TESTIMONY ON ASSEMBLY BILL 39

ASSEMBLY COMMITTEE ON ENERGY & UTILITIES MARCH 19, 2013

Thank you, fellow committee members for attending today's hearing on Assembly Bill 39. AB 39 is an updated version of a bill I introduced late last session (2011 AB 730).

AB 39 is a technical bill that relates to changes regarding an application for a certificate of public convenience and necessity (CPCN) at the PSC. A completed and approved CPCN is required to construct a large generation facility or a transmission line. The bill seeks to clarify a few issues in the CPCN approval process.

Under current law, the PSC must provide a copy of the application to municipal clerks and the main public library in the communities affected. As amended (Assembly Amendment 2), this bill would retain the requirement of current law that the PSC must send an application to those entities upon the initial filing of the application and adds a requirement that it also send a copy of the complete application to the clerks and libraries once it has determined the application to be complete.

The bill specifies that in both instances the PSC provide an electronic copy, unless the clerk or library requests a paper copy.

AB 39 eliminates the duplicative requirement of providing a detailed project plan to the DNR when submitting an application for a transmission line to the PSC. This is not the environmental impact study, which is still required.

The bill resolves conflicting statutory language of differing deadlines for final DNR action on permit applications of both 120 and 30 days. The bill clarifies that the DNR must take final action on a permit application within 30 days of the final PSC action.

AB 39 would expand the defined purpose of a transmission company to allow it to take advantage of emerging markets in transmission capacity outside Wisconsin. The bill amends a transmission company's corporate purpose to include acquisition of transmission service rights and to provide transmission service. Based on feedback after the Senate hearing on this proposal, *Assembly Amendment 1* eliminates Section 2 of the bill which stated that the company may provide transmission functions directly or through one or more affiliates.

In closing, I hope you will join me in supporting these changes. As this bill is highly technical, I have asked Legislative Council to prepare a memo on the bill, which you should have already received.

Thank you for taking the time to hear my testimony and I would be happy to answer any questions at this time.



WISCONSIN LEGISLATIVE COUNCIL

Terry C. Anderson, Director Laura D. Rose, Deputy Director

TO:

ASSEMBLY COMMITTEE ON ENERGY AND UTILITIES

FROM: David L. Lovell, Senior Analyst

RE:

2013 Assembly Bill 39, Relating to the Powers of the American Transmission

Company and to Review by the Public Service Commission of Certain Applications

DATE: March 12, 2013

This memorandum, prepared at the direction of Representative Mark Honadel, your committee chair, describes 2013 Assembly Bill 39 (the bill), relating to the powers of the American Transmission Company (ATC) and to review by the Public Service Commission (PSC) of an application for a certificate of public convenience and necessity (CPCN), and Assembly Amendments 1 and 2 to the bill.

2013 ASSEMBLY BILL 39

American Transmission Company Powers

The American Transmission Company was created under the authority of s. 196.485, Stats., in the late 1990s, for the purpose of providing electric transmission functions in the service territories of the electric utilities in the eastern portion of this state. As originally conceived, the existing utilities were to "contribute" their transmission facilities to ATC in exchange for a share in the ownership and control of ATC, and ATC was to provide transmission functions over those facilities and additional facilities that it would construct and own.

The bill revises s. 196.485, Stats., in order to allow ATC to provide transmission functions over facilities that it does not own. It also specifies that ATC may provide these functions directly or through one or more affiliates.

Certificates of Public Convenience and Necessity

Any person that constructs a large electric generating facility or a high-voltage transmission line must first receive a CPCN from the PSC. [s. 196.491 (3), Stats.] "Large electric generating facility" is defined as an electric generating facility with a design capacity of

at least 100 megawatts; "high voltage transmission line" is defined, generally, as a transmission line with a voltage of at least 100 kilovolts and a length of at least one mile. The statutes provide considerable detail regarding the process for the submission of an application for a CPCN and the PSC review of such an application; the same statute includes some requirements related to the DNR review of the project. The bill makes the following changes to those procedures.

Under *current law*, the PSC must, within 10 days of receiving an application, provide a copy of the application to the clerk of each municipality in which the proposed facility will be located and to the main public library in each such county. Under *the bill*, the PSC must provide copies of the application to the same entities, but must do so within 10 days of making a determination that the application is complete. In addition, the bill requires that the PSC provide the copies in electronic format, and that it also provide paper copies if requested.

At least 60 days before submitting an application to the PSC, the applicant must submit certain information to the Department of Natural Resources (DNR). Under *current law*, if the application is for a high-voltage transmission line, this information must include a detailed project plan. *The bill* deletes the requirement that the preapplication submissions to the DNR include a detailed project plan.

Within 30 days after an application for a CPCN is filed, the PSC must determine whether the application is complete. If the application is not complete, the PSC may request additional information. When the application is refiled, the PSC again has 30 days to determine whether it is complete. Under *current law*, if the PSC fails to determine whether an application is complete within 30 days of when it is filed, the application is considered to be complete. *The bill* clarifies that an applications is considered complete if the PSC fails to determine whether it is complete within 30 days of when it is filed *or refiled*.

A specific procedure exists for the review of projects that require both a CPCN from the PSC and one or more permits from the DNR related to the effects of the project on navigable waters and wetlands. [s. 30.025, Stats.] The procedures are designed to coordinate the review of the PSC and the DNR. ¹ Under *current law*, the CPCN statute requires that the DNR complete action on applications for permits for a facility that must also obtain a CPCN within 120 days of determining that the applications are complete. However, current s. 30.025 (4), Stats., requires that the DNR take final action on such permit applications within 30 days of the PSC taking final action on the CPCN application. *The bill* resolves this potential conflict, specifying that the DNR must take final action on such a permit application within 30 days of the final PSC action, regardless of whether 120 days have elapsed since the DNR determined that the application is complete.

¹ The construction of high-voltage transmission lines commonly require one or more DNR permits related to impacts on navigable waters and wetlands. In contrast, the construction of large electric generating facilities commonly require permits related to air pollution emission, permits related to impacts on navigable waters and wetlands and other permits. Consequently, the changes described in this paragraph primarily, but not exclusively, affect the construction of high-voltage transmission lines.

AMENDMENTS TO 2013 ASSEMBLY BILL 39

Assembly Amendment 1

Assembly Amendment 1 deletes the provision of the bill stating that ATC may provide electric transmission functions directly or through one or more affiliates.

Assembly Amendment 2

Assembly Amendment 2 revises the provisions of the bill affecting the PSC's duty to send copies of CPCN applications to municipal clerks and libraries in two ways. First, it retains the requirement of current law that the PSC must send an application to the clerks and libraries upon the initial filing of the application, but adds a requirement that it also send a copy of the complete application to the clerks and libraries once it has determined the application to be complete. Second, it specifies that, in both instances, the PSC is to send the application in electronic form, but that a clerk or library may request a paper copy of the application.

If you have any questions regarding 2013 Assembly Bill 39, please contact me at the Legislative Council staff offices.

DLL:jal



PSC Testimony on Assembly Bill 39 Assembly Energy & Utilities Committee March 19, 2013

Good morning, Chairman Honadel and Committee members,

My name is Kristin Ruesch, and I am the Communications & Public Affairs Director at the Public Service Commission (PSC). I am joined by John Lorence from our Office of General Counsel.

We are here on behalf of the Commission to offer information regarding Assembly Bill (AB) 39. Chairperson Phil Montgomery has indicated his support for the bill, which has several sections relating to PSC policies.

Sections 1 & 3 of AB 39 expand the defined purpose and powers of a transmission company. Under the current statute, a transmission company's purpose is the planning, constructing, operating, maintenance and expansion of the transmission facilities that it owns in order to provide for an adequate and reliable electric transmission system. The proposed change would broaden this purpose to include providing transmission service, sometimes referred to as capacity. This change would allow ATC the ability to pursue other business opportunities that may involve the purchase of intangible assets.

Section 2 would have expanded who may exercise the statutory powers that a transmission company has, but an amendment will be introduced eliminating this section all together. We think that amendment is a good idea.

Sections 4 & 5 clarify that the time period governing the Commission's completeness determination applies not just to filing of the initial application, but also applies to any re-filings of that application. For example, the PSC has 30 days to determine if an application is complete under current law. This bill simply clarifies that if the PSC tells an applicant they need to re-apply with additional information, the PSC's clock starts again, and we have another 30 days to decide if that new application is complete.

An amendment has been introduced to refine this section to ensure the Commission submits a copy of the application to the local officials where a project is proposed within 10 days from when the application is received. We think that it is a good idea to get, at the very least, a notice, out to local officials quickly to give them the tools they need to look up desired information through the Commission's electronic regulatory filing system.

With that, are there any questions we can answer?

Rep. Mark Honadel Chair, Committee on Energy & Utilities

Chairman Honadel, members of the committee:

My name is Joan Kent. I'm co-chair of the town of Stark's Energy Planning and Information Committee (EPIC) and a member of Save Our Unique Lands (SOUL).

Today you are considering a bill – AB39 –which, like its counterpart in the Senate – SB35—will probably be termed housekeeping. But members of EPIC believe it is another attempt to "tweak" Wisconsin laws to decrease ratepayers' involvement in Wisconsin's energy policy, specifically in this case, in the review of proposed high-voltage transmission lines.

We would like to thank Sen. Paul Farrow, author of the Senate bill, and Sen. Jennifer Shilling for the amendment that would increase reporting on a proposed project to affected municipalities.

But we believe there should be more required communication between a prospective transmission line developer and the Wisconsin Department of Natural Resources (WDNR), not less as AB39 proposes. The requirement for a detailed project plan in current law should not be removed. In addition, more meetings between an applicant and the WDNR should be required during the process—one before the first notification to landowners along possible corridors and further meetings after each of the preapplication corridor reductions. It is during this period, before the application is submitted to the Public Service Commission, that the DNR needs to discuss sensitive areas with the developer.

And frankly, the even more worrisome part of the bill is the portion – Section 3.196.485 (3m) (b) 2 -- that would allow a transmission company to purchase or acquire the right to provide transmission service over transmission facilities it does not own. American Transmission Co., as a creation of the state, already has more power, including the right to condemn land, than its competitors. I am not an attorney or a financial advisor and I do not understand what granting this increased power outside, as well as within, Wisconsin, could mean in terms of the state's legal vulnerability. But my common sense tells me this has everything to do with increasing ATC's profit and little or nothing to do with energy reliability for Wisconsin ratepayers. In addition, it has nothing to do with the notification specifics, which make up the rest of the proposed legislation. So I question why this should be included in the bill, and I urge you to remove it.

Thank you for considering my concerns.

Joan Kent

Town of Stark Energy Planning & Information Committee

E13332 State Rd. 82 La Farge, WI 54639 Representative Mark Honadel Chair, Committee on Energy and Utilities Room 113 West State Capitol P.O. Box 8952 Madison, WI 53708

RE: AB39 - Opposing

Dear Chairman Honadel and Members of the Committee on Energy and Utilities,

Thank you for this opportunity to address the goals and potential effectiveness of Assembly Bill 39.

I am a member of the Town of Stark Energy Planning and Information Committee in Vernon County which networks with about 100 municipalities across Wisconsin on matters of energy planning and policy.

There is broad and strong opposition to AB 39 because it has no public objectives—it ignores well-documented shortcomings in Wisconsin's high voltage transmission review process. There are hundreds of polite requests from municipalities and thousands of petitions by ratepayers on PSC dockets asking the agency to create more meaningful avenues for public participation.

Last December, citizens filled a large legislative meeting room to learn about comprehensive energy planning processes. They heard public utility officials from Massachusetts and Oregon describe laws in their states that give ratepayers, business owners, municipalities and other stakeholders primary roles in setting energy priorities. In essence, we do not have enough competition between energy solutions in Wisconsin nor a platform for constructive dialogue.

Those who support Assembly Bill 39 regard it as minor house keeping and as simple an updating of ATC's business powers. Municipalities see AB39 as further marginalizing what is already a very minor role for the DNR and as unnecessary state sanctioning. The trading of transmission rights as market derivatives was far from the minds of state legislators when ATC was formed in 1999. Likely, this is still true today. If the company finds that it is not able to participate in these markets on their own, *then* it would be appropriate to return and discuss their difficulties.

Finally, a brief description of the review process shortcomings.

 To the best of our understanding, Wisconsin law does not give the DNR the right to review citizens' comments, questions and suggestions made as potential corridors are studied and narrowed down by the applicant. The exchange of this information is crucial to DNR effectiveness, yet it is left to the discretion of the applicant.

- Wisconsin has no permits that specifically protect wetlands, parks or historical sites
 from high voltage transmission siting. When an extremely sensitive natural area is
 under consideration, the DNR can only propose an alternative corridor. We need the
 guidance of well-crafted permits.
- During the review process, when the sensitivity of a natural setting is questioned or unknown, our current law permits the applicant to send personnel to physically examine the site. We understand that DNR staff persons are not usually involved and they should be.
- Finally, and this pertains to the resolutions of which you have a sample copy, state law
 does not define what information must be presented to the public during the Public
 Information Phase—the roughly two-year period before the application is submitted
 to the PSC. As result, applicants are providing very little information about need and
 only high voltage transmission factors are described. Communities must be able to
 compare job creation benefits, comprehensive costs, carbon emission impacts and
 other potential benefits between all energy solutions.

Every party-- whether Commissioner, consumer, farmer, factory-owner, or utility-owner must be encouraged to care and to think comprehensively-- at every opportunity and in every hall. Good planning cannot be left to discretion. Generous solutions are possible and we ask you, our representatives, for your leadership.

Sincerely,

Rob Danielson
Secretary
Energy Planning and Information Committee
Town of Stark, Vernon County
S3897 Plum Run Rd.
La Farge, WI 54639
608-625-4949

List of Adopted Information Request Resolutions

during the Public Information Phase of Badger-Coulee proposal

Burnett County	Town of Roosevelt	P
Columbia County	Town of Arlington	P
	Village of Poynette	P
	Town of Springfield	P
Dane County	Town of Springfield	P
	Town of Dane	P
	Town of Berry	P**
Crawford County		P
Grant County	Town of Wingville	P
	Town of South	
	Lancaster	P
	Town of Ellenboro	P
Iowa County	Town of Wyoming	P
Jackson County	Town of Manchester	P
	Town of North Bend	P*
	Town of Irving	P*
	Town of Northbend	P*
	Town of Garden Valley	P*
	Town of Millston	P
	Jackson County	P
Juneau County	Town of Wonewoc	P
-	Seven Mile Creek	P
	Town of Lyndon	P
	Town of Orange	P
	Town of Fountain	P
	Town of Lindina	P
	Town of Kildare	P
	Village of Lyndon Sta.	P
	Juneau County	P*
	Town of Lisbon	P
	Village of Camp	
	Douglas	P
	Town of Lemonwier	P
La Crosse County	La Crosse County	Α
	Town of Farmington	A**
	Town of Burns	р
	Town of Onalaska	P
Marinette County	Town of Amberg	P

Monroe County	Town of Wellington	P
	Town of Jefferson	A, P
	Town of Wells	P
	Town of Sheldon	P
	Town of Portland	P
	Town of Leon	P*
	Town of Sparta	P*
	Town of Ridgeville	A, P
	City of Sparta	Α
	Monroe County	Α
Oconto County	Town of Lena	P
Price County	Town of Prentice	P
	Town of Knox	P
	Town of Harmony	Р
	Town of Georgetown	P
Dishing down	Town of Catawba	P
Richland County	Town of Ithaca	P
	Town of Buena-Vista	P
	Town of Eagle Town of Forest	P
		A, P
	Town of Bloom	A*
	Town of Bloom Village of Cazenovia	A* P
Pusk County	Town of Bloom Village of Cazenovia Richland County	A* P A
Rusk County	Town of Bloom Village of Cazenovia Richland County Town of Murry	A* P A P
Rusk County	Town of Bloom Village of Cazenovia Richland County Town of Murry Big Falls	A* P A P P
•	Town of Bloom Village of Cazenovia Richland County Town of Murry Big Falls Town of Hawkins	A* P A P P P
Rusk County Sauk County	Town of Bloom Village of Cazenovia Richland County Town of Murry Big Falls Town of Hawkins Town of Woodland	A* P A P P A A A A A A A A A A A A A A A
•	Town of Bloom Village of Cazenovia Richland County Town of Murry Big Falls Town of Hawkins Town of Woodland Town of Dellona	A* P A P P A A A A A
•	Town of Bloom Village of Cazenovia Richland County Town of Murry Big Falls Town of Hawkins Town of Woodland Town of Dellona Sauk County	A* P A P P A A* A*
•	Town of Bloom Village of Cazenovia Richland County Town of Murry Big Falls Town of Hawkins Town of Woodland Town of Dellona Sauk County City of Reedsburg	A* P A P P A A A A A
•	Town of Bloom Village of Cazenovia Richland County Town of Murry Big Falls Town of Hawkins Town of Woodland Town of Dellona Sauk County	A* P A P P P A** A A* A* A*
•	Town of Bloom Village of Cazenovia Richland County Town of Murry Big Falls Town of Hawkins Town of Woodland Town of Dellona Sauk County City of Reedsburg Town of Spring Green	A* P A P P A** A A** A**
•	Town of Bloom Village of Cazenovia Richland County Town of Murry Big Falls Town of Hawkins Town of Woodland Town of Dellona Sauk County City of Reedsburg Town of Spring Green Town of Delton	A* P A P P P A** A A* A* P P
•	Town of Bloom Village of Cazenovia Richland County Town of Murry Big Falls Town of Hawkins Town of Woodland Town of Dellona Sauk County City of Reedsburg Town of Spring Green Town of Delton City of Baraboo	A* P A P P P A** A A* A* A** P P A**
•	Town of Bloom Village of Cazenovia Richland County Town of Murry Big Falls Town of Hawkins Town of Woodland Town of Dellona Sauk County City of Reedsburg Town of Spring Green Town of Delton City of Baraboo Town of Baraboo	A* P A P P P A** A A* A* A* A** P P A**
•	Town of Bloom Village of Cazenovia Richland County Town of Murry Big Falls Town of Hawkins Town of Woodland Town of Dellona Sauk County City of Reedsburg Town of Spring Green Town of Delton City of Baraboo Town of Baraboo Town of La Valle	A* P A P P P A** A A* A* A* P A A* A*
Sauk County	Town of Bloom Village of Cazenovia Richland County Town of Murry Big Falls Town of Hawkins Town of Woodland Town of Dellona Sauk County City of Reedsburg Town of Spring Green Town of Delton City of Baraboo Town of Baraboo Town of La Valle Town of Troy	A* P A P P P A** A A* A* P P A** P A,P P

Town of Liberty	A,P	
Town of Hamburg	P,	
Town of Viroqua	A,P	
Town of Bergen	A. P	
Town of Kickapoo	P	
Town of Whitestown	A, P	
Town of Dayton	P	
Town of Hillsboro	P	
Town of Webster	A, P	
Vernon County	Α	
Town of Clinton	A, P	

Town of Stark

Town of Greenwood A, P Town of Union A*Town of Christiana Town of Coon Α Town of Forest A Town of Sterling Town of Wheatland

A**

Town of Hillsboro

Resolution Types:

Vernon County

A = Information Request style to ATC & WI DNR mapping & listing sensitivities

A* = Containing most of the aspects of the "A" type.

A** = Containing some apects of the "A" type and siting preferences.

P = PSC Information Request Resolution - Municiplaity up to date.

P* = Has most aspects of the PSC Information Request Resolution.

^^ A final evaluation letter is sent to ATC at the end of the Public Information Phase with energy solution priorities and siting concerns.

Contact the Energy Planning and Information Committee [EPIC] Town of Stark, 608-625-2339 or type@mwt.net for draft resolutions or more information.

			REF#:173001
<u> 70wr</u> OF	Ambera	RES	OLUTION2012-2

REGARDING AMERICAN TRANSMISSION COMPANY'S APPLICATION 137ce160 INCLUDING 345 kV TRANSMISSION AND ALTERNATIVE SOLUTIONS

WHEREAS, The Public Service Commission of Wisconsin is considering an electric utility project that includes a 345 kV high voltage transmission line option from North La Crosse to Madison which is currently in the Public Information Meeting Phase; and,

WHEREAS, the construction costs for the Badger-Coulee high-voltage transmission line would total more than \$425 million as an initial part of a \$6.5 to 88 billion transmission expansion proposal for the Midwest region placing significant, total costs on all Wisconsin ratepayers; and,

WHEREAS, the project is being proposed for high capacity regional transfer which would increase demand for high voltage transmission installations elsewhere in Wisconsin; and

increase demand for high voltage transmission installations elsewhere in Wisconsin; and

WHEREAS, studies have shown growth in the use of electricity and peak demand in Wisconsin and adjacent states have been at historically low rates for the last three years and is projected to average less than 1% per year growth over the next 25 years; and,

WHEREAS, there are other ways of meeting needs claimed by the applicants that must be considered, including conservation, demand side management, dispersed renewable generation, aggressive energy efficiency, and energy-related economic development, before high-capacity transmission is considered; and.

WHEREAS, the transmission addition could result in increased electricity rates,

WHEREAS, clear, detailed information explaining the perceived needs for the high-voltage options, the low voltage options, the efficiency-only options and other options with supporting objective studies and cost benefits analysis for each have not yet been provided to potentially impacted parties during the public information meeting phase; and

WHEREAS, over twenty local governments in Wisconsin have made formal requests during the public information meetings phase of this proposal for studies comparing the costs and benefits of non-transmission options and the applicant has found, "These requests for analysis are beyond the scope of the project.";

NOW, THEREFORE, BE IT RESOLVED, that

1.	The Town	of _	Amberg	in	MARI	NET	78	County	is
	without sufficient	means to	evaluate this	proposal	during	the	public	informati	on
	meetings phase.								

2. The of 4mberg requests the Public Service Commission of Wisconsin to insure that an impartial study of all solutions for this proposal becomes available for evaluation no later than the announcement of proposed high voltage transmission routes in Fall 2012. One option included in the comprehensive comparison of costs and benefits should combine aggressive energy efficiency, expanded implementation of demand side management and increased dispersed generation incentives with improvements to low voltage transmission lines as needed for in-state reliability. Total funding for all options should match the amount Wisconsin ratepayers would assume over 40 years for MTEP11 development including Appendixes A, B and C or an estimated \$40 billion in construction costs. The study should assess impacts on in-state job creation, regional carbon emission reduction and policies that could place limitations on distributed generation and other energy self-sufficiency goals.

The below clerk is authorized to transmit this resolution and other appropriate documents to the Wisconsin Public Service Commission Docket #137CE160 and to the Administrative Law Judge conducting proceedings for the Badger-Coulee 345 kV transmission line proposal.

AND, BE IT FURTHER RESOLVED, that the Town	of Amberg	Board
hereby approves the resolution ADOPTED this//	day of Sep+	, 2012.
Adopted by That Amalleson		(chair)
Attested by Par Bosher		(clerk)
on this, 2012.		
Clerk's email address <u>pat boshen 6 g mail</u>	om	



Public Service Commission of Wisconsin

Phil Montgomery, Chairperson Eric Callisto, Commissioner Ellen Nowak, Commissioner 610 North Whitney Way P.O. Box 7854 Madison, WI 53707-7854

December 5, 2012

Mr. David Klicko, President Village of Lyndon Station - Juneau County P.O. Box 408 Lyndon Station, WI 53944

Re:

Application of American Transmission Company, as an Electric Public

137-CE-160

Utility, for Authority to Construct and Operate a New 345 kV Transmission Line from the La Crosse area, in La Crosse County, to the Greater Madison Area in Dane County, Wisconsin. The project is

referred to as the Badger-Coulee Project

Dear Mr. Klicko:

Please let this letter serve as receipt of the Village of Lyndon Station's resolution regarding American Transmission Company's (ATC) application, assigned docket 137-CE-160, which was received by the Public Service Commission of Wisconsin (PSCW) and filed electronically on June 14, 2012. The PSC reference number for this document is #166561.

ATC has not yet filed an application with the Commission for this project. According to ATC's representatives, the PSCW will not likely see this application until sometime in early 2013. The applicant will have to apply for a Certificate of Public Convenience and Necessity (CPCN), the general application requirements for which are described in Wis. Admin. Code Ch. PSC 111.

The applicant, ATC, must demonstrate that there is a need for the project, that the project is a reasonable approach to meeting that need, and offer at least two alternatives for the routing of the transmission line if it is approved.

Need reflects numerous factors, including local, area, state and regional load growth and transmission reliability. It also includes economic factors, such as access to cheaper sources of energy or outlets to more markets. It can also be looked at as a way to support policy objectives, such as access to or outlets for renewable energy, such as wind. It is up to the applicant, ATC, to provide information and data based on its studies and modeling that demonstrates the need for the building the proposed project.

Once the applicant addresses need for the project, it must also provide information regarding the various options for meeting this need and why the proposed project is a reasonable way to address the need given the other options. Only then do we get to the issue of siting the proposed project. Siting is driven by numerous factors, including engineering, economic and environmental concerns. There is a statutory preference for using existing corridors, such as existing transmission lines, roads, etc. However, even this standard allows discretion in weighing these various factors and coming up with acceptable routes. By statute, the applicant must provide the Commission with at least two alternative routes to choose from.

Once the application is received, the Commission will undertake a review that analyzes the need for the project, the reasonableness and adequacy of the proposed project in meeting the identified need and the potential siting of the line, if it is approved, and associated impacts that should be avoided or mitigated.

Mr. David Klicko 137-CE-160 Page 2

Commission staff will analyze the information that ATC provides in its application regarding the need for the project and the responsiveness of the proposed project to the identified need. The Commission may require the applicant to conduct additional analysis or modeling based on assumptions or situations that differ from those tested by the company.

The Commission's review process will also include the preparation of an Environmental Impact Statement. The development of the Environmental Impact Statement is one of the opportunities for the public to provide information and comments regarding the proposed project and its impacts, both general and site specific. Concerns regarding health issues, tourism impacts, local communities and farms are the type of constructability impacts that would be addressed. It would also address impacts to other resources such as wildlife, wetlands and places of natural beauty. In a best case situation, these areas would be avoided through routing choices. If it is not possible to avoid the areas, it would be necessary to identify what steps would be taken to mitigate impact before, during and after construction is completed.

Once the Environmental Impact Statement is completed, the Commission holds public and technical hearing sessions regarding the project. This allows the applicant to formally present its case for the project. It also provides an opportunity for the public, intervenors, Commission staff and other interested parties to submit testimony in support of or opposition to the need for the project and, if approved, where it should be sited. Public sessions are held in the location of the proposed project. It is likely that this project will require several sessions given the scope of the proposed project. If you are unable to attend the public meetings, there are several other ways to register your concerns and your opinions. These include letters to the commission or the use of its web site for posting comments. I have included with this letter a one page guide that the commission has for the public to use in filing comments regarding a case. Only after these processes are completed do the Commissioners publicly discuss the merits of the proposed project. Votes are then taken by the commissioners in an open meeting regarding whether to approve the project, and, if approved, where to site it and what conditions to place on the project's construction.

The Commission's procedure for the issuance of a CPCN is described in Wis. Stat. 196.491. As you know, the state legislature has authority to modify an existing or create a new statute. I encourage you to contact your legislators with concerns about this process.

Sincerely,

Robert Norcross Administrator

Robert Moscyps

Gas and Energy Division

Enclosure: How to Prepare Effective Public testimony or Public Comment

RN:DS:als:DL:00610776 137-CE-160 Correspondence 12-5-2012.docx