

STATE OF ILLINOIS
ILLINOIS COMMERCE COMMISSION

**Ameren Transmission Company of Illinois :
: Petition for a Certificate of Public
: Convenience and Necessity, pursuant to
: Section 8-406 of the Illinois Public Utilities : 14-0514
: Act, and an Order pursuant to Section 8-503:
: of the Public Utilities Act, to Construct,
: Operate and Maintain a New High Voltage
: Electric Service Line in the Counties of
: Peoria and Knox, Illinois. :**

ORDER

DATED: September 16, 2015

TABLE OF CONTENTS

I.	PROCEDURAL HISTORY	1
II.	DESCRIPTION OF ATXI AND THE PROJECT	3
III.	APPLICABLE STATUTORY AUTHORITY	4
IV.	NEED FOR THE PROPOSED FACILITIES AND DEVELOPMENT OF A COMPETITIVE ELECTRICTY MARKET	5
	A. ATXI Position	5
	B. Staff Position.....	8
	C. SP Parties Position	9
	D. Commission Conclusion	9
V.	LEAST-COST AND THE PROPOSED LINE ROUTES	10
	A. Length of Line - Uncontested.....	11
	B. Difficulty and Cost of Construction	11
	1. ATXI Position	11
	2. CARB Position	13
	3. SP Parties Position	14
	4. McMurtry Position	17
	5. Tomlinson Position.....	17
	6. Staff Position.....	18
	7. Commission Conclusion.....	18
	C. Difficulty and Cost of Operation and Maintenance.....	19
	1. ATXI Position	19
	2. CARB Position	20
	3. SP Parties Position	20
	4. McMurtry and Tomlinson Positions	20
	5. Commission Conclusion.....	21
	D. Environmental Impacts	21
	1. ATXI Position	21
	2. CARB Position	21
	3. SP Parties Position	22
	4. Tomlinson Position.....	22
	5. Commission Conclusion.....	23
	E. Impacts on Historical Resources	23
	1. ATXI Position	23
	2. CARB Position	24
	3. SP Parties Position	24
	4. Commission Conclusion.....	24
	F. Social and Land Use Impacts	24
	1. ATXI Position	24
	2. CARB Position	24
	3. Shiplely Position.....	26
	4. SP Parties Position	26
	5. McMurtry Position	28
	6. Tomlinson Position.....	28
	7. Staff Position.....	29

8. Commission Conclusion..... 29

G. Number of Affected Landowners and Other Stakeholders and Proximity to Homes and Other Structures 30

1. ATXI Position 30

2. CARB Position 31

3. Shipley Position..... 31

4. SP Parties Position 31

5. McMurtry Position 32

6. Tomlinson Position..... 33

7. Staff Position 33

8. Commission Conclusion..... 34

H. Proximity to Existing and Planned Development 34

1. ATXI Position 34

2. CARB Position 34

3. SP Parties Position 35

4. McMurtry and Tomlinson Position 35

5. Commission Conclusion..... 35

I. Community Acceptance 35

1. ATXI Position 35

2. CARB Position 36

3. SP Parties Position 36

4. McMurtry and Tomlinson Position 36

5. Commission Conclusion..... 37

J. Visual impact 37

1. ATXI Position 37

2. CARB Position 37

3. Shipley Position..... 37

4. SP Parties Position 38

5. McMurtry and Tomlinson Position 38

6. Commission Conclusion..... 39

K. Presence of Existing Corridors 39

1. ATXI Position 39

2. CARB Position 40

3. Shipley Position..... 41

4. SP Parties Position 41

5. McMurtry and Tomlinson Position 41

6. Staff Position 42

7. Commission Conclusion..... 42

L. Commission Conclusion on Route 42

VI. MANAGING AND SUPERVISING THE CONSTRUCTION PROCESS..... 44

VII. FINANCING THE PROPOSED CONSTRUCTION..... 45

VIII. SECTION 8-503 AUTHORITY 46

IX. FINDINGS AND ORDERING PARAGRAPHS..... 46

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By the Commission:

I. PROCEDURAL HISTORY

On August 21, 2014, Ameren Transmission Company of Illinois (“ATXI”) filed with the Illinois Commerce Commission (“Commission”) a petition seeking a Certificate of Public Convenience and Necessity (“CPCN”) pursuant to Section 8-406 of the Public Utilities Act (“Act”), 220 ILCS 5/1-101 et seq., authorizing ATXI to construct, operate, and maintain approximately 40 miles of new 345-kilovolt (“kV”) electric transmission line, along with a new substation at Galesburg and expanded substation facilities at Fargo, which together comprise the “Spoon River Project,” in Peoria and Knox Counties. ATXI also seeks an order authorizing or directing the construction of the transmission line pursuant to Section 8-503 of the Act. ATXI does not at this time seek authority to take property under Section 8-509 of the Act.

As required by Section 200.150(h) of 83 Ill. Adm. Code 200, “Rules of Practice,” (“Part 200”), ATXI included with its petition a list containing the name and address of each owner of land over which the proposed transmission line would cross. The list is marked as Exhibit C attached to the petition. The Commission's Chief Clerk sent notices of this proceeding to those listed in Exhibit C and to other utilities, railroads, and municipalities within the vicinity of the project.

Pursuant to due notice, status hearings were held in this matter before duly authorized Administrative Law Judges (“ALJs”) of the Commission at its offices in Springfield on September 12, 2014, October 16, 2014, January 6, 2015, and April 29, 2015. Evidentiary hearings were held on May 12 and 13, 2015. The following entities filed petitions to intervene: Bethany Baptist Church, Joyce and Roger Best, Citizens

Against Route B ("CARB")¹, Joyce Kingdon, Knox County Landowner Intervenors ("KCI"), John Kunkle, Carol and William McMurtry, Thomas Palmer, Peoria County I-74 Landowner Intervenors ("PCI"), Kathleen Sherman, Ralph Sherman, Robert Sherman, Janet and Matt Shipley, Grace Shissler, Everett G. Shissler, Everett L. Shissler, Kellie and Trent Tomlinson, and Charles and Annette Zelnio. The ALJs granted all of the petitions to intervene. Commission Staff ("Staff") participated as well. At the evidentiary hearings, appearances were entered by counsel on behalf of ATXI, Staff, KCI, PCI, CARB, and the Zelnios. Several intervening landowners represented themselves on a pro se basis.

ATXI offered the testimony of Maureen Borkowski, President of ATXI and Senior Vice President of Transmission at Ameren Services Company ("Ameren Services"),² Scott Deffenderfer, a Principal Engineer in the Transmission Planning Department at Ameren Services, Edward Gelmann, a professor of oncology and Deputy Director of the Herbert Irving Comprehensive Cancer Center at the Columbia University Medical Center in New York City, Darrell Hughes, a Supervisor of Valuation and Cost of Capital in the Corporate Finance Department at Ameren Services, Dennis Kramer, Senior Director of Transmission Policy and Planning at Ameren Services, Lucas Klein, a Project Manager in the Transmission Function at Ameren Services, Matthew Koch, a project manager and environmental consultant with HDR Engineering, Inc.,³ Adam Molitor, an Engineer in the Transmission Department at Ameren Services, Roger Nelson, a Real Estate Supervisor at Ameren Services, and Todd Schatzki, Vice President of Analysis Group, Inc.⁴

Staff submitted the testimony of Greg Rockrohr, a Senior Electrical Engineer in the Energy Engineering Program of the Safety and Reliability Division of the Commission's Bureau of Public Utilities. Landowners Randall Moon, a retired attorney, and Gerald Moon, a practicing dentist, offered testimony on behalf of PCI. Steven Ramp, a fifth generation farmer, with a Bachelor of Science, testified on behalf of KCI. Dan Maher, a self-employed farmer and landowner, offered testimony for CARB. Landowners, John Kunkle, William McMurtry, Thomas Palmer, Matthew Shipley, Janet Shipley, Kellie Tomlinson, and Charles Zelnio each testified on their own behalf. Jack Mason testified on behalf of Bethany Baptist Church, a land owner.

ATXI, CARB, Mr. McMurtry, Staff, and Ms. Tomlinson each filed an Initial Brief and Reply Brief. KCI, PCI, and the Zelnios (collectively the "SP Parties") jointly filed an Initial Brief and Reply Brief. The Shipleys filed an Initial Brief. A Proposed Order ("PO") was served on the parties. ATXI, CARB, SP Parties, and Ms. Tomlinson filed briefs on exception ("BOEs"). In addition to exceptions regarding adoption of Route B, ATXI requests several technical additions or changes. Staff filed a BOE correcting scrivener's

¹ CARB consists of approximately 132 property owners and interested parties who aver that they will be adversely affected by ATXI's Route B.

² Ameren Services is the service company subsidiary of Ameren Corporation. Ameren Services provides various services to its affiliate Ameren operating utilities, including ATXI.

³ HDR Engineering, Inc. is a provider of engineering, architecture, and environmental consulting services.

⁴ Analysis Group, Inc. is a provider of microeconomic, strategy, and financial consulting services.

errors. ATXI, SP Parties, Ms. Tomlinson, and Mr. McMurtry filed reply briefs on exceptions ("RBOEs").

Pursuant to Section 2-107 of the Act, the Commission must accept Illinois residents' comments on matters before the Commission through its website and toll-free telephone number. As of September 3, 2015, the Commission received 12 comments.

II. DESCRIPTION OF ATXI AND THE PROJECT

ATXI was formerly known as Ameren Illinois Transmission Company. ATXI is an Illinois corporation with one employee and a wholly-owned subsidiary of Ameren Corporation. ATXI owns, operates, controls, and manages within Illinois certain transmission facilities for the furnishing or delivery of electricity, and is therefore a public utility within the meaning of Section 3-105 of the Act.

The 345 kV transmission line that ATXI seeks to construct would run from the existing Fargo Substation, west of Peoria, Illinois, to a new substation, to be known as the Sandburg Substation, near Galesburg, Illinois. The Fargo Substation is in Peoria County and the Sandburg Substation would be in Knox County. The new transmission line along with the Sandburg Substation and expanded facilities at the Fargo Substation that ATXI will construct are collectively referred to as the Spoon River Project ("SRP").

The SRP is one of the two primary components of Multi-Value Project 16 ("MVP-16") approved by the Midcontinent Independent System Operator, Inc. ("MISO") on December 8, 2011. MidAmerican Energy Company ("MEC") is responsible for building the other primary component of MVP-16. MEC filed a separate petition seeking approval for its portion of MVP-16 on August 4, 2014, initiating Docket No. 14-0494. If approved, MVP-16 will provide a 345 kV connection spanning approximately 72 miles between the Fargo Substation in the Peoria area and the Oak Grove Substation in Oak Grove, Illinois, south of Rock Island, Illinois.

With regard to the SRP, ATXI has identified a "Preferred Route" ("Route A") and an "Alternate Route" ("Route B"). Both routes necessitate a permanent 150 feet wide right-of-way easement with the rights of ingress and egress, in some instances across a landowner's property, for purposes of repair and maintenance of the line. Temporary construction easements of up to an additional 150 feet will also be necessary. The total easement area for Route A contains approximately 570 acres. The total easement area for Route B contains approximately 794 acres. The majority of the easement area will only have over-hanging wires. The construction of single shaft steel poles with no permanent "down guys" or anchors will reduce the amount of land removed from use. ATXI anticipates that Route A will cost approximately \$142,100,000 to construct while Route B will cost approximately \$146,800,000. KCI, Staff, and Mr. Zelnio each proposed modifications to ATXI's routes. The planned in-service date for the SRP is November 2018, although ATXI expects the Sandburg Substation and expanded Fargo Substation facilities to be in service in 2016.

ATXI asserts that the SRP is necessary to provide adequate, reliable, and efficient service to consumers. The SRP is also, ATXI contends, the least cost means of satisfying the service needs of transmission customers within the MISO footprint. As part of MVP-16, ATXI explains that the SRP is an integral part of a portfolio of MVPs that will enable the reliable delivery of renewable energy, including wind power, within the MISO footprint. MVP-16, ATXI adds, provides additional connectivity that reduces congestion and enables load in Illinois to access a broader array of resources.

III. APPLICABLE STATUTORY AUTHORITY

Section 8-406(b) of the Act governs the issuance of the CPCN sought by ATXI, which states:

- (b) No public utility shall begin the construction of any new plant, equipment, property or facility which is not in substitution of any existing plant, equipment, property or facility or any extension or alteration thereof or in addition thereto, unless and until it shall have obtained from the Commission a certificate that public convenience and necessity require such construction. 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. 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; (2) that the utility is capable of efficiently managing and supervising the construction process and has taken sufficient action to ensure adequate and efficient construction and supervision thereof; and (3) that the utility is capable of financing the proposed construction without significant adverse financial consequences for the utility or its customers.

Section 8-503 of the Act concerns, among other things, additions to or extensions of public utility facilities. This section provides, in part, as follows:

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 . . . 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 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;

IV. NEED FOR THE PROPOSED FACILITIES AND DEVELOPMENT OF A COMPETITIVE ELECTRICITY MARKET

Among the criteria for a CPCN is a Commission finding that the proposed construction (1) is necessary to provide adequate, reliable, and efficient service to customers and is the least-cost means of satisfying customers' service needs or (2) 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. ATXI believes the SRP satisfies both of these criteria. ATXI asserts that the SRP is necessary to provide adequate, reliable, and least-cost service to customers and will promote development of an effective, efficient, competitive electricity market. Virtually all parties agree that some form of this project is necessary.

A. ATXI Position

ATXI asserts that the SRP promotes the development of an effectively competitive electricity market that operates efficiently and is equitable to all customers. It explains the SRP was developed as part of a comprehensive planning effort designed to select transmission projects that are consistent with regional market needs and provide local reliability benefits. It notes that as the Regional Transmission Operator, MISO is responsible for transmission reliability, planning, and market monitoring in a multi-state region that includes southern and western Illinois. Illinois and many other states within the MISO region have enacted legislation requiring a certain percent of electricity consumed in each state be supplied from renewable sources, particularly wind. ATXI notes that the Illinois Renewable Portfolio Standard requires a minimum of 10% of each Illinois utility's total supply to retail customers to come from renewable sources by 2015, and that the percentage rises to 25% in 2025. ATXI reports that MISO has been investigating whether existing transmission infrastructure is adequate to bring wind energy from the west, where it is generated, to the east, where it is consumed.

ATXI relates that MISO's investigation identified a portfolio of MVPs to provide reliability and economic benefits in each of six alternative possible future scenarios for generation and consumption of electricity. ATXI asserts that the MISO tariffs require designated transmission-owning members of MISO to construct the projects. According to ATXI, based on a lengthy and comprehensive analysis of transmission alternatives, MISO determined that the MVP portfolio represents an optimum means of addressing transmission and reliability needs in the region. According to ATXI, the MVP portfolio will:

- Provide benefits in excess of its costs under all scenarios studied, with its benefit to cost ratio ranging from 1.8 to 3.0;

- Maintain system reliability by resolving reliability violations on approximately 650 elements for more than 6,700 system conditions and mitigating 31 system instability conditions;
- Enable 41 million megawatt-hours ("MWh") of wind energy per year to meet renewable energy mandates and goals;
- Provide an average annual value of \$1.279 trillion over the first 40 years of service, at an average annual revenue requirement of \$624 million; and
- Support a variety of generation policies by using a set of energy zones that support wind, natural gas, and other fuel sources.

ATXI states that the SRP will provide regional market benefits including lower wholesale prices, reduced payments, and increased supply. It asserts that the SRP, as part of MVP-16 and the MVP portfolio, will reduce the wholesale cost of energy delivery for the consumer by enabling the delivery of low cost generation to load, reducing congestion costs, and increasing system reliability. According to ATXI, prices in the competitive wholesale electricity market operated by MISO will fall once MVP-16 is placed into service, and these lower wholesale prices will inevitably result in lower retail electricity prices throughout the MISO Illinois region. It states that a reduction in price is a pro-competitive outcome; therefore, MVP-16 will enhance an effectively competitive and efficient electricity market.

According to ATXI, in a business-as-usual scenario, the net reduction in wholesale payments is estimated to be \$145.4 million, while the net reduction in payments under other scenarios, such as those including Commonwealth Edison Company's ("ComEd") Grand Prairie Gateway Project ("GPG") and Clean Line Energy Partners' Rock Island Clean Line Project ("RICL"), is even greater. ATXI concludes that this reduction in payments indicates that MVP-16 will enhance the efficiency of the competitive electricity market because it generates benefits that significantly exceed its costs. In addition, ATXI explains that MVP-16 creates a wind outlet path across the state, pushing power generated in the west into central Illinois, which will relieve constraints on the 345 kV and 138 kV systems in the region. It explains the wind outlet path will keep the additional wind power from the west on the 345 kV system rather than forcing it through the 138 kV system, which would require significant upgrades to carry the increased flow. According to ATXI, in a business-as-usual scenario in 2021, MVP-16 will allow an additional 216 megawatts of electricity supply to enter the MISO region via this path. ATXI asserts that an increase in supply is a pro-competitive outcome. Therefore, it concludes, MVP-16 enhances an effectively competitive and efficient electricity market.

ATXI notes that Intervenor Mr. Randall Moon contended that it had not demonstrated a need for the SRP. ATXI responds that he did not challenge, or even address, ATXI's analyses of the wholesale prices, reduced payments, and increased supply. ATXI states that Mr. Moon's contention is based on his belief that the expiration of the renewable energy production tax credit at the end of 2014 would result in less wind project development. ATXI asserts that Mr. Moon's position is wholly unsupported. ATXI contends that Mr. Moon's concern is unwarranted because the MVPs were designed to assist MISO states in meeting their renewable portfolio standards. It says many of those

standards remain in effect, and wind power development is expected to accelerate as the MVPs are placed in service.

With regard to the aforementioned local reliability benefits, ATXI states that the SRP reduces an identified risk of exposure to low voltage in the Galesburg area. ATXI says it plans its transmission system in compliance with North American Electric Reliability Corporation (“NERC”) standards, which require analysis of scenarios in which two or more system elements are out of service. Currently, three transmission lines serve the Galesburg area. According to ATXI, the loss of any two of these three lines during a period of high demand would result in voltage collapse and the loss of a significant amount of load in the Galesburg area. It says the SRP includes a new 345 kV transmission line to supply a fourth connection to Galesburg, which will support the load in the area whenever two of the three existing lines are out of service. ATXI concludes that because the SRP reduces the exposure to low voltage in Galesburg, it is needed to provide adequate, reliable, and efficient service.

ATXI adds that the SRP increases the stability of two generators by improving their connections to the grid. It explains that power plants with additional connections to the grid are better able to withstand transmission system disturbances caused by short circuits, de-energized transmission lines, and similar events. ATXI asserts that because the SRP provides increased connection between the power plants and the grid, it improves the stability of the power plants and the local grid. ATXI concludes that the SRP is therefore needed to provide adequate, reliable, and efficient service.

ATXI further asserts that the SRP, as part of MVP-16, resolves overloads of certain lines. It states that Ameren Services performed power flow analyses that identified violations of NERC criteria. It says these violations are transmission system elements that would be operating above their applicable ratings during shoulder load in 2021. ATXI states that the MVP-16 will resolve these violations of NERC criteria, and is therefore needed to provide adequate, reliable, and efficient service.

ATXI also avers that the SRP is the least-cost means of providing the regional market benefits and local reliability benefits. It explains that the SRP is the result of an extensive effort by MISO and its members to identify the optimum set of projects that would address transmission and reliability needs in the MISO region. During that process, it says, MISO and its members examined alternative projects, including a connection from Fargo to the Kewanee substation to Oak Grove. According to ATXI, MISO determined that the SRP provided additional voltage support at lower cost to area ratepayers, and so was chosen as the optimum alternative. ATXI asserts that the SRP is the least-cost means of providing the regional market benefits and the local reliability benefits described above.

In response to the SP Parties, ATXI emphasizes that the SRP is needed both to provide regional electricity market benefits that “will promote the development of an effectively competitive electricity market” and to deliver local reliability benefits that will “provide adequate, reliable and efficient electric service.” ATXI states that the SP Parties’

position, that SRP should be conditioned on the MEC project being approved and built, is based on the incorrect assertion that the SRP only creates benefits if MEC's portion of MVP-16 is constructed and operated. ATXI asserts that by reducing an identified risk of exposure to low voltage in the Galesburg area and increasing the stability of two generators by improving their connections to the grid, the SRP provides local reliability benefits that are independent of the MEC portion of MVP-16.

B. Staff Position

Staff witness Rockrohr concludes that ATXI provides sufficient evidence to demonstrate that its proposed project satisfies the second criterion path described above, and therefore the SRP is "needed." Staff relies upon ATXI's computer model results that indicate that in order for Illinois and other states to comply with renewable power standards, especially renewable power from wind, additional electric transmission facilities will be necessary to transport electricity from source to load. Staff notes that the SRP is one part of a larger project, MVP-16, which is, in turn, part of a portfolio of projects identified by MISO's 2011 MVP Portfolio that will enable the delivery of renewable energy in compliance with public policy mandates in a manner that is more reliable and economic than would be the case without the transmission upgrades. Staff notes that including MVP-16, six of MISO's 2011 MVPs are located in Illinois, and the Commission has previously granted CPCNs to the other five MVPs.

Staff points to ATXI witness Schatzki's conclusion that the completion of MVP-16 would lower locational marginal prices in Illinois, and thus consumer costs, and allow additional supply to enter Illinois. It notes that MVP-16 was demonstrated to be the lowest cost alternative identified that will provide increased access to wind energy and provide local reliability benefits. Staff states that SRP costs, approximately \$142 million, would be allocated across MISO's entire footprint, with approximately 9.5% of costs allocated to Illinois customers. Staff notes ATXI's assertion that its portion of MVP-16 will provide increased voltage support for the Galesburg area, increased stability of certain generators in the area, and prevent voltage collapse and loss of service in the Galesburg area under certain conditions. Staff states that the construction of the 345 kV line would eliminate projected overloads under contingency conditions. Such overloads violate NERC Standards, which transmission owners would need to eliminate even if MVP-16 were not constructed.

Mr. Rockrohr raised concerns about whether the SRP 345 kV transmission line was needed in light of GPG and RICL, which have already been approved by the Commission. He requested that ATXI provide and explain power flow studies that accounted for RICL and GPG. Based upon the results of power flow and cost benefit studies provided by ATXI that included the RICL and GPG projects, Staff agrees with Dr. Schatzki's conclusion that the construction of MVP-16 will allow Illinois customers access to additional renewable energy from wind resources west of Illinois, and that the results of his studies indicate MVP-16 is likely to result in lower energy prices and access to a larger supply of renewable energy. Staff concludes that MVP-16, including ATXI's portion

of the project, will promote the development of an effectively competitive electricity market that operates efficiently and is equitable to all customers.

Staff finds that ATXI demonstrated that even with RICL and GPG in service, low voltage and transmission equipment overloads could still exist in the Galesburg area under a variety of contingency conditions without MVP-16. Mr. Rockrohr notes that these transmission system constraints could be mitigated by different transmission projects, but that the cost would be greater to Ameren Illinois Company's ("AIC") customers since those different projects and costs would not be part of MISO's MVP portfolio and therefore would be allocated only to AIC's customers rather than across the MISO footprint.

Staff states that the SRP satisfies Section 8-406(b) of the Act because it will promote the development of an effectively competitive electricity market that operates efficiently and is equitable to all customers by providing access to lower cost generation to fulfil renewable portfolio standard requirements. It states that as part of MVP-16, the SRP will satisfy this criterion even if one or both the RICL and GPG projects are constructed. Staff says the SRP will also mitigate low voltage and specific transmission system constraints at a lower cost to AIC's customers than would be the case if these were addressed separately from MISO's MVP portfolio. Therefore, Staff recommends that the Commission approve the project if the entire MVP-16 is approved. It explains that since ATXI proposes to construct only the southern 40 miles of a 72-mile 345 kV transmission line between Peoria and the Quad Cities (MISO's MVP-16), however, it recommends that the Commission's approval should be conditioned on MEC also receiving approval of its request for a CPCN for the northern 32-mile segment in Docket No. 14-0494.

C. SP Parties Position

SP Parties observe that the SRP is one of two components of MVP-16. They assert that the ATXI portion of the project only creates benefits if the MEC portion of the project is constructed and operated. SP Parties state that the relief sought by ATXI should be explicitly conditioned on approval and construction of the MEC portion of MVP-16.

D. Commission Conclusion

The Commission has considered the record in this proceeding and finds that the proposed 345 kV transmission line, as part of MVP-16, will promote the development of an effectively competitive electricity market that operates efficiently and is equitable to all customers. The Commission agrees that a 345 kV transmission line, the expansion of the Fargo Substation, and construction of the Sandburg Substation are necessary to address transmission and reliability needs in an efficient and equitable manner and will benefit the development of a competitive electricity market. The Commission therefore generally concludes that the record supports a finding that the SRP is necessary and appropriate under Section 8-406. The approval of the SRP is conditioned on approval of the MEC portion of MVP-16 in Docket No. 14-0494.

V. LEAST-COST AND THE PROPOSED LINE ROUTES

Section 8-406 of the Act requires any project proposed thereunder to be the least-cost means of satisfying the identified objectives. Although overall the need to construct the transmission line is not questioned, where to construct it has been contested. Resolving the question of least-cost involves a comprehensive consideration and balancing of the overall costs and externalities of each proposed route against the benefits of each proposed route. The costs and externalities include not only the financial tally for manpower and equipment, but also the impact on local residents and resources and present and future land uses. In past Section 8-406 proceedings, this Commission has utilized 12 criteria for purposes of evaluating proposed routes. (See Docket No. 06-0706, June 23, 2010 Order on Reopening) The 12 criteria are as follows:

1. Length of the line
2. Difficulty and cost of construction
3. Difficulty and cost of operation and maintenance
4. Environmental impacts
5. Impacts on historical resources
6. Social and land use impacts
7. Number of affected landowners and other stakeholders
8. Proximity to homes and other structures
9. Proximity to existing and planned development
10. Community acceptance
11. Visual impact
12. Presence of existing corridors

(Id. at 6-7)

The Commission's decision will result from a balancing of these 12 criteria to the extent that they are relevant to the proposed facilities and any other relevant criteria presented by the parties, and none is inherently more important than the next. (Id.) The Commission will consider these criteria in the context of ATXI's Routes A and B, ATXI's Route Connector between Routes A and B, Staff's proposed modification to Route A, Mr. Zelnio's proposed modification to Route A, and KCI's (Ramp) proposed modifications to Routes A and B.⁵ Route A primarily follows Interstate 74 ("I-74") with the exception of each end of the route and a few deviations away from I-74 near a rest area, communication tower, and residences. Route B follows Route A from the west until approximately one mile west of the Spoon River, where Route B diverges. Route B continues east primarily following local roads, U.S. Highway 150, and half section lines

⁵ Staff proposed two different modifications affecting different areas of Route A. Attachments B and C to Staff Ex. 1.0 depict Staff's proposed modifications. Staff's modification depicted in Attachment B is very similar to Mr. Zelnio's proposed modification to Route A and both accomplish the same objective. Because the parties recognize the similarities between Mr. Zelnio's proposed modification and the proposed modification depicted in Attachment B to Staff Ex. 1.0, Staff's proposal will not be discussed separately. Staff's other proposed modification, reflected in Attachment C to Staff Ex. 1.0, will simply be referred to as Staff's proposed modification to Route A and should be understood as that depicted in Attachment C.

until it turns almost directly south towards the Fargo Substation site. The Commission notes that at the time of briefing, Staff no longer recommended the Attachment C modification. Each of the proposed routes are depicted in Appendix A to ATXI's Initial Brief and warrant serious consideration by the Commission.

A. Length of Line - Uncontested

As can be seen from the following table, the unmodified Route A is shorter than the unmodified Route B. When the proposed modifications are taken into account, all but KCI's second alternate proposed modification to Route A increase the length by up to one mile and increase the number of structures required to construct the transmission line. Although KCI Alternate 2 is shorter than Route A without any modifications, the difference in length is not significant. Therefore, under this criterion, the Commission finds that the marginally preferable routes are an unmodified Route A as well as Route A with KCI's Alternate 2.

	Route A					Route B	
	ATXI	Staff	Zelnio	KCI Alt 1	KCI Alt 2	ATXI	KCI
Estimated Length (in Miles)	39.3	>39.3	>39.3	40.1	39.1	44.9	45.8

B. Difficulty and Cost of Construction

1. ATXI Position

ATXI asserts that its Route A without modification is the superior route with respect to difficulty and cost of construction. In coming to this conclusion, ATXI explains that the cost estimates for the modified routes proposed by Staff and intervenors shown below are based on the same cost model and underlying assumptions as the cost estimates for ATXI's proposed routes. For purposes of comparison and to avoid misrepresentation of SRP costs that remain constant regardless of route length, ATXI states that it developed full end-to-end estimates for each proposed modification.

<u>Route</u>	<u>Estimated Cost (in millions)</u>
Route A (unmodified)	\$92.1
Route A with Staff Modification	\$93.2
Route A with Zelnio Modification	\$92.6
Route A with KCI Alt 1	\$94.0
Route A with KCI Alt 2	\$91.5
Route B (unmodified)	\$97.9
Route B with KCI Alt 1	\$100.1

ATXI points out that Staff's modification and KCI's Alternate 1 modification to Route A will require structure access to be developed through more difficult terrain and

low-lying areas. ATXI also observes that their proposed modifications parallel existing railroad or below-grade pipeline infrastructure and contends that such facilities can increase costs for foundations, construction, grounding to mitigate induced voltage, mitigation of interference to railroad communications, and pipeline cathodic protection. ATXI states it reflected these difficulties in the cost estimates above. Costs to mitigate impacts from railroad and pipeline paralleling, ATXI notes, will not be fully known until the final line design and the necessary studies are completed by the railroad or pipeline owner. For this reason, ATXI considers the cost estimates and related increases, compared to Route A without modifications, conservative.

Referencing ATXI Exs. 14.1 and 16.2, ATXI explains that Staff's modification to Route A moves the transmission line closer to a low-lying area near floodplains and rougher terrain, and parallels an existing railroad for almost a mile. In addition, Staff's modification requires at least two additional, costly angle structures, in comparison to ATXI's Route A. Also, ATXI notes that there is at least one location along the modification where a structure would be located in an isolated area between a stream and the railroad tracks. ATXI asserts that this alignment would be very difficult to construct, since its contractors would have to bring trucks and other equipment across the stream or the railroad tracks in order to install the pole and foundation or conduct maintenance activities in the future. ATXI contrasts its unmodified Route A which does not require a structure to be placed in a low-lying area isolated between a stream and the railroad tracks. To determine the full impact of Staff's route on railroad communication signals, which are transmitted via the rails, ATXI states that it must conduct a study. This study will determine the extent of the additional grounding required, and whether ATXI may be required to install communication equipment to mitigate any impact on railroad communication signals. ATXI currently estimates the cost of the study and resulting mitigation efforts to be approximately \$100,000.

Regarding KCI's Alternate 2 modification to Route A (depicted on page 5 of Appendix A to ATXI's Initial Brief), ATXI has not identified any obstacles that would prevent constructing the transmission line as proposed. ATXI understands the modification to be a hybrid of Route A and Route B. ATXI also recognizes that the estimated cost for the transmission line utilizing KCI's Alternate 2 is less than ATXI's Route A. ATXI points out, however, that it intentionally placed this portion of Route A south of I-74 so that the route would be further away from three residences. The route south of I-74 also poses less potential risk as it parallels a pipeline for less distance. By utilizing Route B in this area, ATXI also observes that KCI's Alternate 2 shifts the line from certain parcels owned by members of the SP Parties (one of which is KCI) and onto the Shipley's property, who filed direct testimony opposing this portion of Route B. To avoid the Shipley property, KCI's witness suggested a "simple jog" back and forth across I-74. ATXI explains that this "simple jog" would add three additional angle structures and two crossings of I-74 in less than one-half mile. In addition, each of the spans across I-74 is over 1,000 feet in length, which is beyond the typical span distance for interstate crossings. Longer spans across the interstate, ATXI continues, would be more difficult to construct due to the longer distance for wire stringing and the possible need for an additional wire stringing setup. Taller structures would also be required to accommodate

both long spans. ATXI asserts that these engineering and construction considerations further support its position that Route A without KCI's Alternate 2 modification is the superior route.

KCI's Alternate 1 modification to Route A and KCI's modification to Route B (depicted on page 4 of Appendix A to ATXI's Initial Brief) places the transmission line parallel to a crude oil pipeline for approximately 3.3 miles. ATXI witness Molitor explains that this would require a study to analyze the effect of the transmission line on the pipeline. He states that typically, placing a transmission line parallel to a pipeline requires the addition of cathodic protection and grounding to the pipeline to mitigate induced voltage from the transmission line. He says other construction concerns include the possible need of some sort of bridging over the pipeline to protect it from heavy construction equipment. While ATXI acknowledges that both Routes A and B parallel the same pipeline for roughly 0.8 and 1.4 miles, respectively, and both will require a similar study to the one mentioned above, ATXI asserts that the longer length of the paralleling involved in KCI's proposed modifications presents greater engineering and cost concerns. ATXI does not consider it significant that no pipeline owners have intervened in this case.

Another concern for ATXI is the proposed location of the 90-degree turn at the northeast corner of KCI's Route A Alternate 1 modification and Route B modification. ATXI states that this turn is in an area of comparatively low elevation, which would present design difficulties and most likely require a taller heavy-angle structure and a larger foundation that will increase the cost. In general, when designing transmission lines, ATXI prefers to keep the more expensive angle and dead-end structures as short as possible and to make up the height with less expensive tangent structures.

ATXI does not consider the additional cost associated with incorporating Mr. Zelnio's proposed modification unreasonable. Nor has ATXI expressed any concerns about being able to construct the transmission line as Mr. Zelnio has proposed.

In its BOE, ATXI argues that more weight should be given to the cost in dollars criterion.

2. CARB Position

Overall, CARB supports the adoption of Route A. With regard to cost, CARB notes that Route A, with or without modification, would cost less to construct than Route B, with or without modification. With regard to the difficulty of construction, CARB does not believe that ATXI has submitted any evidence suggesting that there would be any unique difficulties in constructing either route. Nevertheless, CARB suggests that aspects of Route B may make its construction more complex. For example, CARB states that Route A has fewer crossings of existing infrastructure. Specifically, there are three pipeline crossings for Route A versus five for Route B and there are 34 road crossings for Route A versus 41 for Route B. CARB contends that the greater amount of sloping terrain along Route A should not be considered a construction difficulty. CARB explains that according

to ATXI witness Molitor, many of the slopes on Route A can be avoided because of the great distance between poles, which averages 850 feet.

CARB argues that the known occurrence in the area of Route B of the Franklin Ground Squirrel, a recognized threatened species in Illinois, will also make construction more difficult and costly. The squirrel has been found along the Rock Island State Trail Park, which is within one-half mile of Route B. If Route B is approved, CARB understands that there would have to be meetings with the Illinois Department of Natural Resources (“IDNR”), which is likely to ask ATXI to conduct surveys for the squirrel along Route B. If such threatened squirrels are found, then ATXI would have to take further steps to minimize impacts. CARB references ATXI witness Koch's testimony that in a similar situation, IDNR recommended that construction take place outside of the months when the Franklin Ground Squirrel is active, which is April through July. CARB notes that Mr. Molitor testifies that third-party restrictions that require work stoppages increase the time and cost to construct the line. In addition, Mr. Koch anticipates ATXI having to seek an “incidental take authorization” from the State for killing the species, and typically, that requires some sort of mitigation that CARB believes will increase cost and the level of difficulty.

CARB takes issue with the SP Parties’ suggestion that the Commission should only be concerned about the portion of the cost that Illinois ratepayers will pay. CARB notes that in a discussion of Docket No. 12-0598, Commissioner McCabe stated:

[O]ne party argued for a more expensive route because Illinois ratepayers only pay nine percent of the cost of this MISO multi-[value] project. Illinois ratepayers pay for MVP projects throughout the MISO region. Therefore, I hope our colleagues in other states are making decisions based on what’s the least-cost route for the sake of all MISO ratepayers. (February 20, 2014 Commission Minutes at 10)

CARB considers the SP Parties’ narrow view of project cost inconsistent with past Commission statements.

CARB also disagrees with Ms. Tomlinson’s comment that Route A will require the clearing of significantly more non-vegetative/developed land. CARB asserts that Mr. Koch testifies that ATXI can not remove or disturb anything within the I-74 right-of-way. With regard to Ms. Tomlinson and Mr. McMurtry’s claims that slopes, angles, interstate crossings, and old mines “may” or “could” increase cost and/or the difficulty of construction, CARB considers such statements legally insufficient to rebut the determinations of ATXI.

3. SP Parties Position

The SP Parties maintain that Route B is overall the better route. With regard to the cost of construction, they acknowledge that Route B costs \$5.8 million more to construct than Route A, but under the MISO cost sharing methodology for MVP projects,

Illinois customers would only be responsible for 9.5% of this additional cost, or \$551,000. The SP Parties consider this increase in cost to Illinois residents reasonable. Because Route A requires a greater number of more costly angle structures than Route B, the SP Parties also question how ATXI determined that Route B would be more expensive to construct. In any event, the SP Parties believe that benefits related to other aspects of Route B mitigate any increase in cost. As for the difficulty of construction, the SP Parties consider ATXI capable of constructing a transmission line on either route since it proposed both routes.

KCI witness Ramp is familiar with the area at issue; he operates a farm which owns and leases land on both the north and south side of I-74. Mr. Ramp states that he has walked across a significant portion of both ATXI's Routes A and B. With this knowledge, Mr. Ramp opines that Route B is superior because routing the transmission line along the south side of I-74 is inferior to routing it along the north side of I-74. Mr. Ramp also contends that ATXI's Route B, as a whole – not just in the area of his farms – is the superior routing alternative for the project. In particular he notes that ATXI's Route B impacts far fewer homes with only a modest increase in cost to construct. As an alternative, in the event the Commission concludes that ATXI's Route A should be utilized, Mr. Ramp suggests modifications to the route which, he explains, are based on principals of placing poles in untilled areas through utilizing property and/or field lines while avoiding residences. He describes KCI Alternate 1, for both Routes A and B (from west to east) as going due east, following field, section, and property lines, rather than along I-74. He says the KCI Alternate 1 modifications then turn due south, merging with either ATXI's Route A or Route B, respectively. The SP Parties assert that the KCI Alternate 1 modifications are less than one mile (2%) longer than the routes they replace.

Regardless of whether ATXI's Route A or Route B is chosen, the SP Parties advocate for the adoption of KCI's Alternate 1 modification pertaining to Route A and Route B. The KCI Alternate 1 modification to Route A is essentially the same as the KCI Alternate 1 modification to Route B. These modifications are reflected in page 4 of Appendix A to ATXI's Initial Brief. Although ATXI raises some concerns, the SP Parties note that ATXI can construct the KCI modifications. The SP Parties question the validity of ATXI's concerns related to paralleling a buried pipeline. They observe that Routes A and B already parallel pipelines. They also point out that pipeline corridors were considered a routing opportunity in ATXI's Routing Study. Additionally, while they were notified of these proceedings, the SP Parties state that no pipeline owner intervened. Moreover, they contend that, at this time, it is unclear if there is even an issue with pipelines. They relate that ATXI has not undertaken studies to determine if mitigation measures are needed for its proposed routes or any of the modifications. Even if there is an issue, the SP Parties assert that it can be mitigated, and the costs associated therewith are already included in ATXI's estimates.

In response to ATXI's concern in regard to the 90-degree turn in an area of slightly lower elevation, the SP Parties argue that ATXI does not know if the pole will have to be taller, does not know its height, and did not determine, or suggest, a more optimal placement for the turn, despite having months to consider this alternative route. The SP

Parties contend that ATXI's concern about the corner heavy-angle pole is over-stated and note that ATXI's preferred Route A has 63 more angle structures than ATXI's Route B. Indeed, they continue, Route A has nine more structures in the light-heavy-angle and heavy-angle categories than Route B. As such, ATXI actively advocates for a route having more structures of this type. Accordingly, the SP Parties find ATXI's concern for a single corner pole implausible. The SP Parties state that in order to avoid discussion on impacts to tilled farm ground, ATXI has repeatedly asserted that final pole placement has yet to be determined and that it will work with landowners in doing so. These assertions, the SP Parties say, beg the question that if ATXI is so concerned about this pole placement, why has it not worked with KCI or made any attempt to determine a more optimal location for the corner pole. Given that typical pole heights vary by 40 feet, they believe ATXI has exaggerated this issue. The SP Parties suggest that any increases in cost related to such concerns in this instance are highly questionable. Assuming ATXI's cost estimates are accurate, the SP Parties state that KCI's Alternate 1 will only impact Illinois ratepayers in the amount of \$180,500. Considering that ATXI submitted that an increase in cost of \$600,000 was appropriate to avoid affecting two homes, the SP Parties argue that it would seem that the increase in cost is well worth it here.

If Route A is used and KCI's Alternate 1 modification is rejected, the SP Parties urge the Commission to direct the implementation of KCI's Alternate 2 modification, which essentially overlaps a portion of Route B north of I-74 when the transmission line first encounters I-74 from the east. Page 5 of Appendix A to ATXI's Initial Brief depicts this modification. This modification decreases the construction costs of Route A by approximately \$600,000, in part by avoiding two crossings of I-74. ATXI placed Route A south of I-74 to avoid three residences north of I-74 in this area of the transmission line. Because KCI's Alternate 2 modification is the same as a portion of ATXI's Route B, the SP Parties are not aware of any concerns over ATXI's ability to construct the line along KCI's Alternate 2 modification.

If the Commission decides that Route A is preferable overall, the SP Parties recommend the adoption of Mr. Zelnio's modification to Route A. This modification is shown on page 3 of Appendix A to ATXI's Initial Brief. If utilized, the Zelnio modification would increase construction costs by approximately \$500,000, but otherwise poses no construction concerns. The SP Parties add that under the MISO cost sharing methodology, Illinois customers would only be responsible for \$47,500 of this additional cost. The SP Parties note that ATXI has agreed to implement Mr. Zelnio's proposal.

In response to ATXI's argument that the cost factor should be more heavily weighted, the SP Parties state that Commission decisions suggest that cost is actually less important than other factors. It notes that the ATXI indicated that its routing study considered all criteria equally. SP Parties state ATXI justifies elevating the cost factor because there is a close balancing of the other factors. The SP Parties assert a close balancing is expected as the Routes are ATXI's two best routes. The SP Parties refute ATXI's statement that no party supports the KCI Alternate 2 proposal. To the contrary, they indicate that they continue to support the KCI Alternate 2 if Route A is chosen.

4. McMurry Position

Mr. McMurry supports the use Route B over Route A. With regard to construction costs, he questions the accuracy of ATXI's estimates. He notes ATXI's acknowledgement that in some cases, slopes with a pitch greater than 20 degrees can increase construction costs. Mr. McMurry relates that Route B has 2,736 feet of slopes greater than 20 degrees, while Route A has 4,375 feet, or 60% more, of slopes greater than 20 degrees. He also questions how a route with more angle structures can cost less to construct than a route with fewer angle structures. Specifically, he points out that Route A requires 71% more angle structures than Route B. Route A requires 108 total angle structures while Route B requires 63. Mr. McMurry maintains that the combination of increased slopes and angle structures will lead to difficulties with maintaining the 850 feet average pole spacing and construction easements to set up equipment outside of the 150 feet right-of-way during construction. He adds that the construction easements should be added into the acreage required for Route A. Mr. McMurry reminds the Commission that slopes will also cause some of the angle structures to be taller and more costly than the average height used for estimate purposes.

Moving from Galesburg to Peoria, Mr. McMurry also observes that Route A crosses over I-74 four times, crosses adjacent to five overpasses, jogs south, and then crosses the Kickapoo Edwards Road to make two 90-degree jogs before continuing eastward toward Bethany Baptist Church and the Fargo Substation. He maintains that such a path will make it difficult for ATXI to maintain the 850 feet average pole spacing. In addition, numerous old coal mines east of Brimfield could require larger foundations, relocating poles, or filling the underground voids, according to Mr. McMurry. He contends that all of the above could lead to difficulty and add to the cost of construction.

Mr. McMurry states further that the ATXI estimated costs of the routes were based on general material foundation and construction costs and an independent land appraiser's average cost per acre for different classifications of land. But in responding to discovery requests, Mr. McMurry understands ATXI to have realized errors in its calculations. He reads pages 1 and 6 of ATXI Ex. 19.1 to indicate that ATXI's cost estimates could be as much as \$2.9 million in error. For all of these reasons, Mr. McMurry believes that construction along Route A would be more difficult than along Route B and may cost more than Route B as well.

5. Tomlinson Position

Ms. Tomlinson recommends the use of Route B over Route A. Relying on ATXI's SRP Routing Study, she points out that ATXI anticipates using more light-angle (1-15 degrees), medium-angle (15-30 degrees), light-heavy-angle (30-60 degrees), and heavy-angle (>60 degrees) structures on Route A than Route B. She also notes that Route A requires 108 total angle structures versus 63 on Route B. (See ATXI Ex. 8.2 Rev.) Ms. Tomlinson observes that Route A also transverses more slopes of more than 20-degree inclines than Route B. According to the Routing Study, the crossing of steep slopes may potentially increase construction and maintenance costs and difficulty. Ms. Tomlinson

references the assertion in the Routing Study that “A Transmission line project will have the greatest impact to forested and non-vegetative (developed) land cover classes since all trees will be cleared from the ROW and no structures are allowed within the ROW of a transmission line.” She notes that Route A will impact more forested and non-vegetative land cover and that more land will have to be cleared on Route A. She contends that such timber clearing will add to the difficulty of construction. Also impacting the cost and difficulty of construction, she continues, is the abandoned underground coal mine west of Brimfield noted in the Routing Study and several others in the area of Route A that ATXI does not mention.

Ms. Tomlinson rejects ATXI's suggestion that the financial cost criteria should be given more weight, noting the PO's statement that none of the criteria is inherently more important than the next.

6. Staff Position

Staff acknowledges that constructing the transmission line along either Route A or Route B using KCI's Alternate 1 modification would cost more than using either route unmodified. Despite the increase in cost, Staff recommends that the Commission adopt ATXI's Route A with the Zelnio and KCI Alternate 1 modifications. ATXI's cost estimate table indicates that the unmodified Route A would cost approximately \$92.1 million, while Route A using both the Zelnio and KCI Alternate 1 modifications would cost approximately \$94.5 million (Zelnio adds \$0.5 million and KCI Alternate 1 adds \$1.9 million). Staff notes that ATXI does not object to Mr. Zelnio's modification and has identified no obstacles that would prevent constructing the transmission line using KCI's Alternate 1 modifications. Staff contends that the advantages offered by these modifications warrant the additional \$2.4 million in estimated construction cost.

7. Commission Conclusion

Before determining whether any particular route proposal is preferable in terms of the cost and difficulty of construction, it is necessary to address an argument raised by some of the landowners. The SP Parties suggest that the Commission need not be concerned about the full amount that any modification may cost because in the end Illinois customers within the MISO footprint will only pay 9.5% of that additional amount. But as the Commission discussed in resolving Docket No. 12-0598, the proper course of action is to consider what is the least cost option for the entire MISO region, not just for Illinois customers. To do otherwise would only encourage other MISO states to take a narrow self-serving view that would arguably be to the detriment of Illinois consumers.

Simply in terms of numbers, Route A with KCI's Alternate 2 modification appears to be least expensive to construct. The problem that arises with Alternate 2 is that it runs close to the Shipley residence. To avoid the Shipley residence, Mr. Ramp suggests inserting a brief “jog” in the route from the north side of I-74 to the south side of I-74 and then back again to the north side. Doing so, however, negates much of the cost savings originally achieved under Alternate 2 by avoiding crossing I-74. For this reason, a shadow

exists over KCI's Alternate 2 and hinders its selection as the clear favorite under this criterion.

With regard to the difficulty of construction, much has been said about the existence of a pipeline along portions of both the unmodified Routes A and B and KCI's Alternate 1 modifications to Routes A and B. The Commission does not doubt that proximity to a pipeline warrants additional considerations and potential expense. As will be discussed elsewhere, however, ATXI identified pipelines as potential corridors and itself proposed a route somewhat parallel to a pipeline, albeit for a shorter length than what KCI proposes. Under such circumstances, it is not easy for the Commission to accept that running the transmission line along the same pipeline for a longer distance will increase significantly the difficulty of construction, particularly when ATXI acknowledges that it has not yet determined what impact its own route proposals will have on the pipeline.

Also discussed in the context of KCI's Alternate 1 modifications to Routes A and B is the 90-degree turn at the north-east corner of the modifications. ATXI contends that a tower structure at this point would be in an area of lower elevation and therefore would need to be taller and thus more expensive. The Commission understands this concern but at the same time does not believe it represents an insurmountable obstacle. While appreciative of this information from ATXI, the Commission considers the construction of an appropriate tower at this point manageable and not unreasonably difficult.

As for other concerns regarding the difficulty of construction, no one disputes ATXI's concern with crossing a stream or railroad tracks to construct Staff's modification along Route A. Staff's modification in this area would seem to inject an unnecessary degree of difficulty in the construction. The possibility of abandoned mines along Route A should not be ignored because if any exist they may increase the difficulty of construction. If the Franklin Ground Squirrel exists along Route B, the Commission agrees that the construction schedule may be impacted but notes that ATXI (and Ameren Services) has dealt with such issues before. The Commission also observes that the record contains no indication that incorporating the Zelnio modification would increase the construction difficulty of the SRP or unreasonably increase the construction cost.

Having considered the issues under this criterion, the Commission finds that the preferred route is Route A with the Zelnio modification and KCI's Alternate 1 modification. This route reasonably balances cost with the various circumstances on the ground impacting the difficulty of construction.

C. Difficulty and Cost of Operation and Maintenance

1. ATXI Position

ATXI considers Route A to be superior from an operation and maintenance perspective, although it acknowledges that all of the routes, except Staff's modification, are comparable in this regard. ATXI asserts that constructing the transmission line

through the low-lying area along Staff's modification will increase ongoing maintenance access costs due to terrain and existing land features. ATXI refers to its Ex. 14.1, which shows a location along Staff's modification where a structure would be located in an isolated area between a stream and railroad tracks. In addition to being difficult to construct, ATXI states that this modification poses maintenance issues since its contractors would have to bring trucks and other equipment across the stream or the railroad tracks in order to conduct maintenance activities in the future.

2. CARB Position

In support of Route A, CARB argues that the cost of operation and maintenance will be less for Route A than for Route B. CARB explains that Route A has 223 fewer easement acres to maintain: 571 acres for Route A compared to 794 acres for Route B. The shorter length of Route A, CARB states, will require fewer tower structures, which will therefore require less maintenance. Finally, simply because it is a shorter line, CARB contends that Route A will have less exposure to lightning strikes, storms, and airborne debris putting the line out of service. In CARB's opinion, these facts make Route A less costly to operate and maintain over the life of the transmission line.

3. SP Parties Position

The SP Parties dispute CARB's suggestion that Route B will be more difficult to maintain than Route A because of a greater number of poles. They argue that CARB's speculation fails to account for Route A's greater number of heavily strained poles, to wit, 23 more light-angle structures, 13 more medium-angle structures, six more light-heavy-angle structures, and three more heavy-angle structures. Moreover, given that Route A crosses more difficult terrain, the SP Parties consider it apparent that reaching poles and transmission lines for maintenance will be more difficult. The SP Parties note that the Commission previously favored a route in part because of physical access considerations. (Docket No. 06-0706, June 23, 2010 Order on Reopening at 10-12)

4. McMurtry and Tomlinson Positions

Mr. McMurtry and Ms. Tomlinson both express concern that Route A may be more difficult and costly to operate and maintain because it passes over more steep slopes than Route B. They also comment that the greater amount of forested area along Route A will necessitate greater cost and maintenance effort for vegetation management purposes. Ms. Tomlinson cites the SRP Routing Study when she points out that the acreage of forest varies from 67 acres for Route B to 71 for Route A.

Ms. Tomlinson takes exception to the statement that ATXI will not be responsible for maintaining the vegetation within the I-74 right-of-way. She asserts that ATXI will be responsible for clearing the trees and maintaining the easement within the I-74 right-of-way.

5. Commission Conclusion

While it stands to reason that a shorter route will have less right-of-way and facilities to maintain, in this instance the shorter Route A also appears to run over more undulating land than Route B. Even with the Commission's understanding that ATXI will be responsible for maintaining the vegetation within the I-74 right-of-way, the Commission can not say that either route is preferable. The Commission therefore finds no significant difference in the difficulty and cost of operation and maintenance among the proposed routes.

D. Environmental Impacts

1. ATXI Position

ATXI asserts that its Route A is preferred with respect to environmental impacts. Specifically, compared to Route B, ATXI states that Route A has the least impact to wetlands, including forested wetlands, and crosses the fewest streams. Route A as proposed by ATXI and Route A as modified by Staff have similar impacts to environmental sensitivities. ATXI states further that KCI's Alternate 1 crosses 15 more acres of forested land than ATXI's Route A and 24 more acres of forest than ATXI's Route B. Since all forest within the right-of-way must be cleared, ATXI considers the additional acres of forested land impacted by KCI's Alternate 1 modifications significant. ATXI observes that KCI's Alternate 1 modifications also require crossing ten more streams than ATXI's Route A and nine more streams than ATXI's Route B, which may require more erosion control measures during construction. ATXI contends that these factors render Routes A and B without the modification superior to KCI's Alternate 1.

ATXI takes exception to the PO finding that Route B has the least environmental impact. It states there is record evidence that both the United States Fish and Wildlife Service ("USFWS") and the Illinois Historic Preservation Agency ("IHPA") prefer Route A to Route B. The Company notes the impact Route B would have on forested wetlands which have a higher environmental value, requiring a permit, whereas removal of trees does not. ATXI states the general directive for it to include noise impacts as a consideration during routing.

2. CARB Position

CARB finds Route A favorable in part because it impacts the least amount of wetlands. CARB relates that Route A contains 0.8 acre of wetlands in the easement area while Route B contains 2.5 acres of wetlands in the easement area. In addition, CARB notes that Route A impacts the least amount of forested wetlands, with Route A having 0.2 acre of forested wetlands and Route B having 1.4 acres of forested wetlands. CARB points out that Route A crosses the fewest streams: 36 for Route A compared to 44 for Route B. The presence of the threatened Franklin Ground Squirrel in the area of Route B also supports the selection of Route A, according to CARB. If the squirrel is found to

exist within the construction area, CARB states that ATXI will most likely need authority from Illinois to kill the species.

3. SP Parties Position

With regard to environmental concerns, the SP Parties state that ATXI's Route A impacts IDNR easements to a greater degree than its Route B. While Route B proceeds near known habitats of the Franklin Ground Squirrel, the SP Parties understand that ATXI has constructed other transmission lines near Franklin Ground Squirrel habitat and complied with all requirements associated with doing so. Based on his observations from an aircraft, PCI witness Gerald R. Moon also contends that ATXI has overestimated the number of streams, as many are likely just drainage ditches with minor sloping.

In the RBOE, the SP Parties challenge ATXI's argument that forested wetlands are more important than forests. It notes the requirement that ATXI must apply for permits is a sensitivity, but that does not equate with increased environmental damage. It says efforts to apply for a permit should be considered as a difficulty and cost of construction factor, not on environmental factor.

In the RBOE, the SP Parties dismiss ATXI's BOE argument that the directive to consider noise impacts is not supported by the record. The SP Parties note that ATXI states in testimony that noise impact was considered, but not quantified. They state that landowners, more familiar with the land than any ATXI witness, testified that increased noise would occur. They reference witness testimony that affirmed that there would be an increase in noise due to the removal of trees and that whole subdivisions would be affected.

4. Tomlinson Position

Ms. Tomlinson argues that Route B is preferable when one considers impacts on the environment. She notes that Route A will result in more forested (71 acres on Route A and 67 acres on Route B) land being impacted. She reports that 52% of the wooded area along I-74 between Galesburg and Peoria would be cleared if Route A is selected. She urges the Commission not to be confused by CARB's observation that Route B would lose more forested wetland than Route A (1.4 acres compared to .2 acre), because overall Route A would still lose more forest.

Ms. Tomlinson states further that elimination of dense vegetation along I-74 on Route A will allow noise from interstate traffic to be more audible to the surrounding residential homes within the Thousand Dollar Road and Fox Creek subdivisions and should be taken into consideration during project development. She notes ATXI witness Koch's testimony that ATXI is not required to address noise impacts. Ms. Tomlinson complains that ATXI has to abide by rules, regulations, and mitigation procedures concerning how to handle transmission lines parallel to railroads, pipelines, on agricultural land, etc., but has no mitigation plan in place for increased noise pollution to residents affected by its projects. The simple fact that Route A would necessitate the clearing of

more forests than Route B favors Route B in Ms. Tomlinson's opinion. She adds that more forested land being cleared along Route A increases the potential for the spread of oak wilt and Dutch elm disease during vegetation clearing and could ultimately lead to more tree destruction beyond the clear-cut easement along Route A. Mr. McMurtry adds that the Franklin Ground Squirrel, if present along Route B, should not be a problem for ATXI.

Staff understands that KCI's Alternate 1 crosses more acres of forested land and requires more tree clearing, which is arguably the most significant detriment to using this modification. Staff also understands that KCI's Alternate 1 modification would cause Route A to cross 10 more streams than an unmodified Route A. But because poles may not be required near the streams, Staff does not think this fact should weigh against use of KCI's Alternate 1 modification.

5. Commission Conclusion

Considering the evidence the Commission finds that from an environmental perspective, perhaps the greatest impact any of the routes have is on the area of forest being destroyed. Route B, without any modifications, impacts the least amount of forest (67 acres). The unmodified Route A impacts 71 acres of forest. Although KCI's Alternate 1 modifications to Routes A and B are essentially identical, ATXI indicates that the modified Route A impacts 86 acres of forest and the modified Route B impacts 91 acres. The source of this discrepancy is unclear. Whether the unmodified Route A's greater impact on forest is mitigated by its lesser impact on streams is unclear in light of PCI witness Randall Moon's testimony. Mr. Moon testifies that many of the streams that Route B is said to impact are likely just drainage ditches. On Route A, concerns are raised about increased noise from I-74 as a result of the elimination of dense vegetation along the highway. The possible existence of the Franklin Ground Squirrel along Route B must also be weighed against the definite clearcutting of more forest along Route A. Overall, the Commission finds that Route B has the least environmental impact and is therefore the preferred route under this criteria.

E. Impacts on Historical Resources

1. ATXI Position

ATXI argues that Route A is superior with respect to impacts on historical resources. There are no sites listed on the National Register of Historical Places ("NRHP") within 1.5 miles of Route A. There is one NRHP site within 1.5 miles of Route B (the Washington C. Wear House near Princeville), but Route B does not cross the site. ATXI acknowledges that Route A crosses one other known archaeological site located along the north side of I-74 in Section 1 of Haw Creek Township. ATXI reports that the site has not been evaluated for listing on the NRHP. The site was surveyed in 1964, and its current condition is unknown, although it is expected that some level of damage has occurred during the construction of I-74 and because of current farming practices on the land. According to ATXI witness Koch, the site is "spannable." ATXI states further that

because Route A runs primarily along active agricultural land and existing pre-disturbed rights-of-way such as I-74, the presence of archaeological or historical resources would not prevent the transmission line from being constructed. The extent of impacts to cultural resources is dependent on the final location of the approved route, including the location of the transmission line structures. ATXI will continue to coordinate with the Illinois Historic Preservation Agency (“IHPA”) regarding cultural resources. ATXI commits to conducting any required cultural resources surveys to identify any unknown resources and to further define the extent and integrity of known resources. ATXI will minimize direct and indirect impacts to cultural resources through appropriate placement of the transmission line structures, to the extent feasible. ATXI will also obtain necessary approvals before construction. Accordingly, if any historical resources exist along any of the routes, ATXI contends that they would not prevent construction.

2. CARB Position

Based on ATXI’s description, CARB contends that Route A is preferable under this criterion and also observes that IHPA at least preliminarily prefers Route A.

3. SP Parties Position

The SP Parties assert that Route B has less right-of-way acreage in high probability areas for archeological sites, and therefore considers Route B preferable.⁶

4. Commission Conclusion

The Commission finds that there are no significant impacts on historical resources for either Route A or Route B, or on any of the modifications thereto. Therefore, none of the routes is preferable under this criterion.

F. Social and Land Use Impacts

1. ATXI Position

ATXI contends that its Route A reflects an optimum location for the transmission line in that it would limit societal and land use impacts. According to ATXI, the record does not indicate that Route A would create social or land use impacts greater than those created by the route modifications proposed by Staff and KCI.

2. CARB Position

Based on all the evidence and testimony in the record, CARB concludes that Route A clearly outperforms Route B on social and land use impacts. CARB points out that Route A requires the least amount of right-of-way acquisition, only 571 acres versus 794

⁶ Mr. McMurtry discusses in his Reply Brief other historical structures in the Brimfield area. Facts concerning such other historical structures, however, are not in the evidentiary record and therefore have not been considered for purposes of resolving the parties’ differences.

acres for Route B, and this is largely due to the fact that where Route A parallels I-74, ATXI only needs to acquire 85 feet of right of way instead of 150 feet. ATXI witness Molitor explains that having overlapping easements with the interstate right-of-way allows for poles to be placed only seven to ten feet from the right-of-way, meaning that only 82 to 85 feet of easement would be required instead of 150 feet.

The relative impact on farmland also favors Route A in CARB's opinion. The Route A easement area impacts 410 acres of cropland while the Route B easement area impacts 619 acres. CARB adds that Route A also impacts less prime farmland than Route B. The greater number of tower structures along Route B, CARB continues, is also likely to result in a larger impact on farmland compared to Route A. When the routes do cross over farmland, CARB observes that Route B impacts farmland more adversely than does Route A, because Route B has almost double the amount of "no paralleling cross-country" segments as Route A. (See ATXI Ex. 7.5) ATXI witness Koch testifies that the diagonal routing of Route B shown on page 35 of ATXI Ex. 8.2, Appendix B, is an example of a "no paralleling cross-country" segment. That segment cuts diagonally across the middle of a farm field. CARB argues the fact that Route B impacts more farmland, and also impacts farmland more adversely, runs counter to the public's high sensitivity to agricultural use areas. CARB states further that the Illinois Supreme Court has recognized the adverse impact of splitting farms, and found that the Commission erred in granting a certificate for a route that had 7 miles of line "which does not follow fence lines and splits the affected farms." (Ness v. ICC, 67 Ill.2d 250, 253 (1977))

CARB reports that other sensitivities to consider include airports and scenic and recreational areas. Although there are no airstrips near Route A, CARB identifies the Sisk Restricted Landing Area less than a ¼ mile from Route B. (See ATXI Ex. 8.2, Appendix B at 35-36) CARB also states that while neither Route A nor Route B crosses a national or state scenic byway, Route B has a segment that runs directly adjacent to the Rock Island State Trail Park for about two miles, as shown on pages 32 and 33 of ATXI Ex. 8.2, Appendix B.

CARB considers the SP Parties' argument regarding aerial spraying to be without merit. Pilots must already avoid any aerial spraying over the I-74 right-of-way. CARB therefore believes that makes routing along I-74 preferable to routing through the 50% more cropland acres of Route B, most of which presently have unrestricted access for aerial spraying.

In its BOE, CARB asserts that Route B does not overlap any other road right-of-way and that poles will be located further into adjacent fields than the Route A poles along I-74. It supports its argument by the maps provided as Appendix B of the Petition. CARB asserts that Route B has double the amount of no paralleling, cross-country segments. It states that Route A would have a smaller impact on farming than Route B, which, it states, would require 50% more easement acres. CARB asserts that social and land use impacts and existing corridor criteria favor Route A. CARB concludes that, with those changed conclusions, Route A is preferred. CARB emphasizes that it represents 80% of

the intervenors in this matter and that Commission Staff supported adoption of its preferred Route A.

3. Shipley Position

The Shipleys maintain that Route B will have a greater social and land use impact than Route A. They note that Route A overall requires 112.7 fewer acres of easement area. Where Route B crosses their property north of I-74, the Shipleys state that they would be highly impacted by the placement of poles on their property in multiple ways. First, they point out that they have a four acre hay field along I-74. Even one pole in a field that small, they aver, would have a proportionally greater impact than poles in a much larger field. They note that the intervenors to the south of I-74 in their area testify that they farm hundreds of acres. Second, the Shipleys report that there is a 40 feet ingress/egress easement across the entire width of their property along the I-74 fence line. They understand that ATXI generally installs poles 10 feet off the road right-of-way. If the proposed unmodified Route B line is built to honor the 40 feet easement, the Shipleys fear that the line will encroach further onto their property and be considerably closer to the front door of their home. Third, at the west end of their property is a small horse pasture with a run-in shed. If no structures are allowed within 75 of the line, they are concerned that they will need to move this shed and leave the horses in that pasture with no shelter. They maintain that these impacts negatively affect their land use.

In addition to supporting the use of Route A, the Shipleys oppose the consideration of KCI's Alternate 2 modification to Route A. When KCI witness Ramp developed Alternate 2, the Shipleys contend that he simply moved the route from ground he farms onto their property. They acknowledge that Mr. Ramp suggested avoiding their home along his modification by "jogging" the line south of I-74 and then back north of I-74 once past their property. Altogether, this "jog" would require three additional angle structures and two crossings of I-74 in less than one-half mile. In addition, the Shipleys understand that the Illinois Department of Transportation ("IDOT") prefers crossings that are perpendicular to the roadway. The Shipleys do not believe that such a "jog" is a reasonable solution to the problem.

4. SP Parties Position

The SP Parties argue that ATXI's Route A has much greater social and land use impacts than its Route B. Stakeholders made it clear, they aver, that impacts to agriculture were by far the most important of sensitivities for routing the transmission line. Nevertheless, the SP Parties claim, ATXI failed to provide any additional preference to avoiding cultivated agricultural fields. They argue that the route that impacts farmland the least is Route B with KCI's Alternate 1 modification.

The SP Parties observe that ATXI's Route A requires transmission lines to be placed approximately seven to ten feet away from the I-74 right-of-way. Doing so, they complain, results in poles being placed within tilled fields. Even though this greatly impacts farming operations, they claim that ATXI made no additional effort to avoid

cultivated fields. In order to mitigate this land use impact, KCI witness Ramp developed his modification with the express intention of avoiding pole placement in tilled areas, while avoiding homes. As ATXI witness Molitor admits, placement in field lines and section lines minimizes the impact of the transmission line. The SP Parties assert that KCI's Alternate 1 modifications to both Route A and Route B allow the opportunity for every pole to be placed within untilled areas. The SP Parties claim that this is even the case around the slight "bump" used to avoid non-residential structures along KCI's Alternate 1 modifications.

Another factor contributing to Route A's greater impact on land use, according to the SP Parties, is the greater use of angle structures along Route A compared to Route B. ATXI's Route A requires 108 total angle structures, as opposed to 63 for Route B. Because the angle structures are more robust with wider and deeper foundations, the SP Parties contend that they will impact the land around them to a greater degree.

The SP Parties also complain that Route A can impede aerial application of pesticides, fungicides, and other agrichemicals. The SP Parties argue that ATXI has failed to provide any evidence that its transmission line will not impact aerial applications, especially in areas with pole placement not along property lines, such as Route A. From what they can tell, ATXI has not even consulted with an aerial applicator. Aerial application is not included in ATXI's Agricultural Impact Mitigation Agreement ("AIMA") with the Illinois Department of Agriculture.

The SP Parties raise other land use impacts related to the transmission line. They state that use of Route A will deny the Moons the use of their pasture. The SP Parties note that Route A lies within 250 feet of eleven more wells than Route B. They claim that the impact on local parks and recreation lands is also greater with ATXI's Route A. The SP Parties observe that ATXI's Route A bisects the Zelnio property. In doing so, it bisects tilled farm ground at an angle. Even ATXI's witnesses acknowledge that this significantly impacts farming operations. The Zelnio modification cures these impacts by placing the transmission line at the edge of the Zelnio property.

Mr. Ramp points out that there is significant additional non-tillable ground on the north side of I-74, meaning that farming operations would be impacted to a lesser extent. He contrasts Route A, to the south side of I-74, which will place poles in the middle of tilled farm ground. He asserts that this placement would increase the cost of production and lessen yields by creating overlaps, gaps, untreated areas, compaction, and crop injury. Mr. Ramp states that these impacts will be magnified as new agricultural technologies are introduced, if the transmission line limits their implementation on the affected farm land.

The SP Parties' RBOE, asserts that CARB's arguments regarding pole placement and impacts on farming are unsupported by the record. The SP Parties complain that CARB provided no witness testimony in support of the factual averments included in its BOE. They assert that in the absence of testimony, there was no opportunity for cross examination to demonstrate that the factual assertions contradict the record. The SP

Parties say that CARB's assertion that pole placement along U.S. Highway 150 would be 75 feet from the right-of-way is pure speculation and that there is no evidence in the record that placement of poles seven to ten feet from the right-of-way will result in pole placement in tilled areas of fields.

The SP Parties object to CARB's interpretation and usage of ATXI maps to support its position. They assert that the record indicates that final pole placement cannot be determined until final line design. They maintain that Route B utilizes property and section lines, allowing poles to be placed in untilled areas. The SP Parties respond to CARB's number of Intervenor's argument, stating that the PO correctly considered and weighed CARB's membership numbers against the Moon's petition and the residents of the Village of Brimfield under community acceptance and found it a wash.

5. McMurry Position

Mr. McMurry asserts that Route A has greater social and land use impacts than Route B. For example, he points out that Route A comes within 230 feet of Brimfield Park, which has a baseball field for summer Little League, and Bethany Baptist Church, which has soccer fields and enjoys an average Sunday morning church attendance of 1,500. Mr. McMurry states further that Route A covers 12.6 acres zoned rural residential that will be impacted by the transmission line while Route B covers no land zoned as such. He also questions whether ATXI seriously considered future land use in the area of the I-74-Kickapoo/Edwards interchange.

In his RBOE, Mr. McMurry challenges several of ATXI's arguments in favor of Route A. He notes that although Route A has fewer infrastructure crossings, it crosses I-74 four times. Mr. McMurry states that, although Route A impacts the fewest landowners, the Route B right-of-way will be split between two landowners on at least 91 parcels, thus impacting each half as much. As to the crossings of streams on Route B, Mr. McMurry notes that it is not expected that any transmission structure will be placed in the wetlands.

6. Tomlinson Position

Ms. Tomlinson maintains that Route B is preferable from a social and land use perspective. She cites the proximity of Route A to Brimfield Park and Bethany Baptist Church. She understands from the Routing Study that Route A is located within 500 feet of the Brimfield Baptist Church and 775 feet from Bethany Baptist Church, while Route B is not located within a ¼ mile of a religious facility. (ATXI Ex. 8.2, Part 2 of 2, page 1 of 22) Ms. Tomlinson also notes that in a letter submitted by Mr. McMurry and received as a comment by the Commission that the Village of Brimfield requests that the Commission consider keeping the transmission line outside of the city limits by locating the line at least one and a half miles to either the north or south of the Brimfield corporate limits for the benefit of current residents and the future growth of the village.

Other land use impacts that Ms. Tomlinson raises include a tree farm and wells. She states that Mr. McMurry has a tree farm at 9900 North Thousand Dollar Road in

Brimfield which ATXI fails to note in its initial filing. According to ATXI Ex. 8.2, Part 2 of 2, page 5 of 22, she understands that sensitive crops include those that would not be allowed within the right-of-way, such as tree farms or orchards. With regard to wells, she states that transmission line infrastructure or construction activities could impact the operation of wells. According to data from the Illinois State Water Survey cited in ATXI's Routing Study, the number of water wells within 250 feet of the routes varies from four for Route B to 15 for Route A. (ATXI Ex. 8.2, Part 2 of 2, page 2 of 22)

The impact of Route A on her family's driveway, the only access to their home, also concerns Ms. Tomlinson. She relates that the driveway abuts the I-74 right-of-way and is 2,000 feet in length. If a transmission line is constructed next to the driveway using Route A, she laments that she will have to accommodate initial construction and future maintenance vehicles and machines decimating the area trees and possibly land locking her family for hours at a time spanning days at a time. Ms. Tomlinson also fears the possibility that the underground electric service line that she paid AIC \$10,080 to bury along the driveway in 2004 will have to be relocated. She questions where the service line could be relocated since her 30 feet wide driveway is already consumed with lines on either side of it and is between I-74 and a neighbor's property.

Ms. Tomlinson objects to CARB's focus on the impact of the transmission line on agricultural land uses. She notes that there are approximately 484 agricultural acres within the Route A easement area, but that tower foundations will only actually impact less than one acre of farmland. In contrast, she reports that 12.6 acres of residential land will be beneath conductors.

Ms. Tomlinson's RBOE responds to CARB, stating that it ignores that on Route B, the land under the transmission line will continue to be farmed. She asserts that along Route A, aggressive vegetation management will not allow growth under the line. She argues that transmission lines placed out at least 75 feet from the right-of-way would be easier to farm around than poles placed seven to ten feet from the right-of-way.

7. Staff Position

With regard to social and land use impacts, Staff states that Route A without the Connector is superior to Route A with the Connector because the former requires fewer acres of easement area (including easements in areas zoned residential). Staff notes that the easement area associated with Route A is 714.7 acres, while the easement area associated with Route B is 817.4 acres. Thus, Staff calculates that Route A requires 112.7 fewer acres of easement area than Route B.

8. Commission Conclusion

The impact on agricultural land is arguably the most significant issue under this criterion. The number of necessary easement acres is greater for Route B, which favors the selection of Route A. The impact on farming acres, however, favors Route B because of the necessary placement of the structures. The record reflects that Route B generally

follows local roads, highways, and half section lines, where pole foundations may be placed on property or field lines, resulting in a smaller (three feet) impact as compared to Route A, paralleling I-74 where pole foundations would be set seven to ten feet outside the I-74 right-of-way and into the field or property along the I-74 right-of-way. Several intervenors testified to the difficulties and costs associated with the seven to ten feet encroachment, stating it would affect farming costs, crop production, a tree farm, acres reserved for conservation, and wetlands. Similarly, KCI's Alternate 1 modifications also generally follow property lines, which lessens the impact on agricultural fields. In light of the impact on fields, the Commission finds that Route B is preferred under this criterion.

G. Number of Affected Landowners and Other Stakeholders and Proximity to Homes and Other Structures

1. ATXI Position

Having tabulated the number of parcels, landowners, and residences impacted by its proposed routes and KCI's proposed modifications thereto, ATXI asserts that its unmodified Route A is the preferred route with such considerations in mind. Notably, under each of the routes listed below, there are zero residences within 150 feet of the route centerline. KCI's Alternate 1 modification to either ATXI route, however, impacts more landowners, crosses more parcels, and requires more acres of right-of-way than either ATXI route unmodified. ATXI also observes that some of the landowners impacted by KCI's Alternate 1 modification are not impacted by either ATXI route. Compared to Route A as proposed, ATXI concedes that KCI's Alternate 2 modification impacts one less landowner, and crosses one less parcel. Nevertheless, ATXI contends that KCI's Alternate 2 is less desirable than Route A because it would be closer to two residences in the 150-300 feet range from the centerline, would require additional easement acreage since it overlaps less of the I-74 right-of-way, and presents an increased risk associated with paralleling a pipeline for a greater distance. ATXI concedes that at the 300-500 feet range, the unmodified Route A impacts more residences than the unmodified Route B. ATXI points out, however, that the majority of the residences along Route A are located along the I-74 corridor, and almost half are closer to the interstate than they are to Route A. In other words, I-74 is between the residence and Route A.

	Route A			Route B	
	ATXI	KCI Alt 1	KCI Alt 2	ATXI	KCI Alt
Parcels within ROW	194	207	193	242	256
Landowners within ROW	145	153	144	164	172
Easement Required (acreage)	571	620	582	795	828
Residences within 0-75 feet of centerline	0	0	0	0	0
Residences within 75-150 feet of centerline	0	0	0	0	0
Residences within 150-300 feet of centerline	7	6	9	7	3

Residences within 300-500 feet of centerline	17	15	16	15	13
Residences within 500-1,000 feet of centerline	75	75	74	38	40

2. CARB Position

CARB supports the unmodified Route A because it has fewer landowners, fewer acres overall, fewer agricultural acres, and fewer parcels than the unmodified Route B. CARB notes that within 500 feet of the centerline of each route, the number of impacted residences is virtually identical. Of the 17 homes within the 300-500 feet band from the centerline of Route A, CARB observes that almost half of the homes are closer to I-74 than they are to Route A. In many cases, CARB continues, the impacted homes are on one side of I-74 while the transmission line would be on the other. Going further out from the centerline in the band of 500-1,000 feet, CARB recognizes that Route A has more residences impacted (75) than Route B (38), but reiterates that the Routing Study shows that the majority of those 75 residences along Route A in the 500-1,000 feet band are located alongside I-74. CARB contends that the proximity of these homes to I-74 is significant in the sense that there is an existing corridor that is between where Route A is and where the residences are. CARB concurs with ATXI that this means that there is already an existing impact to these residences. For these reasons, CARB concludes that Route A is clearly the preferred route under this criterion.

3. Shipley Position

The Shipleys support the unmodified Route A not only because it impacts fewer parcels and landowners, but also because of the proximity of the unmodified Route B to their home. They argue that avoidance of residences is an important consideration and note Staff's concurrence on this point. If Route B is used, the Shipleys observe that the proposed line would actually cross their front yard and be the view from the front windows of their home. If the poles are placed 10 feet from the interstate fence, they relate that the line would be 246 feet from their front door. The Shipleys point out, however, that leading up to their property and in front of the neighboring homes, the frontage road is 8 feet from the interstate fence, is 12 feet wide, and then measures 12 more feet to the center (bottom) of a road ditch. They understand from ATXI's testimony that this means that the recommended distance of 7-10 feet from the interstate fence would place the pole right on the existing road. If the poles are placed on the side of the road opposite I-74 and allow for the existing drainage ditch, they report that the centerline would be at least 35 feet from the I-74 fence. The line, therefore, would be 221 feet from the front of their home. The Shipleys maintain that a line crossing their front yard at such a close distance has a much greater impact than a line crossing the side or back of a property.

4. SP Parties Position

The SP Parties note that residences within 1,000 feet of a route centerline are considered to be "impacted" by the transmission line. When homes within 1,000 feet of

a route centerline are considered, the SP Parties contend that ATXI's Route B affects significantly fewer homes than ATXI's Route A. Overall, they assert that ATXI's Route B impacts 39 fewer homes and one fewer non-residential structure than ATXI's Route A. The SP Parties state further that utilization of ATXI's Route B avoids having two separate religious facilities in proximity to the transmission line, one of which is Bethany Baptist Church which has recently expanded its facilities and added soccer fields.

The SP Parties recognize that there is some benefit to paralleling I-74, namely a decrease in the easement area and the number of landowners and parcels. The interstate provides a single statewide parcel, a single statewide owner, and prevents the need for some easements. Because of the deal that ATXI has apparently struck with IDOT, the SP Parties lament that landowners along this corridor will suffer an excessive impact to their land. Unlike landowners along corridors such as property lines or section lines, the SP Parties state that I-74 landowners will be forced to abide the construction and placement of poles seven to ten feet within the tilled areas of their fields.

With KCI's Alternate 1 modifications to either ATXI proposed route, the SP Parties contend that the impact to residences is reduced. Despite ATXI's calculations to the contrary, the SP Parties state that KCI's Alternate 1 avoids placing any homes within 500 feet of the modified Route A or B. While KCI's Alternate 1 modifications affect more landowners, the SP Parties note that the Alternate 1 modifications reduce the number of residences affected along both Route A and Route B. The SP Parties comment that the increase in impacted landowners is likely the result of placement of the transmission line on property lines rather than in the middle of fields. In other words, placement of a transmission line on a property line doubles the number of affected landowners by having them "share" the burden. The SP Parties also point out that KCI's Alternate 1 modification to ATXI's Route A impacts one fewer home between 150-300 feet of the line and two fewer homes in the 300-500 foot range. KCI's Alternate 1 modification to ATXI's Route B impacts four fewer homes in the 150-300 foot range and two fewer homes in the 300-500 foot range.

With regard to the Zelnio modification, the SP Parties note that it lies across the same parcels as ATXI's unmodified Route A. They further observe, however, that the unmodified Route A is closer to a residence than is necessary. The Zelnio modification adjusts the location of the transmission line to a location at least 500 feet from the Zelnio's home, lessening the impact of Route A.

The SP Parties emphasize that 39 more homes are within 1,000 feet of Route A than are within 1,000 feet of Route B.

5. McMurry Position

Mr. McMurry acknowledges that the unmodified Route B impacts 19 more landowners than the unmodified Route A, yet he still supports the adoption of Route B. To lessen the impact of Route B, he recommends placing poles on field lines and section lines. He believes that there are approximately 110 parcels on Route B where the poles

could be placed on the field line or section lines. Following this recommendation, he explains, would result in 50% of the 150 feet width of the easement coming from one parcel and 50% from another parcel. His recommendation would also result in three feet of a six feet diameter concrete foundation being on one parcel and three feet of the foundation being on another parcel, thus minimizing the impact of the transmission line on landowners. In contrast, if the Commission selects Route A, Mr. McMurtry understands that the poles would have to be set off seven to ten feet from the IDOT right-of-way, providing IDOT approves this offset. Therefore, for the 24 miles that Route A parallels I-74, a 10 feet offset for a 10 feet diameter concrete foundation could produce a 15 feet obstacle to farm around. Compared to the three feet obstacle he calculates for Route B, Mr. McMurtry considers the impact of Route A to be greater. Mr. McMurtry also questions whether ATXI considered the impact of Route A on the new deaconate building at Bethany Baptist Church.

6. Tomlinson Position

Ms. Tomlinson is very concerned about the impact that Route A will have on her family and property. She notes that within 500-1,000 feet of the centerline of the unmodified ATXI routes, there are 75 residences along Route A and 38 along Route B. As for her own home, she fears ATXI has overestimated the distance of the line from her house. Ms. Tomlinson relates that slopes and washed out areas surround the anticipated pole locations. If the poles have to be moved away from the slopes and washed out areas near her home, she states that a 130 feet tall single shaft pole could be erected within 200 feet of her front door. Among her concerns is exposure to the electromagnetic field ("EMF") created when the transmission line is energized. She fears any potential health impacts from driving along her 2,000 feet driveway that would be within the easement area beneath the 345 kV line. Ms. Tomlinson notes that in a brochure provided by ATXI, EMF exposure within the easement area may be measured at 160 milliGauss. (Tomlinson Ex. 11)

7. Staff Position

In support of Route A, Staff notes that Route A involves 19 fewer landowners and crosses 48 fewer parcels than Route B. Staff also observes that Route A places the same number of residences as Route B (a total of seven) within the range of 150-300 feet from each proposed route centerline. Staff states further that a primary reason for adoption of KCI's Alternate 1 modification, despite its higher estimated construction cost, is that use of this modification would avoid a congested area near the intersection of I-74 and County Road 1200N along Route A. ATXI states that the centerline of the unmodified Route A would be 200 feet from a home at this location, although Staff estimated that it would be even closer. Staff maintains that use of KCI's Alternate 1 modification results in fewer residences within 500 feet of ATXI's transmission line.

8. Commission Conclusion

ATXI has provided a succinct table reflecting the number of affected landowners and others and the proximity to homes and other structures. Route A affects the least easement acreage. Route A with KCI's Alternate 2 modification affects the least parcels and landowners. Route B with KCI's Alternate 1 modification affects the fewest residences within 150-300 feet and within 300-500 feet of the centerline. Route B unmodified affects the fewest residences within 500-1,000 feet of the centerline. For the most part, the differences in the number of affected residences is small enough that none of the routes is clearly superior by the numbers. This is a sensitive criterion and strong consideration must be given to the number of residences affected and their proximity to the centerline. Although many of the residences along Route A appear to be on the far side of I-74 from the transmission line, consideration of proximity to residences marginally favors Route B with KCI's Alternate 1 modification.

H. Proximity to Existing and Planned Development

1. ATXI Position

ATXI asserts that there is no record evidence that any route or route modification is proximate to any existing or planned development. While certain landowners have alleged that they would like to develop their land, ATXI observes that they have no confirmed plans to do so. To the extent they have such plans, ATXI contends that such development is inconsistent with their concerns about preserving forested areas. ATXI notes that several intervenors discuss a letter the Village of Brimfield sent to the Commission in September 2014 asking that any approved route be located at least 1½ miles outside the municipal limits. The letter asks that the Commission do so “for the benefit of [its] current residents and the future growth of [the] village.” (McMurtry Ex. 31) But the letter, ATXI points out, does not identify the “benefits” to which it refers; nor does it explain what the “future growth” entails, or how the transmission line might affect such growth. The record shows that ATXI invited representatives from the Village of Brimfield to the multiple rounds of public meetings, and ATXI sent the Village notice when it filed its petition initiating this case. The Village of Brimfield, however, did not intervene in this proceeding. ATXI therefore concludes that the letter does not provide a basis to find Route A is inferior with respect to proximity to existing or planned development. All things considered, ATXI does not believe that either route is preferable under this criterion.

2. CARB Position

According to CARB, the detailed route maps make clear that both routes will have some impact on existing developments. CARB relates that Brimfield and Kickapoo are the only towns impacted by Route A which Route B does not also impact. As the maps make clear, Brimfield lies on the opposite side of I-74 from Route A. On the other hand, CARB states that Route B uniquely impacts several towns as well: Laura, Monica, Princeville, and Dunlap. CARB therefore concludes that it can not be claimed that Route A has a more adverse impact on existing developments than Route B. With respect to

planned development, CARB asserts that no Intervenor submitted specific evidence of planned developments along either route. Although Mr. Randall Moon testifies that he hopes to develop his ground along Route A in the future, ATXI witness Nelson notes that Mr. Moon is inconsistent because he also touts his property's sesquicentennial status as a farm. Taking all of the evidence into consideration, CARB does not believe that either route is preferable under this criterion.

3. SP Parties Position

The SP Parties argue that the unmodified Route A impacts areas already zoned residential to a greater degree than the unmodified Route B. In support of this notion, they assert that the extensive removal of vegetation along Route A will increase the amount of noise some subdivisions, such as Fox Creek, will have to endure. The SP Parties contend that ATXI's failure to consider noise underestimates the impact to existing subdivisions. They consider Route B favorable under this criterion.

4. McMurtry and Tomlinson Position

Mr. McMurtry references vacant residential lots visible on page 18 of ATXI Ex. 8.2, Appendix B, and notes on one of the three lots a home is being constructed. A transmission line along Route A would be visible from these lots on the far side of I-74. He and Ms. Tomlinson also note that Route A passes through Brimfield and is near development on the outskirts of Kickapoo. She adds that Brimfield would prefer any transmission line to be located further away so as not to impair development opportunities. No town along Route B, they continue, objects to the use of Route B or is impacted in the same manner as Brimfield. Mr. McMurtry contends as well that Route A impacts more land zoned residential than Route B. They suggest that overall Route B is favorable under this criterion.

5. Commission Conclusion

The Commission finds that the proximity to existing and planned development does not vary substantially among the route proposals. Accordingly, none of the routes are preferable under this criterion.

I. Community Acceptance

1. ATXI Position

With regard to community acceptance, ATXI notes that the Shipleys and community members that are members of CARB oppose Route B. ATXI recognizes that several intervenors who own property along Route A prefer Route B. But as ATXI and Staff agree, Route B is less desirable than Route A because it is longer, would affect more parcels and landowners, and does not take advantage of overlapping I-74 to the extent Route A does. In light of CARB witness Maher's testimony, ATXI also questions the validity of the petition attached to PCI witness Gerald Moon's testimony as Gerald

Moon Ex. 1.02. ATXI concludes that the use of Route A is preferable to the overall area community.

2. CARB Position

CARB contends that nothing in ATXI's Routing Study suggests that Route A is less accepted by the community than Route B. CARB points out that its membership consists of 132 formal intervenors from every affected community and rural area along Route B, each of whom is a party to this proceeding and each of whom opposes Route B. CARB relates that Illinois case law makes clear that judicial notice may be taken of verified pleadings in a case, and it is "not necessary that [a party] formally offer [a pleading] into evidence." (State Farm Mutual Automobile Ins. Co. v. Grebner, 132 Ill.App.2d 234, 237, 269 N.E.2d 337, 339 (2nd Dist. 1971)) CARB calculates that its members represent 80% of all intervenors in this docket. Although PCI witness Gerald Moon claims to have the signatures of over 100 area residents opposing Route A, CARB maintains that there is some question as to whether the signatories understood what they were signing, referencing the testimony of Dan Maher. CARB states that the petition should be given little or no weight. With ATXI's routing analysis and 80% of the intervenors in the docket supporting Route A, CARB considers it clear that Route A is preferred in terms of community acceptance. In response to the SP Parties' claim that no Intervenor submitted evidence against Route B, CARB states that with the evidence in support of Route A from ATXI's Routing Study, ATXI's witnesses, and Staff's witness, submission of additional evidence from CARB was not necessary or productive.

3. SP Parties Position

The SP Parties observe that KCI, PCI, the Zelnios, Mr. McMurtry, Ms. Tomlinson, and Bethany Baptist Church all oppose ATXI's Route A. They note the Village of Brimfield's comments opposing Route A as well. The SP Parties complain that Staff fails to consider this when recommending Route A. They assert that the Commission should give weight to the petition attached to Mr. Gerald Moon's testimony as Gerald Moon Ex. 1.02. The SP Parties criticize CARB for putting forth very little evidence and including members that live outside of the affected area. While the SP Parties believe that Route B is superior, KCI has proposed KCI Alternate 1 as an acceptable alternative to an unmodified ATXI Route A. The SP Parties state that no community member opposes KCI's Alternate 1 modifications. With regard to the Zelnio's modification to ATXI Route A, the SP Parties assert that there is no evidence that any person in the community does not accept the modification. For these reasons, the SP Parties conclude that Route B is more acceptable to the community, but that if Route A is chosen, the community would accept it with KCI's Alternate 1 modification and the Zelnio's modification.

4. McMurtry and Tomlinson Position

Mr. McMurtry and Ms. Tomlinson rely on the comment letter from the Village of Brimfield and Gerald Moon's petition in support of their conclusion that community acceptance favors Route B. Mr. McMurtry also notes the position of Bethany Baptist

Church in support of this conclusion. In response to CARB's claim that it represents a greater portion of the intervenors in this docket, Ms. Tomlinson asserts that nearly half of CARB's members are not listed by ATXI as landowners along Route B.

5. Commission Conclusion

The Commission does not find that any of the routes has achieved a high degree of community acceptance. This is reflected by the number of affected landowners who participated in the proceeding. The Commission does observe, however, that no landowners along KCI's Alternate 1 modifications intervened to specifically oppose that route. Overall, the Commission considers no end-to-end route for the SRP preferable under this criterion.

J. Visual impact

1. ATXI Position

ATXI contends that the visual impact, if any, will be substantially the same for any route. ATXI states further that there is no evidence that the unmodified Route A is less preferable with respect to visual impact than if modified as proposed by Staff and KCI. ATXI takes exception to the PO finding that this consideration favors Route B, stating Route A utilizes an existing corridor that is already visually impacted by I-74. It asserts neither Route is favored under this criteria.

2. CARB Position

CARB concurs with ATXI that I-74 is a routing opportunity, not a routing sensitivity. Indeed, CARB continues, it is hard to argue that Route A has an adverse visual impact on I-74 motorists when those motorists will encounter the transmission line along I-74 at some locations regardless of whether Route A or Route B is chosen in this docket. CARB also notes that Staff does not consider a transmission line along I-74 a visual impairment. CARB points out that any visual impact of Route A at its eastern end (see ATXI Ex. 8.2, Appendix B, page 22) is reduced because the route is parallel to two existing transmission lines. CARB concludes that I-74 does not cause Route A to have more adverse visual impacts; Route B, rather, being 5.6 miles longer with over 30 additional towers, will likely have more adverse visual impacts. CARB acknowledges that the parties opposing Route A identify specific areas along I-74 that they consider scenic, but concurs with ATXI witness Klein that such concerns arise with any route option.

3. Shipley Position

The Shipleys suggest that ATXI has undervalued the visual impact of the varying routes because visual impact can not be measured. Where Route B nears their property, however, they maintain that visual impact is a significant factor. The Shipleys explain that their home and the other homes on their frontage road face I-74. This means the proposed line, if constructed along Route B, would travel through their front yard and

would be the direct view, at less than 250 feet, from their front windows. They point out that the land on the south side of I-74, which is Route A, is farm ground and does not have any homes near or facing I-74. The Shipleys note that none of the intervenors along Route A, in their area of the routes, live near I-74. They are also concerned because construction of the line on Route B would take out the thin row of trees that are their only buffer from interstate noise and visual distraction.

4. SP Parties Position

The SP Parties argue that use of ATXI's unmodified Route A will result in a much greater visual impact than ATXI's unmodified Route B. PCI witness Randall Moon contends that a stretch of I-74 between the Kickapoo exit to Route 21 in Knox County is scenic as it passes through vegetation, timber, and varied terrain. Mr. Kunkle also relates that drivers admire his trees along I-74. If ATXI's Route A is constructed, the SP Parties state that a majority of the vegetation and timber will be completely cleared. They note that this will result in 16,000 drivers being denied scenic views, and instead presented with bare, open fields and gray towers. Moreover, because at a distance of 1,000 feet from the lines, ATXI's Route B avoids more homes, the SP Parties assert that fewer residents and visitors would be viewing the transmission line on Route B. Regardless of which ATXI route is chosen, the SP Parties state that KCI's Alternate 1 modifications will remove the unsightly transmission lines from the view of thousands of daily drivers on I-74 as well as visually impact fewer residents and visitors. As such, the SP Parties conclude that KCI's Alternate 1 modifications result in lower visual impact than ATXI's unmodified Route A. With regard to the Zelnio's, the SP Parties state that ATXI's unmodified Route A bisects the Zelnio property and places the transmission line in close proximity and direct viewing of the Zelnio home. Utilizing the Zelnio modification places the transmission line along existing property lines obscuring its view with vegetation. In addition, the SP Parties understand that with the Zelnio's modification the vegetation will remain south of the transmission line, preventing bare land between the Zelnio home and I-74. With the modifications they suggest, the SP Parties assert that Route B imposes less visual impact than Route A.

In their RBOE, responding to ATXI, the SP Parties state that the complete removal of vegetation along I-74 will have a substantial visual impact. They emphasize that Route A would result in a complete removal of vegetation for a majority of the I-74 corridor between Galesburg and Brimfield. The SP Parties state that I-74 is heavily traveled and conclude that placing the transmission line on Route A would result in a greater visual impact than placing it along other opportunities.

5. McMurtry and Tomlinson Position

With regard to the visual impact of the competing routes, Mr. McMurtry and Ms. Tomlinson both lament the loss of so many trees if Route A is selected. Ms. Tomlinson states that 52% of the trees along I-74 between Galesburg and Peoria would be cleared. Mr. McMurtry disagrees with ATXI's assessment that the impact will be similar on both ATXI routes. He points out that with Route A, I-74 will endure approximately 24.3 miles

of visual impact. With Route B, I-74 will suffer from only 4.8 miles of transmission line. Compared to the trees, Ms. Tomlinson and Mr. McMurtry contend that a transmission line along I-74 from Kickapoo to Galesburg will be an eyesore to the tens of thousands of daily travelers. Mr. McMurtry also comments that the areas that Route A passes through near the Kickapoo Creek, as shown on pages 18-20 of ATXI Ex. 8.2, Appendix B, have a beautiful tree line on the bluffs on both sides of I-74 and separation of the lanes just east of the Kickapoo Creek creates the impression of a boulevard with the trees in between the north and south lanes. He fears that the view will never be the same if the trees are removed from the north side of the road in this area. Ms. Tomlinson also notes that her 2,000 foot driveway is now covered in a cathedral of trees that would be completely exposed to I-74 with the selection of Route A. She states that Route A and the clear cut easement surrounding it would leave her property clearly visible once the trees are destroyed. She fears that the loss of the trees could also lead to trespassing and more in-line straight winds. For these reasons, Mr. McMurtry and Ms. Tomlinson believe Route B would have less of a visual impact.

6. Commission Conclusion

There are objections to the visual impact of the transmission line regardless of which route is adopted. Upon considering all of the arguments, the Commission finds that the transmission line will have the most visual impact if it is placed on Route A. For the majority of its length, Route A parallels I-74 and its selection will require removal of a substantial portion of the trees along this heavily traveled roadway. Accordingly, consideration of the visual impact criterion favors the adoption of Route B.

K. Presence of Existing Corridors

1. ATXI Position

Existing corridors of various types are often considered when selecting electric transmission line routes because they may present an opportunity for minimizing or limiting disruption in the area of the transmission line. ATXI considers pre-existing linear infrastructure or features such as existing rights-of-way, roads, transmission lines, property lines, and field lines as corridors presenting such opportunities. ATXI contends that Route A is the superior route for the SRP because it is the shortest route and would follow existing corridors/opportunities for the majority of its length—71%. Route A's greatest advantage, according to ATXI, is that approximately 40% of its right-of-way overlaps the existing I-74 right-of-way, thereby requiring the least acreage of new/additional right-of-way for the transmission line. The fact that ATXI has not yet obtained a permit from IDOT to construct the transmission line along I-74 is not a concern according to ATXI because permits are not usually acquired until after a route is selected. ATXI notes that Staff agrees that the overlap between Route A and I-74 rights-of-way will reduce impacts to landowners. ATXI also observes that approving Route A would be consistent with prior Commission approval of a route paralleling roads and highways. (See Docket No. 06-0706, March 11, 2009 Order at 54; Docket No. 06-0706, June 23,

2010 Order on Reopening at 10-12; and Docket No. 12-0598, February 20, 2014 Second Order on Rehearing at 49)

While it considers paralleling pipelines an opportunity, ATXI states that it does not consider such paralleling the best choice in all cases. Although paralleling pipelines can have benefits, ATXI points out that it may also require additional engineering and construction costs. Paralleling of pipelines and railroads also requires coordination with the owners to determine whether measures must be taken to mitigate impacts to railroad signaling systems or corrosion of the pipeline. KCI's Alternate 1 modification parallels a crude oil pipeline for about 3.3 miles, as compared to ATXI's Routes A and B, which parallel the same pipeline for only 0.8 and 1.4 miles, respectively. While they will all require an electrical study to analyze the effect of the transmission line on the pipeline, ATXI asserts that longer paralleling will increase the risk of added cost due to the mitigation required to address any issues the study identifies. ATXI states further that compared to unmodified Route A, KCI's Alternate 2 modification to Route A would require additional easement acreage since it would overlap less of the I-74 right-of-way.

ATXI takes exception to the PO finding that the proposed routes are equivalent in regards to the presence of existing corridors. It argues that Route A follows the most significant existing corridor, I-74, for the majority of its length and that the use of Route A is consistent with prior Commission approval of routing paralleling major roads and highways, citing Docket Nos. 06-0706 and 12-0598. In its BOE, ATXI argues that Route B will require a similar or greater offset than Route A and that Route A is the least disruptive route.

2. CARB Position

CARB points out that ATXI Ex. 7.5 shows the extent to which each ATXI route segment parallels (a) an existing transmission line, (b) property or field line, or (c) a road right-of-way. To the extent a route segment does not parallel one of those features, it is classified as "no paralleling, cross-country." CARB reports that the unmodified Route A has 8.7 miles of no paralleling, cross-country, whereas the unmodified Route B has 15.6 miles of no paralleling, cross-country. Thus, CARB concludes, Route B has almost double the amount of line segments which do not take advantage of paralleling opportunities. To the extent that ATXI's routes follow an existing corridor, CARB observes that Route A follows opportunities for the majority of its length. The Routing Study shows that Route A parallels the greatest length of existing right-of-way linear features in that 27.6 miles or 70% of Route A parallels either existing roads or existing transmission lines, but only 13.5 miles or 30% of Route B parallels existing infrastructure. CARB can not discern how Mr. McMurtry determined that Route A parallels existing corridors only 4.5% more than Route B. ATXI's Routing Study states that "diagonally cross-country" is a routing term used where the route does not follow an opportunity like a road or parcel boundary and also does not run in a cardinal direction. CARB states that Route A has only 6.1 diagonally cross country miles, but Route B has 12.0 diagonally cross-country miles. While a diagonally cross-country segment is not priced any differently than a segment of the same size along a property line, CARB asserts that it has a dramatically

more adverse impact to a farmer, because it cuts through the middle of a field. For these reasons, CARB avers that Route A is preferable when considering the presence of existing corridors.

3. Shipley Position

The Shipleys concur with CARB that Route B is preferable because Route A parallels I-74, an existing corridor, for a greater distance than Route B.

4. SP Parties Position

The SP Parties recognize that the unmodified Route A parallels I-74 to a greater degree than the unmodified Route B. But in so doing, the SP Parties complain that Route A foregoes other corridors that provide similar opportunities with less adverse impacts. As an example, they point out that Route B utilizes U.S. Highway 150 in the same manner as Route A utilizes I-74. They add that Route B utilizes existing property lines. Unlike Route A, the SP Parties assert that there is no reason to believe that utilization of these corridors would result in placement of poles in the middle of cultivated fields. As such, the SP Parties suggest that while Route A utilizes the I-74 corridor, this corridor actually leads to greater impacts by, for example, resulting in the placement of poles seven to ten feet into tilled fields. In contrast, the SP Parties assert that Route B utilizes U.S. Highway 150 and property lines, which serve as superior corridors for the SRP. KCI's Alternate 1 modifications also use existing corridors, in the way of field and property lines. KCI witness Ramp contends that his Alternate 1 modifications have less of an impact on farming operations and homes. The path of Route A through the Zelnio property does not track existing property lines, does not track existing roads, does not track existing field lines, and does not track existing section lines or half-section lines. The SP Parties observe that it simply bisects the Zelnio's property, following no particular corridor. By more closely following ATXI's own routing guidelines, the SP Parties state that the Zelnio modification results in the project being routed alongside and near existing property lines.

In their RBOE, the SP Parties state that the use of the I-74 corridor would result in severe impacts to landowners. It states Route B has more extensive opportunities for pole placement, lessening disruptions to farming practices. SP Parties assert that the visual impacts and impacts to farmers make Route A an inferior opportunity.

5. McMurtry and Tomlinson Position

Mr. McMurtry states that the unmodified Route A has approximately 4.5% more opportunity for using existing corridor than the unmodified Route B. The paralleling of I-74 constitutes most of the existing corridor opportunity for Route A. But both he and Ms. Tomlinson express concern that placing the transmission line poles near I-74 will pose a safety concern for drivers along the interstate. Mr. McMurtry does not believe that the loss of life along Route A is worth the savings associated with using the shorter route. He also points out that IDOT will not permit access to the easement area from I-74; therefore,

any assertion that use of the I-74 corridor will facilitate access to the transmission line for construction and maintenance purposes is inaccurate.

In response to ATXI's and CARB's arguments about existing corridors, Mr. McMurtry and Ms. Tomlinson note that access to I-74, a controlled access highway, will have to occur through private property rather than the IDOT right-of-way, whereas access to the transmission line is available from the roadway on Route B. Mr. McMurtry states that in Docket Nos. 06-0706 and 12-0598, the Commission approved routes paralleling roads which facilitated access.

6. Staff Position

Staff agrees that Route A is superior to Route B in part because it parallels the I-74 corridor for a greater distance. Staff also notes that approximately 40% of the Route A right-of-way area overlaps the existing I-74 easement area.

7. Commission Conclusion

The Commission finds the routes to be equivalent in regards to presence of existing corridors. ATXI has designed both routes to make substantial use of existing corridors. A slightly higher percentage of Route A makes use of existing corridors than Route B uses. There is a benefit to Route A in paralleling I-74 because doing so allows a portion of the transmission easement to overlap the I-74 right-of-way. The evidence shows that the structures on Route A, paralleling I-74, will be placed 7 to 10 feet outside the I-74 easement. There is testimony that the placement of structures 7 to 10 feet within a field is more disruptive than using other existing corridors. As a result, the Commission concludes that although a nominally slightly higher percentage of Route A parallels a corridor, the evidence is inconclusive as to whether this presents a benefit or a detriment. The presence of existing corridors does not favor either Route A or Route B.

L. Commission Conclusion on Route

All of the parties agree that the proper determination of least cost is not simply a financial analysis, but involves a comprehensive consideration and balancing of the overall costs and externalities against the benefits of the route proposals. Although neither Staff nor any of the intervenors proposed a new end-to-end route for the SRP that will connect the Sandburg and Fargo Substations, a handful of modifications to ATXI's Route A and Route B have been offered. As discussed above, the separate evaluations of each criterion identify the following preferences among the routing options:

CRITERIA	PREFERRED ROUTE
Length of the line	Route A or Route A with KCI Alt. 2
Difficulty and cost of construction	Route A with Zelnio and KCI Alt. 1
Difficulty and cost of operation and maintenance	None
Environmental Impacts	Route B
Impacts on Historical Resources	None

Social and Land Use Impacts	Route B
Number of Affected Landowners and Other Stakeholders and Proximity to Other Structures	Route B with KCI Alt. 1
Proximity to Existing and Planned Development	None
Community Acceptance	None
Visual Impact	Route B
Presence of Existing Corridors	None

Having reviewed the evidence of record, and upon consideration of all relevant route selection criteria as described by the parties, the Commission finds that the criteria described above favor Route B over Route A. Moreover, the Commission notes that Route B with KCI's Alternate 1 modification affects the fewest number of landowners and stakeholders within 500 feet of the centerline and no landowner impacted by KCI's Alternate 1 modification has objected to it. Therefore, the Commission finds that the Route B with KCI's Alternate 1 modification is the overall least cost route when all costs and benefits are taken into account.

The Commission recognizes that the map depicting KCI's Alternate 1 modification in Ramp Ex. 1.03 identifies two small structures along the east-west portion of the modified route. According to Mr. Ramp, one of the structures is an open front wooden shed and the other is an enclosed metal shed. (Tr. at 288) ATXI did not raise any concerns with these sheds. Nor did Staff when it expressed its support for KCI's Alternate 1 modification. The Commission therefore understands that these sheds do not pose a problem and anticipates that ATXI will either purchase the sheds at fair market value and raze them or appropriately circumvent the sheds using light-angle structures and pole placement.

The Commission finds ATXI's suggested 150-foot wide permanent easements, including access rights for ingress, egress, and vegetation management, to accommodate construction and operation of the Project to be consistent with the needs for a 345 kV transmission line. ATXI may also acquire temporary construction easements, as necessary, of up to and including 150 feet in width in addition to the permanent easements to construct the proposed transmission line. ATXI is directed to make every effort to acquire easements and any land rights needed for the Project through a negotiated purchase.

The Commission acknowledges the burden that the transmission line will be for the landowners. It commends ATXI's commitment to work with landowners to mitigate the impact of the SRP on their interests. In keeping with that commitment and to minimize the inconvenience to landowners, ATXI should make every attempt to coordinate with each landowner on placement of the poles. It should adjust pole placement on a landowner's property where feasible and appropriate to address specific landowner's concerns. During the detailed line design phase ATXI shall cooperate with landowners by, to the extent feasible, adjusting the location of poles on a landowner's property to mitigate a landowner's concerns about proximity to field entrances, fences, or other structures to assure farm equipment can reasonably maneuver around it. When feasible

and consistent with the Commission approved route location or by agreement of affected landowners, ATXI should make similar adjustments for other similar pole placement concerns such as to avoid placement of a pole inside the arc of an existing or soon-to-be-constructed center pivot irrigation system. ATXI shall remediate compacted soil and take other such remedial action as is described under its AIMA with the Illinois Department of Agriculture.

In addition, the Commission understands from ATXI's witnesses that configuring transmission lines in particular ways can limit or mitigate the associated aura and EMF. Some of the intervenors expressed concerns about these externalities. The Commission expects ATXI to construct the facilities in such a way so as to minimize these externalities.

VI. MANAGING AND SUPERVISING THE CONSTRUCTION PROCESS

To grant the requested certificate, Section 8-406(b)(2) of the Act requires the Commission to find that the applicant "is capable of efficiently managing and supervising the construction process and has taken sufficient action to ensure adequate and efficient construction and supervision" of the construction. ATXI asserts that it is capable of efficiently managing and supervising the construction of the SRP and of ensuring adequate and efficient construction and supervision. It states that Ameren Services, on behalf of ATXI, will manage and supervise the construction process. ATXI relates that Ameren Services has extensive experience in this regard. Ameren Services has been constructing transmission line projects for decades and has managed the construction and re-construction of hundreds of miles of transmission lines, including those at issue in Docket Nos. 06-0179, 06-0706, 07-0532, 10-0079, 12-0080, 12-0154, 12-0598, and 13-0115.

ATXI asserts that it has taken, and will continue to take, sufficient action to ensure adequate and efficient construction and supervision of the construction process for the SRP. It states that Ameren Services has documented corporate project oversight policies and procedures that govern all phases of the Ameren affiliates' transmission line projects, including this SRP. It asserts that these policies and procedures are consistent with the Project Management Institute's Project Management Book of Knowledge ("PMBOK"), which is an American National Standards Institute standard. It states Ameren Services will construct the SRP in accordance with all applicable federal and state regulations and orders of the Commission, including 83 Illinois Administrative Code 305, "Construction of Electric Power and Communication Lines" and the National Electrical Safety Code.

Staff notes ATXI witness Klein's testimony as to Ameren Services capabilities and experience. Staff concludes that ATXI is capable of constructing the SRP. Stating that neither Staff nor any intervenors have questioned its (or Ameren Services') ability to efficiently manage and supervise the SRP's construction process, or to ensure adequate and efficient construction and supervision of the SRP, ATXI asserts that the Commission should find ATXI has made the requisite showing under Section 8-406(b)(2) of the Act.

The Commission has considered the record on this issue and finds that ATXI, through Ameren Services, is capable of efficiently managing and supervising the construction process and will take sufficient action to ensure adequate and efficient construction and supervision of construction.

VII. FINANCING THE PROPOSED CONSTRUCTION

Section 8-406(b)(3) of the Act requires the Commission to find that the utility seeking a CPCN is “capable of financing the proposed construction without significant adverse financial consequences for the utility or its customers.” ATXI asserts that it will be able to finance the SRP without significant adverse financial consequences. It states that the funds required for construction will be available to ATXI, at least initially, primarily from Ameren Corporation, its parent company.

ATXI expects the total cost for the SRP to be in the range of \$144.8 to \$150.6 million for Routes A and B, respectively. It asserts that Ameren Corporation is well-capitalized and has more than adequate financial resources to fund the SRP cost. ATXI witness Hughes testifies that as of June 30, 2014, Ameren Corporation had \$21.6 billion of assets; \$16.7 billion of property and plant, \$12.5 billion in total long-term capitalization, and retained earnings were \$957 million. He calculates that the SRP’s costs would add only 1.1% to Ameren Corporation’s total long-term capitalization as of June 30, 2014. He adds that Ameren Corporation has strong investment-grade credit ratings, which will provide ATXI with access to debt capital at competitive rates.

ATXI explains that it has access to Ameren Corporation’s funds via intercompany loans and equity infusions. It notes that the Commission has approved two intercompany borrowing arrangements: (1) a short-term arrangement for up to \$125 million under the Unilateral Borrowing Arrangement, approved as part of Docket No. 08-0174; and (2) a long-term arrangement under the Long Term Borrowing Agreement for up to \$100 million over a term not to exceed ten years approved under Docket No. 12-0017. ATXI asserts that going forward, it will replace short-term borrowing under the long-term agreement, and will seek to renew the long-term lending arrangement at least every three years and to extend the maximum sum above the \$100 million limit as necessary. ATXI opines that it will likely be able to arrange its own revolving credit facility with external lenders or issue long-term debt in the private placement or public markets at some point within the next few years.

ATXI asserts it will also have access to additional funds through periodic equity infusions from Ameren Corporation and ATXI’s retained earnings. It states that it currently has retained earnings and will continue to receive earnings based on the transmission facilities it currently owns and those to be constructed as part of this SRP. ATXI’s transmission facilities are a part of MISO, which provides service and receives revenue from wholesale and retail customers that it then distributes to ATXI via the MISO tariff. ATXI explains that the MISO tariff also allows ATXI to recover its interest expense associated with its construction debt in the year in which it is incurred, and to earn a rate of return on the equity portion of its capitalization, meaning ATXI will be made whole

throughout its construction cycle. ATXI asserts that these provisions significantly reduce the financial risk associated with the construction of the SRP. Staff witness Rockrohr notes Mr. Hughes' testimony that ATXI can finance the SRP without adverse financial consequences to the utility. He testifies that he does not have knowledge of anything that would lead him to question ATXI's ability to finance the SRP. ATXI concludes it has satisfied its evidentiary burden to demonstrate that the SRP should not impose financial stress on ATXI or on Ameren Corporation.

The Commission has considered the record on this issue and finds that in the absence of contrary evidence ATXI has sufficiently demonstrated that it is capable of financing the proposed construction without significant adverse financial consequences for itself or its customers.

VIII. SECTION 8-503 AUTHORITY

ATXI also seeks a Commission order authorizing the SRP to be built pursuant to Section 8-503 of the Act. Section 8-503 of the Act provides whenever the Commission finds that additions to existing plant are: necessary and ought reasonably to be made; would promote the security or convenience of ATXI's employees or the public; or would promote the development of an effectively competitive electricity market, the Commission should issue an order authorizing or directing construction of the facilities, if so requested. ATXI asserts that it has demonstrated that the SRP is necessary and that the requested relief under Section 8-503 should be issued. Staff opines that since ATXI proposes to construct only the southern 40 miles of a 72-mile 345 kV transmission line between Peoria and the Quad Cities (MISO's MVP-16), the Commission's approval should be conditional based on MEC also receiving approval of its request for a CPCN for the northern 32-mile segment in Docket No. 14-0494. No party opposes a grant of authority under Section 8-503. Having considered the record, the Commission concurs with ATXI and hereby authorizes ATXI under Section 8-503 to construct the SRP as described in this Order.

IX. FINDINGS AND ORDERING PARAGRAPHS

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

- (1) ATXI is a public utility pursuant to the Act;
- (2) the Commission has jurisdiction over ATXI and the subject matter of this proceeding;
- (3) the recitals of fact and legal argument identified as the parties' respective positions are supported by the record;
- (4) the recitals of fact and conclusions of law reached by the Commission are hereby adopted as findings of fact and conclusions of law for purposes of this Order;

- (5) the transmission line route for the SRP between the existing Fargo Substation near Peoria, Illinois and proposed Sandburg Substation near Galesburg, Illinois should be approved along the route identified in the prefatory portion of this Order and as shown on, and legally described in, the Appendices attached hereto;
- (6) the easement widths for the 345 kV line as proposed by ATXI, including 150 foot permanent easements and temporary construction easements, are reasonable and appropriate and should be approved;
- (7) the expansion of facilities at the existing Fargo Substation, as described in the prefatory portion of this Order, should be approved;
- (8) the proposed new substation to be known as the Sandburg Substation, as described in the prefatory portion of this Order, should be approved;
- (9) pursuant to Section 8-406 of the Act, the Commission finds that the SRP as approved herein is necessary to provide adequate, reliable, and efficient service to customers and is the least-cost means of satisfying the service needs of 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;
- (10) pursuant to Section 8-406 of the Act, the Commission finds that ATXI is capable of efficiently managing and supervising the construction process and has taken sufficient action to ensure adequate and efficient construction and supervision thereof;
- (11) pursuant to Section 8-406 of the Act, the Commission finds that ATXI is capable of financing the proposed construction without significant adverse financial consequences for itself or its customers;
- (12) pursuant to 8-406 of the Act, the Commission finds that issuance of the Certificate of Public Convenience and Necessity should be conditioned upon approval of the MEC portion of MVP-16 in Docket No. 14-0494;
- (13) pursuant to Section 8-503 of the Act, ATXI is authorized to construct the SRP as approved by the Commission in the prefatory portion of this Order; and
- (14) all motions, petitions, objections, and other matters in this proceeding which remain unresolved should be disposed of consistent with the conclusions herein.

IT IS THEREFORE ORDERED by the Illinois Commerce Commission that upon approval of the MidAmerican Energy Company portion of MVP-16 in Docket No. 14-0494, a Certificate of Public Convenience and Necessity is hereby issued to Ameren

Transmission Company of Illinois 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 Ameren Transmission Company of Illinois of a 345-kilovolt electric transmission line over the route approved in Docket No. 14-0514, as shown on the map included in Appendix A and legally described in Appendix B attached hereto, together with such related facilities, land rights, ties to adjacent transmission lines, or repairs, as are or may become reasonably necessary to promote the public convenience and necessity and to secure adequate service; as well as new and expanded substation facilities at locations approved in Docket No. 14-0514, and (2) the transaction of an electric public utility business in connection therewith, all as herein before set forth.

IT IS FURTHER ORDERED that the transmission line route, as legally described on Appendix B and the location of which is shown on Appendix A, is hereby approved, and the width for the necessary easements on such route shall be as set forth in the prefatory portion of this Order.

IT IS FURTHER ORDERED that pursuant to Section 8-503 of the Act, Ameren Transmission Company of Illinois is authorized to construct the new 345-kilovolt electric service line and the new and expanded substation facilities as approved by the Commission in the prefatory portion of this Order.

IT IS FURTHER ORDERED that all motions, petitions, objections, and other matters in this proceeding which remain unresolved are disposed of consistent with the 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.

By order of the Commission this 16th day of September, 2015.

(SIGNED) BRIEN SHEAHAN

Chairman