Mr. Zuraski also described the results and conclusions of his analysis. (Staff Ex. 3.0 at 5-6, 29-46)

He summarized his testimony as follows:

Based on my evaluation, I expect that the project's benefits will outweigh its costs, and that the additional costs of the renewable energy resources that would utilize the RICL Project will not significantly exceed the maximum available budget for renewable energy resources pursuant to the Illinois renewable portfolio standard. However, this analysis is subject to considerable uncertainty. Therefore, there is a risk that the project will not be financially viable as a subscription service sold at market-based rates, in which case RICL would be more likely to seek FERC approval to recover its costs through a more general levy on electric market participants, such as an 'inter-regional allocation of the costs,' as described by RICL witness Skelly in his direct testimony.

He next stated:

With respect to whether or not the proposed construction will promote the development of an effectively competitive electricity market, it is my opinion that an effectively competitive electricity market already exists. However, it is also my opinion that the RICL Project would not threaten the competitiveness of the electricity market. Whether the RICL Project will promote or contribute to an effectively competitive electricity market that operates efficiently ... and is the least cost means of satisfying those objectives depends on whether the project's benefits will outweigh its costs, as addressed in the previous paragraph. ..."

(Staff Ex. 3.0 at 5-6)

Based on that testimony, "Staff believes that the evidence supports a finding that the Project would promote an effectively competitive electricity market, but that the preponderance of evidence in favor of such a finding is not a strong preponderance and is subject to 'considerable uncertainty.'" (Staff IB at 60).

ILA witness Dr. Gray testified that in the absence of actual subscribers, or customers, Rock Island's assumed traits and characteristics about generators that could potentially connect to the Project cannot be substantiated. Similarly, ComEd argues that the Project is little more

than a concept, has attracted no customers or committed lenders and investors. IAA makes similar arguments.

As observed above and elsewhere in this Order, the uncertainties associated with this merchant project present many challenges in assessing and deciding the issues in this proceeding. The competitive prong criterion in Section 8-406(b)(1) is obviously no exception to this “chicken-egg” dilemma.

Rock Island has presented analyses purporting to show that the wind-rich conditions in the targeted resource area will prompt the development of wind farms there if transmission service becomes available. The WOW witness agrees with this assessment.

Staff, ComEd, ILA and IAA also take issue with RI’s repeated claims that Illinois customers will pay none of the cost of Project, because, as a merchant project, all such costs will be paid by the generators. On this point, FERC stated, “Rock Island meets the definition of a merchant transmission owner because it assumes all market risk associated with the Project and has no captive customers. Rock Island has agreed to bear all the risk that the Project will succeed or fail based on whether a market exists for its services. Rock Island also has no ability to pass on any costs to captive ratepayers.” 139 FERC ¶ 61,142 at 6.

Mr. Zuraski testified that “there is a risk that the project will not be financially viable as a subscription service sold at market-based rates, in which case RICL would be more likely to seek FERC approval to recover its costs through a more general levy on electric market participants, such as an ‘inter-regional allocation of the costs,’ as described by RICL witness Skelly in his ... testimony.” (Staff Ex. 3.0 at 5-6, Zuraski; see also ILA Ex. 7.0 at 9-10, Gray)

Having reviewed the record regarding the studies ~~and testimony~~ provided by Rock Island, ILA, ComEd, and Staff, the Commission finds ~~_, for the reasons explained by Staff and as summarized above,~~ that the analysis presented by ~~Mr. Zuraski~~ Mr. Naumann and Mr. Gray are all compelling when is the more reliable and provides a better comparison of the benefits and costs of the Project in the context of assessing whether the Project will promote the development of an effectively competitive electricity market that operates efficiently, including with respect to renewable energy; is equitable to all customers; and is the least cost means of satisfying those objectives. ~~The Commission also believes Mr. Zuraski’s findings may be relied upon in making the necessary determinations on this issue.~~

In conclusion, upon consideration of the record and the determinations contained above, the Commission finds that Rock Island has failed to establish that the proposed construction 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, within the meaning of Section 8-406(b)(2).

~~ILA witness Dr. Gray testified that in the absence of actual subscribers, or customers, Rock Island’s assumed traits and characteristics about generators that could potentially connect to the Project cannot be substantiated. Similarly, ComEd argues that the Project is little more~~

~~than a concept, has attracted no customers or committed lenders and investors. IAA makes similar arguments.~~

~~As observed above and elsewhere in this Order, the uncertainties associated with this merchant project present many challenges in assessing and deciding the issues in this proceeding. The competitive prong criterion in Section 8 406(b)(1) is obviously no exception to this “chicken egg” dilemma.~~

~~Rock Island has presented analyses purporting to show that the wind rich conditions in the targeted resource area will prompt the development of wind farms there if transmission service becomes available. The WOW witness agrees with this assessment.~~

~~Based on the evidence, particularly the analysis of Mr. Zuraski, who explained the significance of favorable capacity factors in the wind rich resource area and expressed his expectation, albeit with reservations, that the Project’s benefits will exceed the costs, and will promote the development of an effectively competitive electricity market, the Commission believes there is a strong potential for such wind farm development and use of the proposed line if such a line is available. While such potential alone is arguably not sufficient to satisfy Section 8 406(b)(1) in light of the many uncertainties, the Commission believes that important safeguards in that respect are provided by the financing condition which is imposed below in order to satisfy Section 406(b)(3).~~

~~Under that condition, “Rock Island will not install transmission facilities for the Project on easement property until such time as [it] has obtained commitments for funds in a total amount equal to or greater than the total project cost.”~~

~~The Commission believes that this condition also provides a level of assurance on the Section 8 406(b)(1) issue, since lenders and investors will presumably assess the status of wind farm projects and of RI’s efforts to obtain commitments from those developers before agreeing to lend or invest such large sums of money. As stated by the FERC in 139 FERC ¶ 61,142 at page 10, “As Rock Island points out, it must secure long term commitments from creditworthy anchor customers to support financing the Project.” Accordingly, the findings on Section 8 406(b)(1) are subject to fulfillment by RI of the financing condition.~~

~~ComEd also challenges the assumption that 100% of the generation flowing on the line will be wind energy. The Commission notes that the line has been characterized as a 500-mile lead line from O’Brien County, Iowa, where the potential wind farms would be located, to the Collins substation in Grundy County, Illinois. In view of this and other information in the record, it seems reasonably likely that the line would be used primarily if not entirely for delivery of wind energy from O’Brien County to the Collins substation.~~

~~Staff, ComEd, ILA and IAA also take issue with RI’s repeated claims that Illinois customers will pay none of the cost of Project, because, as a merchant project, all such costs will be paid by the generators. On this point, FERC stated, “Rock Island meets the definition of a merchant transmission owner because it assumes all market risk associated with the Project and has no captive customers. Rock Island has agreed to bear all the risk that the Project will succeed~~

~~or fail based on whether a market exists for its services. Rock Island also has no ability to pass on any costs to captive ratepayers.” 139 FERC ¶ 61,142 at 6.~~

~~Mr. Zuraski testified that “there is a risk that the project will not be financially viable as a subscription service sold at market-based rates, in which case RICL would be more likely to seek FERC approval to recover its costs through a more general levy on electric market participants, such as an ‘inter-regional allocation of the costs,’ as described by RICL witness Skelly in his ... testimony.” (Staff Ex. 3.0 at 5-6, Zuraski; see also ILA Ex. 7.0 at 9-10, Gray)~~

~~To mitigate this concern, RI has proposed a condition which states:~~

~~Prior to recovering any Project costs from Illinois retail ratepayers through PJM or MISO regional cost allocation, Rock Island will obtain the permission of the Illinois Commerce Commission in a new proceeding initiated by Rock Island. For the purposes of the prior sentence, any system upgrades set forth in an interconnection agreement with PJM or MISO and the costs of which are allocated to Rock Island will be considered “Project costs.” For the avoidance of doubt, the phrase “recovering any Project costs from Illinois retail ratepayers through PJM or MISO regional cost allocation” includes the recovery of costs through PJM and MISO transmission service charges that are paid by retail electric suppliers in respect of their electric load served in Illinois.~~

~~ILA and ComEd view this condition as superficial and inadequate. Staff witness Zuraski also has misgivings, although he suggests the outcome of concern—where ratepayers would end up bearing the costs of the Project—would be less likely if Rock Island were to make the type of assurances discussed in the condition proposed by Rock Island.~~

~~As a condition of this Order, the Commission finds that Rock Island shall abide by the terms of the condition set forth above. Prior to recovering any Project costs from Illinois retail ratepayers through PJM or MISO regional cost allocation, Rock Island shall seek and obtain the permission of this Commission in a proceeding initiated or sought by Rock Island. Absent such approval, Rock Island shall not be entitled or permitted to recover any such costs.~~

~~In conclusion, upon consideration of the record and the determinations contained above, and subject to the conditions set forth above and elsewhere in this Order, the Commission finds that the Project will provide an opportunity for the delivery of more renewable energy into Illinois, and will promote the development of an effectively competitive electricity market that operates efficiently, including with respect to renewable energy; is equitable to all customers; and is the least cost means of satisfying those objectives, within the meaning of Section 8-406(b)(2).~~

VI. SECTION 8-406(B) - MANAGING AND SUPERVISING THE CONSTRUCTION PROCESS

According to the Staff, it is important for RICL “to demonstrate solid experience managing and supervising the construction and operation of transmission lines because the Commission needed to know that RICL has the demonstrated ability to construct, maintain, and operate a reliable, high voltage, direct current, electric transmission line.” (Staff IB, p. 61; Staff Ex. 7.0, 6 -7). Rock Island has not presented sufficient evidence that it is capable of efficiently managing and supervising the construction of the Project. (Direct Testimony of Yassir Rashid, ICC Staff Ex. 1.0, p. 4.) Rock Island has never built a transmission line and neither has its parent company, Clean Line. Moreover, Rock Island is seeking to build a high voltage DC transmission line which is extremely rare, with only a few other similar lines existing in the country. (Revised Rebuttal Testimony of Yassir Rashid, ICC Staff Ex. 4.0R, p. 8.) The organizational chart of Rock Island is missing 20 of 35 key management employees, and most of these employees are also charged with identical duties for the 5 other subsidiaries of Clean Line. (*Id.* at 6).

As well detailed in the record and in the prefatory paragraphs of the Proposed Order, the \$1.8B transmission project proposed by Rock Island is proposed to be managed in Illinois by fifteen people who have no relevant experience, and who could theoretically be managing up to \$8.0B of similar work in other parts of the country. Rock Island has failed under Section 8-406(b) to establish that it can sufficiently manage and supervise the construction process of the Project. The Proposed Order should be revised to reflect that Rock Island has not established that it is capable of managing and supervising the construction of the Project, and as a result, the Farm Bureau requests that the exceptions detailed below in Section VI(A) be made to pp. 126 - 127 of the ALJ’s Proposed Order.

A. Exceptions to the Commission Conclusion regarding Section 8-406(b) regarding managing and supervising the construction process on pp. 126 - 127 of the Proposed Order.

One of the required showings in Section 8-406(b) is that the utility demonstrate that it is “capable of efficiently managing and supervising the construction process and has taken sufficient action to ensure adequate and efficient construction and supervision thereof.”

Staff contends that Rock Island has not made the necessary showing. The Staff witness testified that neither Rock Island nor its parent company had ever managed or supervised a transmission line project, let alone a \$2.0 billion DC project; that many positions at Rock Island remain unfilled; and that high-voltage DC lines are rare. ComEd, ILA and IAA agree with Staff. ComEd asserts that Rock Island plans to rely on third-party firms to provide much of the needed construction management expertise, but no construction or construction management contracts have been entered into at this time.

The Commission has reviewed the argument of the parties. As with many of the issues in this case, an assessment of the issue at hand is complicated by the many unknowns associated with the “merchant” nature of the proposed transmission project.

The Commission believes that under the circumstances, Rock Island has not made the required showing, ~~subject to the conditions set out below. While~~ ~~†~~ The Staff witness has raised several pertinent ~~important~~ concerns, and the Commission believes Rock Island has not adequately addressed ~~them in its rebuttal testimony~~ such concerns. Rock Island has designed a comprehensive ~~an inadequate~~ construction management organization, and its members of the management team ~~have~~ has insufficient experience in overseeing the construction of a large electric transmission projects of this nature. Inappropriately, many key construction ~~lead~~ positions also are ~~have been un-~~filled. ~~While many positions are unfilled, Rock Island contends it would be premature to fully staff them at this point in the process. The Commission finds this explanation to be reasonable.~~

~~With respect to third party contractors, it appears the ones Rock Island has engaged to date for various purposes have relevant experience and expertise, including transmission line and converter station design and construction. While uncertainties presented by a long high voltage DC line are a concern for the reasons explained by Staff, Rock Island offered testimony that DC applications are not uncommon and are increasing; and that National Grid, which is a principal owner of Clean Line and is one of the largest owners and operators of electric transmission facilities in the world, including DC transmission, will be available to support RI in the Project.~~

~~The Commission also notes that its findings on Rock Island’s capability to finance the Project, addressed in the next section of this Order, are subject to a condition proposed by Staff, and approved by the Commission, whereby Rock Island will not install transmission facilities for the Project on easement property until such time as Rock Island has obtained commitments for funds in a total amount equal to or greater than the total project cost. The Commission believes that this condition also provides a level of assurance on the management capability issue, since lenders and investors will presumably assess Rock Island’s capability to manage and supervise~~

~~the construction of the Project before committing to lend or invest such large sums of money. Accordingly, the findings on Rock Island's managerial and supervisory capabilities are subject to fulfillment by Rock Island of the financing condition.~~

VII. FINANCING THE PROPOSED CONSTRUCTION – SECTION 8-406(B)(3)

As well detailed in the record and in the prefatory paragraphs of the Proposed Order, Rock Island does not have sufficient cash-on-hand to self-finance, and the monies of Clean Line are not segregated or budgeted among its subsidiary projects. (Transcript of December 5, 2013 hearing, pp. 215-216 (Michael Skelly Testimony)). Rock Island is a shell company without segregated pledged funds from its parent, Clean Line, and it is has no assurances from Clean Line or National Grid that sufficient funds will ever be made available. (Rebuttal Testimony of Ellen Lapson, ComEd Ex. 5.0, p. 10). Rock Island has failed under Section 8-406(b) to establish that it can sufficiently finance the Project. The Proposed Order should be revised to reflect that Rock Island has not established that it is capable of financing the Project, and as a result, the Farm Bureau requests that the exceptions detailed below in Section VII(A) be made to pp. 145 - 146 of the ALJ's Proposed Order.

A. Exceptions to the Commission Conclusion regarding Section 8-406(b)(3) regarding financing the proposed construction on pp. 145 – 146 of the Proposed Order.

One of the requirements in Section 8-406(b) is that the utility demonstrate that it is “capable of financing the proposed construction without significant adverse financial consequences for the utility or its customers.”

Through the testimony of ComEd witness Ms. Lapson, and in its briefs, ComEd contends that Rock Island has not made the required showing. ILA and IAA agree with ComEd.

The positions of the parties are summarized at some length above and will not be repeated here.

As observed elsewhere in this Order, the assessment of statutory criteria and other issues is complicated by the many uncertainties associated with the “merchant” nature of the proposed transmission line project. The issue at hand is one of those issues that present such challenges.

In response to these challenges, Staff witness Pregozen, Manager of the Finance Department in the Financial Analysis Division at the Commission, proposed a condition. He explained, “To ensure that Rock Island does not begin construction of the project without sufficient funding in place to complete it, I recommend that the Commission impose the conditions set forth in Rock Island Ex. 10.13 lines 36-94 in any order that grants a certificate of public convenience and necessity to Rock Island to construct the proposed transmission line.” (Staff Ex. 4.0 at 2)

Environmental Intervenors and the IBEW recommend adoption of the Staff condition. ComEd, ILA and IAA do not.

The terms of the Staff-proposed condition, which were accepted by RI, are set forth on pages 63-64 of Staff’s initial brief, and in this order above under “RICL’s Position.”

The first sentence of the condition reads, “Rock Island will not install transmission facilities for the Rock Island Clean Line Project on easement property until such time as Rock Island has obtained commitments for funds in a total amount equal to or greater than the total project cost.” The terms used therein are defined.

The condition also provides, “To allow the Commission to verify its compliance with this condition, Rock Island shall submit [certain] documents to the Director of the Financial Analysis Division and the Director of the Public Safety & Reliability Division at such time as Rock Island is prepared to begin to install transmission facilities.” All such documents are listed.

~~The Commission agrees with Staff’s assertions that under the circumstances, the condition strikes an appropriate balance and should be imposed, and that “Section 8-406(b)(3) is met if the Commission adopts the Staff/RICL agreed to condition.” As Staff explains, “If RICL does not raise all the capital needed to construct the entire project, construction will not begin and RICL and its ‘customers’ will not suffer significant adverse financial consequences.” Also, Rock Island will not be able to install transmission facilities on landowner’s property unless such commitments are obtained.~~

~~A noted above, the condition requires Rock Island to submit certain documents “to allow the Commission to verify its compliance with this condition.” As part of its approval of the condition, the Commission finds that Rock Island shall file a petition with the Commission requesting such verification. finds that RI has failed to demonstrate that it is capable of financing the proposed construction without significant adverse financial consequences for the utility or its customers as required by Section 8-406(b).~~

VIII. PROPOSED ROUTES; LAND ACQUISITION; RELATED ISSUES

A. Easement Width

If the Commission adopts the exceptions requested above by the Farm Bureau and Section 8-406 relief is denied, then the ALJ’s Proposed Order related to easement widths is

therefore unnecessary. In that event, the Farm Bureau would request that the exceptions detailed below in Section VIII(A)(1) be made to pp. 166 - 167 of the ALJ's Proposed Order.

1. Exceptions to the Commission Conclusion regarding Section 8-406 on pp. 166 – 167 of the Proposed Order.

~~For the DC Section, Rock Island states that the ROW for the Project will vary between 145 feet and 200 feet wide, depending on requirements at particular locations. To accommodate the possible need for the maximum width at specific locations, Rock Island is requesting authority for a 200 foot ROW for the entire DC Section of the Project. Because there are two parallel 345 kV lines proposed for the AC Section—one a single circuit line and the other a double circuit line—Rock Island asserts that a larger ROW will be necessary, and is requesting authority for a 270 foot ROW for the AC Section.~~

~~According to Rock Island, the ROW width is based on the need to maintain electrical safety clearances and provide access for construction and maintenance of the line. Wind blowing on transmission line wires will cause them to sway away from the center of the ROW towards the side, and the ROW must be wide enough to allow for this predicted wire movement on both sides of the ROW, while still maintaining the required electrical clearances from vegetation, structures and other infrastructure. As the span length of the transmission wire between the supporting structures increases, the amount of predicted transmission wire sway increases. Based on the structures that it will be using, Rock Island states that the requested 200-foot ROW for the DC Section and 270 foot ROW for the AC Section are sufficient for typical span lengths.~~

~~In two locations along the Preferred Route, where a longer than average span will be needed, a larger ROW width will be necessary and is being requested, as explained above.~~

~~Rock Island is also requesting that the Commission “grant it a temporary construction easement” beyond the 200 foot ROW in the DC Section or the 270 foot ROW in the AC Section for locations at which the permanent ROW is insufficient for construction activities or to access the construction area. Any temporary construction easement reverts to the landowner when construction is finished.~~

~~It appears that other parties do not specifically object to the proposed easement widths, and no alternative widths were proposed.~~

~~HLA does note concerns such as compaction and aerial application. While IAA “takes no particular issue with the proposed easement widths of Rock Island,” it does take issue with Rock Island’s ability to obtain and negotiate such easements. These issues are addressed elsewhere in this order.~~

~~The Commission finds that since Rock Island has been denied a Certificate of Public Convenience and Necessity for the Project pursuant to Section 8-406 of the Act herein, no~~

~~Commission action is required at this time related to easement widths. the easement widths proposed by Rock Island, as identified above, are reasonable and should be approved.~~

B. Easement Acquisition and Landowner Compensation

If the Commission adopts the exceptions requested above by the Farm Bureau and Section 8-406 relief is denied, then the ALJ's Proposed Order related to easement acquisition and landowner compensation is therefore unnecessary. In that event, the Farm Bureau would request that the exceptions detailed below in Section VIII(B)(1) be made to pp. 171 - 172 of the ALJ's Proposed Order.

1. Exceptions to the Commission Conclusion regarding Section 8-406 on pp. 171 – 172 of the Proposed Order.

~~Rock Island's Petition in this case does not include a request for authority pursuant to Section 8-509 of the PUA (220 ILCS 5/8-509), which would allow RI to seek eminent domain before the courts.~~

~~According to Rock Island, it understands that to obtain relief pursuant to Section 8-509, it will need to demonstrate that it has engaged in reasonable, good faith negotiations with the landowners or has been precluded from doing so by the landowner.~~

~~ILA states concerns as to whether Rock Island's compensation package properly considers impacts on aerial applications, soil compaction, and erosion from the cutting of timber.~~

~~The Commission observes that in other dockets, when determining whether a utility has made a reasonable effort to negotiate for easements needed to construct an authorized transmission line, the Commission has relied upon several factors, some of which relate to offers of compensation. These include, among others, the number, nature and extent of contacts with the landowners; whether the utility has adequately explained its offer of compensation; whether the offers of compensation are comparable to offers made to similarly situated landowners; whether the utility has made an effort to address landowner concerns; and whether further negotiations will likely prove fruitful. Order, Docket 13-0456 at 3; see also Order, Docket No. 06-0706 at 88, and Order, Docket 13-0446 at 33-34.~~

~~The Commission expects that, at a minimum, Rock Island will engage in negotiation efforts that are respectful to the landowners, and will proceed in a manner that reasonably considers the factors identified above.~~

~~Except as otherwise noted in this Order, the Commission will not make any further determinations in this proceeding regarding monetary compensation issues.~~

~~Concerns regarding aerial applications and soil compaction—other than those relating to compensation—are addressed elsewhere in this order.~~

~~The Commission finds that since Rock Island has been denied a Certificate of Public Convenience and Necessity for the Project pursuant to Section 8-406 of the Act herein, no Commission action is required at this time related to easement acquisition and landowner compensation.~~

IX. PROJECT DESIGN AND CONSTRUCTION

A. Structures

If the Commission adopts the exceptions requested above by the Farm Bureau and Section 8-406 relief is denied, then the ALJ's Proposed Order related to structures is therefore unnecessary. In that event, the Farm Bureau would request that the exceptions detailed below in Section IX(A)(1) be made to pp. 176 - 177 of the ALJ's Proposed Order.

1. Exceptions to the Commission Conclusion regarding Section 8-406 on pp. 176 – 177 of the Proposed Order.

~~As proposed, the 500-mile transmission line Project would originate at a converter station in O'Brien County, Iowa, "traverse Iowa" for 379 miles, cross the Mississippi River near Princeton, Iowa, and then enter Illinois south of Cordova, Illinois.~~

~~From there, the proposed line would extend for approximately 121 miles in Illinois to the Collins Substation in Grundy County.~~

~~The energy generated in wind farms is in AC form. To transmit this energy over a HVDC or "DC" transmission line, the energy must be converted to DC form. The DC portion of the proposed transmission line will originate from an AC to DC converter station at O'Brien County in Iowa and will terminate at a DC to AC converter station to be located approximately four miles north of the Collins Substation in Grundy County. From the converter station, a four-mile AC segment, consisting of two parallel 345-kV AC lines, will connect to ComEd's existing 765-kV AC transmission system at or near the Collins substation.~~

~~The DC transmission line's nominal voltage will be \pm 600 kilovolt direct current. The line is characterized as the first DC transmission line proposed for Illinois.~~

~~RI asserts that HVDC technology has advantages over high voltage alternating current technology when power flows are large and transmission distances are long, including lower power losses, lower construction cost, and narrower horizontal clearance for the transmission line, which means the DC transmission line can operate safely and reliably inside a narrower Right of Way ("ROW").~~

~~Rock Island signed an Agricultural Impact Mitigation Agreement (“Agreement” or “AIMA”) with the Illinois Department of Agriculture. One of the issues that the Agreement addressed was Rock Island’s potential use of the lattice towers, which require a larger base than the monopole structure design. The Agreement provides:~~

~~Tangent structures (straight line, non turning structures) will utilize only single, drilled pier type concrete foundations or direct embed type foundations that are typical of single pole type structures. Clean Line will not utilize multi foundation lattice type structures for tangent structures, though such structures may be used for turns, long spans such as river crossings, and similar situations where specific engineering and environmental challenges are present.~~

~~The single pole structures that Rock Island proposes to use will be steel monopoles or lattice mast structures which would have a typical span between structures of 1200 feet, and heights in the range of 100 to 175 feet depending on terrain topology.~~

~~As a condition of this Order, the Commission finds that Rock Island shall comply with above referenced “tangent structure” provision, as well as the other terms and provisions, of the Agricultural Impact Mitigation Agreement.~~

~~In its initial brief, ComEd notes that the Petition does not request authority to construct a 765 kV AC line in the AC Section of the Project to connect the eastern converter station to the Collins Substation, but that Rock Island witness Dr. Galli belatedly raises such a concept for the first time in surrebuttal testimony. In its reply brief, Rock Island clarifies that it is not asking for approval for a 765 kV line for the AC Section that was described in Dr. Galli’s surrebuttal, but rather is requesting approval to construct a single circuit 345 kV line and a double circuit 345 kV line, with a combined ROW of 270 feet, from the eastern converter station to the Collins Substation, as described in its Petition and direct testimony.~~

~~The Commission finds that the 765 kV AC line alternative referenced above is not before the Commission for consideration in this proceeding, and it is not approved in this order.~~

~~Subject to determinations made and conditions imposed above and elsewhere in this Order, the Commission finds that the use of the types of transmission lines and structures as proposed for the Project is appropriate.~~

~~The Commission finds that since Rock Island has been denied a Certificate of Public Convenience and Necessity for the Project pursuant to Section 8-406 of the Act herein, no Commission action is required at this time related to structures.~~

B. Landowner Concerns about Impacts of Construction

If the Commission adopts the exceptions requested above by the Farm Bureau and Section 8-406 relief is denied, then the ALJ’s Proposed Order related to landowner concerns

about impacts of construction is therefore unnecessary. In that event, the Farm Bureau would request that the exceptions detailed below in Section IX(B)(1) be made to pp. 196 - 199 of the ALJ's Proposed Order.

1. Exceptions to the Commission Conclusion regarding Section 8-406 on pp. 196 – 199 of the Proposed Order.

~~ILA cites concerns about soil compaction. ILA states that its witness, Dr. Paul Marshall, concluded that based upon his studies and personal experiences, the proposed Project would result in compaction that may not be able to be remediated.~~

~~————The steps that will be taken by Rock Island and its contractor to avoid or minimize soil compaction are described in some detail above.~~

~~Rock Island states that the AIMA requires Rock Island to discuss the mitigation measures it intends to employ with the landowner before implementing them. Rock Island represents that if a landowner objects to any of the compaction avoidance measures Rock Island plans to use, Rock Island will not use them and will negotiate alternative methods or measures with the landowner to prevent soil compaction.~~

~~With respect to remediating soil compaction, Rock Island has committed to decompact cropland where necessary to a depth of 18 inches, and pasture to a depth of 12 inches, as specified in the AIMA, and if landowners wish, Rock Island will apply fertilizer to disturbed soils. Rock Island also submits that landowners will be permitted to self perform decompaction activities on their land or retain a contractor of their choice to do this work, the reasonable cost of which will be paid by Rock Island; or can elect to not have any chiseling performed on their property. Rock Island further represents that if the landowner believes some depth other than 18 inches is appropriate, Rock Island will work with the landowner to effectuate the landowner's recommendation.~~

~~The Commission finds that the measures described by Rock Island to avoid or minimize soil compaction, and to remediate soils compaction, are reasonable, subject to the conditions below. As a condition of any approvals granted in this Order, Rock Island and its contractors, be it KPC or someone else, shall adhere to these measures.~~

~~As a condition of this Order, Rock Island shall discuss the mitigation measures it intends to employ with the landowner before implementing them; and if the landowner objects to any of those measures, Rock Island shall not use them and shall instead negotiate alternative methods or measures with the landowner to prevent soil compaction.~~

~~As a condition of this Order Rock Island shall comply with the terms of the AIMA with respect to decompaction, and shall also permit landowners to self perform decompaction activities on their land or retain a contractor, the reasonable cost of which shall be paid by Rock Island.~~

~~Further, with respect to compaction issues, if the landowner wants to communicate directly with Rock Island instead of just with contractors, Rock Island shall do so.~~

~~ILA also cites concerns with respect to damage to drainage tiles. ILA argues that much of the land impacted by the proposed Project makes use of drainage tile; and that the same kind of construction traffic that causes compaction can lead to tile being crushed and broken.~~

~~The process to be used by Rock Island to identify the locations of drainage tiles, and avoid damaging them during construction, are summarized above. As a condition of this Order, the Commission finds that Rock Island shall adhere to these measures, and shall take such other measures as are reasonably necessary to locate the tiles and avoid damaging them.~~

~~If drainage tiles are damaged by construction or maintenance of the Project, Rock Island represents that it will repair them, or replace them with equal or better quality, or will compensate landowners to make such repairs; and that it will do so for a reasonable period of time after construction is completed. Rock Island states that these commitments are specified in the AIMA. As a condition of this Order, the Commission finds that Rock Island shall comply with these commitments, and shall do so for a reasonable period of time, and shall comply with the terms of the AIMA.~~

~~ILA also complains that Rock Island has refused to agree unconditionally to move transmission line structures when they are known prior to construction to interfere with drainage tile.~~

~~Rock Island responds that the AIMA specifies that Rock Island must avoid such interferences “to the extent reasonably possible.” Rock Island also states that relocating a transmission structure in each instance where there is an interference, rather than simply relocating the drain tile, may result in other impacts to the landowner. As a condition of this Order, RI shall avoid such interferences to the extent reasonably possible, including, where practicable, moving structures to a location elsewhere in the ROW, to avoid such interferences, if requested by the landowner.~~

~~Subject to these conditions, the Commission finds that the processes to be used by Rock Island to identify the locations of drainage tiles, to avoid damaging them during construction, and to repair them or replace them if they are damaged, are reasonable.~~

~~Another concern stated by ILA is that the Project will impact Conservation Reserve Program (“CRP”) property. In response, Rock Island states that ILA has only identified one landowner with CRP property, Mr. Curtis Jacobs, who may be impacted by the Project. (RI RB at 149) Rock Island also states it may be able to make minor adjustments so as to avoid impacts to Mr. Jacob’s CRP land, but that it has been limited in determining what impacts the Project may potentially have on his CRP land because Mr. Jacobs has asked Rock Island not to communicate with him and has denied Rock Island physical access to his land. Rock Island also states that it will compensate Mr. Jacobs for any such forfeited payments as allowed by law.~~

~~As a condition of this Order, the Commission finds that Rock Island shall make such adjustments as are practicable in order to avoid impacts on Mr. Jacobs’ CRP land.~~

~~As noted elsewhere in this order, another concern expressed by ILA, mainly in other sections of its initial brief, is that the line would have adverse impacts on aerial applications of fertilizer, insecticides and pesticides. For example, under “easement width,” ILA submits that “production will be decreased insofar as the important tool of aerial application is rendered no longer usable for some landowners,” and that Rock Island failed to provide any witness that is qualified to speak to the such applications. (ILA IB at 42)~~

~~In response, Rock Island described the measures that it took, when evaluating routing and placement of structures, to avoid or reduce impacts to aerial applications. With regard to concerns of ILA witness Mr. Nelson that guy wires will require more clearance than Rock Island has suggested, Rock Island notes that the AIMA provides that that the “use of guy wires will be avoided to the extent feasible.” As a condition of this Order, the Commission finds that Rock Island shall comply with this provision of the AIMA.~~

~~As a condition of this Order, the Commission also finds that RI shall work with landowners to negotiate specific placement of the line and structures on their property so as to minimize impacts to aerial spraying activities for their operations.~~

~~—The Commission finds, subject to the conditions above, that Rock Island has taken reasonable measures to avoid or reduce impacts to aerial applications.~~

~~—In its initial brief, as summarized above, Rock Island also responded to “individual landowners’ property specific concerns” that were identified in written testimony, from those landowners, that was filed by ILA. Some of these concerns were discussed in ILA’s initial brief, and those concerns are addressed in the conclusions above.~~

~~—The Commission observes that in this Order, in response to the landowner impact concerns expressed by ILA and landowners, the Commission has imposed a number of conditions on Rock Island as described above. Some of these conditions are contained above in the summary of Rock Island’s discussion of property specific concerns.~~

~~Subject to these conditions, the Commission finds that to date, Rock Island has undertaken or developed reasonable measures and procedures to avoid or reduce impacts on affected properties.~~

~~The Commission finds that since Rock Island has been denied a Certificate of Public Convenience and Necessity for the Project pursuant to Section 8-406 of the Act herein, no Commission action is required at this time related to landowner concerns about impacts of construction.~~

X. SECTION 8-503

The Farm Bureau does not take issue with the ALJ’s conclusions in Section 8-503 as stated, but if the Commission adopts the exceptions requested above by the Farm Bureau and

Section 8-406 relief is denied, then the majority of the ALJ's Proposed Order related to Section 8-503 relief is therefore unnecessary, as Rock Island would not be entitled to Section 8-503 relief as a non-public utility and non-certificate holder. The Farm Bureau requests that the exceptions detailed below in Section X(A) be made to pp. 208 – 210 of the ALJ's Proposed Order.

A. Exceptions to the Commission Conclusion regarding Section 8-503 on pp. 208 – 210 of the Proposed Order.

In addition to requesting a Certificate of Public Convenience and Necessity for the Project pursuant to Section 8-406 of the Act, Rock Island requests an order from the Commission authorizing the Project pursuant to Section 8-503 of the Act. Rock Island's request is opposed by Staff, ComEd, ILA and IAA.

Section 8-503 provides, in part:

Whenever the Commission, after a hearing, shall find that additions, extensions, repairs or improvements to, or changes in, the existing plant, equipment, apparatus, facilities or other physical property of any public utility or of any 2 or more public utilities are necessary and ought reasonably to be made or that a new structure or structures is or are necessary and should be erected, to promote the security or convenience of its employees or the public or promote the development of an effectively competitive electricity market, or in any other way to secure adequate service or facilities, the Commission shall make and serve an order authorizing or directing that such additions, extensions, repairs, improvements or changes be made, or such structure or structures be erected at the location, in the manner and within the time specified in said order;

Since Rock Island has been denied a Certificate of Public Convenience and Necessity for the Project pursuant to Section 8-406 of the Act herein, Rock Island's request for relief pursuant to Section 8-503 is therefore denied.

~~Authorization under Section 8-503 is a condition to obtaining relief under Section 8-509 of the Act. Section 8-509 provides, in part, "When necessary for the construction of any alterations, additions, extensions or improvements ordered or authorized under Section 8-406.1, 8-503, or 12-218 of this Act, any public utility may enter upon, take or damage private property in the manner provided for by the law of eminent domain."~~

~~Rock Island is not seeking relief under Section 8-509 in this proceeding, but it could do so in the future if the easements are not obtained through the negotiation process.~~

~~According to Rock Island, "the evidence in this case that supports granting Rock Island a CPCN to construct the Project also supports a finding that the requirements for an order under §8-503 are met."~~

~~Rock Island argues that the criteria in Section 8 503 are the same as criteria contained in Section 8 406(b)(1), and that the evidence showing Rock Island has met the criteria in Section 8 406(b)(1) also shows it has met the criteria in Section 8 503.~~

~~ComEd and Staff disagree with RI's argument. They argue that Rock Island's request for Section 8 503 relief is premature.~~

~~The Commission has reviewed the evidence and arguments. First of all, to the extent Rock Island is asserting that the criteria in Sections 8 406(b) and 8 503 are identical, and that a finding the Section 8 406(b) criteria have been met would automatically mean the Commission is required to grant the relief sought under Section 8 503, the Commission disagrees. Such an interpretation would render Section 8 503 superfluous.~~

~~ComEd and Staff argue that Rock Island's request for Section 8 503 relief is premature, in that Rock Island is seeking authority that cannot be utilized given the contingencies, conditions and regulatory approvals still needed.~~

~~While the Commission is by no means suggesting that RI would have to satisfy every condition, contingency or uncertainty before Section 8 503 authorization may be granted, the Commission does agree with Staff and ComEd that under the circumstances, it would be premature to grant Section 8 503 relief to Rock Island in this proceeding.~~

~~Rock Island claims Section 8 503 approval is needed now because it is one of the major regulatory approvals needed to satisfy potential lenders and investors; however, Rock Island does not explain how a Section 8 503 authorization is somehow more urgent or important in that regard than is the proceeding in Iowa, where the Project originates and the first 379 miles of the 500 mile line would be built. Even Rock Island does not estimate a decision being reached in Iowa until 2015, assuming the formal proceeding has even begun there.~~

~~The Commission wishes to emphasize that the Certificate of Public Convenience being granted in this Order, which expressly authorizes construction of the transmission line project pursuant to Section 8 406(a) and (b), is not conditioned on the issuance of an order authorizing the Project under Section 8 503. That is, Rock Island does not need authority under Section 8 503 to build the line, unless it decides to seek relief under Section 8 509 because it wants to pursue eminent domain.~~

~~The Commission also observes that the approval of a line route as part of this Certificate Order should facilitate negotiations with landowners, and that the issuance of the Certificate will enable Rock Island to gain access to the property to conduct surveys and related activities, which are steps characterized by Rock Island as important ones in which to engage in the near future.~~

~~Rock Island also argues that granting Section 8 503 authority now rather than in a later proceeding would be more efficient for Rock Island, Staff and Intervenors. As noted by ComEd, however, granting Section 8 503 authority now will not avoid a later proceeding. If Rock Island needs eminent domain, it will need to file a petition under Section 8 509. If Rock Island does~~

~~not need eminent domain, there will not need to be a later proceeding under either section. Also, while Rock Island asserts that granting Section 8 503 authority now rather than in a later proceeding would be more convenient and efficient for Staff and Intervenors, Staff and Intervenors ComEd, ILA and IAA do not agree that it would.~~

~~As also noted by Staff, the Commission has previously indicated that a utility may obtain a certificate under Section 8 406 in one docket, and later initiate a new docket in which it seeks relief under Sections 8 503 and 8 509.~~

~~In conclusion, the Commission finds that it would be premature to grant authority under Section 8 509 at this time. If Rock Island needs authorization under Section 8 503 in order to seek relief under Section 8 509, it can request such authorization at a later time.~~

XI. FINDINGS AND ORDERING PARAGRAPHS

If the Commission adopts the exceptions requested above by the Farm Bureau and relief under Sections 8-406 and 8-503 is denied, then the majority of the ALJ's Findings and Ordering paragraphs in the Proposed Order are therefore unnecessary. As such, the Farm Bureau requests that the exceptions detailed below in Section XI(A) be made to pp. 215 - 216 of the ALJ's Proposed Order.

A. Exceptions to the Commission Conclusion in the Findings and Ordering Paragraphs on pp. 215 - 216 of the Proposed Order.

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

- (1) the Commission has jurisdiction over Rock Island and the subject matter of this proceeding;
- (2) 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;
- (3) ~~subject to the conditions imposed and determinations made in this order, the Commission finds,~~ pursuant to Section 8-406 of the Act, ~~that~~ the proposed line will not promote the development of an effectively competitive electricity market that operates efficiently, is not equitable to all customers, and is not the least cost means of satisfying those objectives; that Rock Island is not capable of efficiently managing and supervising the construction process and has not taken sufficient action to ensure adequate and efficient construction and supervision of the construction; and that Rock Island is not capable of financing the proposed construction without significant adverse financial consequences for the utility or its customers;

(4) pursuant to Section 8-406 of the Act, a Certificate of Public Convenience and Necessity ~~should be~~ shall not be issued to Rock Island ~~as ordered below~~.

~~IT IS THEREFORE ORDERED by the Illinois Commerce Commission that a Certificate of Public Convenience and Necessity is hereby issued to Rock Island Clean Line LLC pursuant to Section 8-406 of the Public Utilities Act, and that said certificate shall read as follows:~~

CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY

~~IT IS HEREBY CERTIFIED that the public convenience and necessity require (1) construction, operation, and maintenance by Rock Island Clean Line LLC of the proposed DC and AC transmission lines over the Preferred routes found appropriate above and as described and depicted on Appendices A and B of the filing made by Rock Island Clean Line LLC on March 6, 2014, and (2) the transaction of an electric public utility business by Rock Island Clean Line LLC, as a transmission public utility, in connection therewith, all as set forth above.~~

IT IS FURTHER ORDERED that Rock Island's request to maintain its books and records at its principal office and that of its ultimate parent company, Clean Line Energy Partners, in Houston, Texas, is ~~approved, subject to the condition that that Rock Island shall promptly reimburse any Staff travel costs and expenses incurred in order to review these books and records~~ denied.

IT IS FURTHER ORDERED that Rock Island's request to submit annual financial information required by ICC Form 21, 83 Ill. Adm. Code 210, and Section 5-109 of the Act, by using the FERC Uniform System of Accounts to complete ICC Form 21, is ~~granted~~ denied.

IT IS FURTHER ORDERED that all information treated as confidential pursuant to rulings made in this proceeding shall continue to be treated as proprietary and confidential for a period of two years from the date of this Order.

IT IS FURTHER ORDERED that the request for relief pursuant to Section 8-503 of the Act is ~~not granted at this time; this determination is without prejudice to the filing of a request for such relief in the future~~ denied.

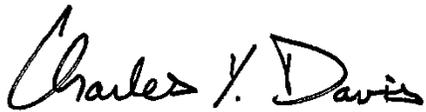
IT IS FURTHER ORDERED that any and all motions, objections and requests not ruled upon in this proceeding are hereby deemed disposed of in a manner consistent with the determinations and ultimate conclusions herein.

IT IS FURTHER ORDERED that subject to the provisions of Section 10-113 of the Act and 83 Ill. Adm. Code 200.880, this Order is final; it is not subject to the Administrative Review Law.

DATED: August 11, 2014

WHEREFORE, the ILLINOIS AGRICULTURAL ASSOCIATION a/k/a the Illinois Farm Bureau, respectfully requests that the Commission grant the relief requested herein, enter a Final Order consistent with the exceptions detailed herein, and grant such other and further relief as the Commission deems just and proper.

**ILLINOIS AGRICULTURAL ASSOCIATION
a/k/a the Illinois Farm Bureau**

By: 
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via electronic transmission on this 4th day of September, 2014.

