

**AN OFFICIAL FILING  
BEFORE THE  
PUBLIC SERVICE COMMISSION OF WISCONSIN**

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**Joint Application of Dairyland Power  
Cooperative, Northern States Power  
Company-Wisconsin, and Wisconsin Public  
Power, Inc., for Authority to Construct and  
Place in Service 345 kV Electric Transmission  
Lines and Electric Substation Facilities for the  
CapX Twin Cities-Rochester-La Crosse Project,  
Located in Buffalo, Trempealeau, and La Crosse  
Counties, Wisconsin**

**Docket No: 05-CE-136**

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**COMMENTS OF NORTHERN STATES POWER COMPANY, A WISCONSIN  
CORPORATION, DAIRYLAND POWER COOPERATIVE, AND WPPI ENERGY ON  
THE STAFF'S BRIEFING MEMORANDUM AND DECISION MATRIX**

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## INTRODUCTION

Applicants Northern States Power Company, a Wisconsin corporation, Dairyland Power Cooperative and WPPI Energy hereby submit their comments on the Decision Matrix and the Briefing Memorandum. Overall, Applicants believe the documents fairly summarize the decision options before the Public Service Commission of Wisconsin (“Commission”) and the positions of parties regarding the Hampton—Rochester—La Crosse 345 kV Project. Applicants offer the following clarifications and additions to further inform the Commission’s deliberations.

### I. COMMENTS ON THE DECISION MATRIX

*Issue 1:* The transcript references supporting the Alternative One are incomplete. In addition to Applicants and MISO, Commission Staff supported a finding that the Project meets the statutory requirements for issuance of a Certificate of Public Convenience and Necessity (“CPCN”). Applicants believe the following additional citations should be considered:

- No engineering witness challenged the local need. New transmission facilities are needed to meet load serving needs in La Crosse area. [Sirohi, D3](#); [Webb, D12](#); [Hahn Tr. 17](#).
- The Project is the least cost option for meeting local load serving needs for 20 years if a growth rate at or above 1.28% is assumed. [Sirohi, S7-8](#).
- The additional transfer capability associated with the Project will positively affect the energy market and not adversely affected wholesale competition. [Urban, D8](#).
- The transfer capability and design of the Project are consistent with regional plans and is not “unreasonably sized for the existing load and probable futures.” [Neumeyer, D5](#).

*Issue 4:* Item 4 erroneously refers to Mr. Hillstrom testimony, [Tr. 279-284](#), for support of Alternative Four—a route selection is not possible at this time. This is an inaccurate reflection of the record. Mr. Hillstrom’s testimony at pages 279-284 relates to fragmentation and sharing of existing corridors and contains no discussion of the viability of routes. Applicants maintain that all routes under consideration are viable and constructible and comply with all applicable Wisconsin statutes and rules.

More specifically, the Q1-Highway 35 Route is a route that utilizes an existing transmission corridor (the highest priority set forth in Wisconsin Statute Section 1.12(6)). The Project is proposed to be double circuited with an existing line for the entire length of the Q-1-Highway 35 Route. The only places that the proposed route does not share the existing transmission ROW are locations where the route was moved off the existing transmission line right-of-way to lessen impacts. Therefore, the route is fully in compliance with the siting priorities statute and the arguments set forth in Alternatives two and three are not valid.

*Issue 8a-f and 8i:* Issue 8a-f and 8i addresses the various Q1 routes under consideration in this docket. In Issue 8i, regarding the original Q1 Route, Alternative Four states that “WisDOT scenic easements do not seem to prohibit the routing of the line.” This point is also appropriate to consider when evaluating the other Q1 route alternatives.

*Issue 9:* Issue 9 asks: Should any portion of the routes under consideration be constructed underground? For Alternative Two, there is an erroneous transcript reference to Mr. Hillstrom’s testimony, [Tr. 296-301](#). Mr. Hillstrom does not agree that any portion of the line should be undergrounded. His testimony relates solely to his understanding that WisDOT’s position is that the line should be underground.<sup>1</sup>

## **II. COMMENTS ON THE BRIEFING MEMORANDUM**

*Project Description, Purpose and Cost, pp. 5-8.*

The Memorandum inaccurately states that Applicants have “more recently” identified enhanced power transfers as a Project benefit.<sup>2</sup> Applicants identified the need for additional transfer capability between Wisconsin and Minnesota in the CPCN Application. For example, on page [2-49](#), Applicants stated:

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<sup>1</sup> [Hillstrom, Tr. 296-301](#).

<sup>2</sup> [Memorandum, p. 6](#).

The 345 kV line from Hampton to Rochester and on to La Crosse serves as an important first step in a greater regional transmission system buildout. The Hampton-Rochester-La Crosse 345 kV Project will provide foundational facilities for the necessary 345 kV connection between Wisconsin and Minnesota to provide transfer capability.<sup>3</sup>

On the issue of costs, one item the Memorandum does not address is the cost of the Q1 Line rebuild. Due to the age and condition of the Q1 Line, Dairyland Power Cooperative needs to rebuild this line, including the segment from Alma to La Crosse. If the Q1-Highway 35 Route is selected, the rebuild would be included in Project costs. If another route is selected, those portions of the Q1 Line not rebuilt as part of the Project will need to be rebuilt separately, at additional costs ranging from \$10 to \$40 million.<sup>4</sup> Applicants believe that these potential avoided costs are one factor to consider when comparing routes.

*Interconnection with La Crosse—Madison 345 kV Project, p. 9.*

Applicants believe that several clarifications to the discussion of the interconnection point between the Project and the La Crosse—Madison 345 kV Project are necessary for a complete description of the issues. First, through the Midwest Independent Transmission System Operator, Inc. (“MISO”) regional planning process, MTEP08 and MTEP11, the Briggs Road Substation has been identified as the interconnection point for the two projects.<sup>5</sup> Moreover, ATC, which is currently in a dispute with Northern States Power Company, a Wisconsin corporation, over ownership of the La Crosse—Madison 345 kV line, recognized that the La Crosse—Madison 345 kV line could interconnect with the Project along any of the routes under consideration for the Project.<sup>6</sup> In addition, ATC witness’s evaluation of potential routes for the future La Crosse-Madison 345 kV Project is too undeveloped to warrant the Commission’s consideration in this docket. ATC

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<sup>3</sup> See also Application, pp. [1-12](#) and [2-30](#).

<sup>4</sup> [Stevenson Ex. 6](#).

<sup>5</sup> [Kline Ex. 3](#); [Kline Ex. 4](#).

<sup>6</sup> [Holtz, Tr. 325](#).

provided no detailed analysis or data on the future routes for the La Crosse—Madison 345 kV Project.<sup>7</sup> Finally, no analysis has been provided regarding the impact on the existing electrical system of interconnecting the La Crosse to Madison 345 kV line in an area where there are few, if any existing lines over 100 kV.

*1a. Existing La Crosse Local Area Critical Load Level, pp. 11-12.*

The memorandum states that Commission Staff witness Udaivir Sirohi testified that reactivation of French Island Unit 3 could increase La Crosse area load serving capability to 500 MW.<sup>8</sup> Applicants believe that this statement is an incomplete statement of the record on French Island generation. As detailed in parties' briefs, the possibility of French Island as an alternative to building new transmission was contested and ultimately determined not to be a feasible option because of its inability to address NERC violations and its lower reliability.<sup>9</sup> Notably, after evaluating the record evidence, Mr. Sirohi concluded that that he would not support using French Island generation, Unit 4, as an alternative and he did not analyze the potential of reactivating Unit 3, which has been indefinitely mothballed.<sup>10</sup> Applicants believe that a French Island generation alternative should not be considered further.

*1c. Local Area Load Serving Alternatives, pp. 14-15.*

The discussion regarding the Reconductor Option, should include Applicants' evaluation of feasibility. The option involves rebuilding 200 miles of existing 161 kV lines in the La Crosse area.<sup>11</sup> Applicants' witness Grant Stevenson testified that due to restrictions on taking other lines out of service, construction would take an estimated seven years to complete.<sup>12</sup> Therefore, Applicants do not believe this is a reasonable alternative even if only local load serving were considered given the

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<sup>7</sup> [Holtz, SR3](#).

<sup>8</sup> [Memorandum, p. 12](#).

<sup>9</sup> Applicants' Brief, [pp. 1 and 10](#); [Sirohi, SR2](#) (withdrawing support for French Island alternative).

<sup>10</sup> [Sirohi, D6-7](#); [Sirohi SR2-3](#).

<sup>11</sup> King Ex. 2 [at 8](#) and [39-40](#).

<sup>12</sup> [Stevenson Ex. 15](#).

existing need for transmission support in the La Crosse area. Further, the Reconductor Option provides no regional benefits.

8. *Given the requirements for issuance of a CPCN under Wis. Stats. § 196.025(1m), and Wis. Stats § 196.491(3)(d), which route, if any, does the Commission authorize?*

8a. *Q1-Highway 35.*

In discussing the Q1-Highway 35 Route, the Memorandum notes that WisDOT cited several statutes in support of its position that it can prevent construction of the line in either (1) highway right-of-way or (2) scenic easements. Applicants note that with respect to the WisDOT scenic easements, WisDOT has no regulatory permitting authority.<sup>13</sup> WisDOT's permitting authority is limited to the highway right-of-way. In the right-of-way, WisDOT has identified no state law that expressly authorizes WisDOT to deny a utility permit based on aesthetic considerations. To the extent federal law (*i.e.*, 23 CFR 645.209(h)) may apply, WisDOT could only impose the federal scenic provisions in areas "acquired or improved with Federal-aid or direct Federal highway funds."<sup>14</sup> WisDOT could identify only two such highway projects funded with federal support; namely, project ID numbers, 7140-05-21 and 7151-01-22.<sup>15</sup> Only one of the two highway projects is crossed by a Q1 route, and there is an existing Q1 crossing at that location as detailed in Applicants' Brief.<sup>16</sup> Even if federal funds were used as part of the project crossed by the route, and 23 CFR 645.209(h) were applicable, the crossing would be permissible under the standards therein.<sup>17</sup>

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<sup>13</sup> See Wis. Stat. § 86.16 (utilities authorized "across or within the limits of the highway" with WisDOT consent); [Fasick, Tr. 335-36](#). Within the scenic easement areas, WisDOT authority is limited to the property rights established by the easement documents.

<sup>14</sup> 23 C.F.R. § 645.209(h)(2011).

<sup>15</sup> [Fasick, SR4](#) ("WisDOT sent direct evidence to the Applicants upon their first discovery request (12/23/11) that two project ID numbers, 7140-05-21 and 7151-01-22, both used Federal funds to purchase ROW and scenic easements.") (citing [Hillstrom Ex. 36](#)).

<sup>16</sup> [Applicants' Reply Brief, pp. 8-9](#).

<sup>17</sup> Notably, FHWA has also confirmed its position to WisDOT that federal concurrence is not required to permit utility facilities in the STH 35 right-of-way because the highway is not part of the National Highway System. [Fasick, D11](#).

Applicants also note that the Decision Matrix does not reference comments provided by Department of Agriculture and Consumer Protection (“DATCP”), in its March 5, 2012 letter. The DATCP concluded that the Q1-Highway 35 Route or the Q1-Galesville Route<sup>18</sup> would have the least impact on farmland and should be selected over the Arcadia Route options.<sup>19</sup> When considering route alternatives, Applicants believe that the DATCP analysis should be considered along with other agency input.

### **CONCLUSION**

Applicants appreciate the thorough record review and work of the Commission Staff throughout this proceeding. Applicants request that the additional information provided in these Comments also be considered by the Commission.

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<sup>18</sup> The original Q1 Route that follows the Q1 Line, is not under consideration in this docket because the United States Fish and Wildlife Service stated it will not authorize construction across its land in the Black River Bottoms, Segment 8. [Hillstrom Direct at 20-21](#); Ex.-PSC-Rineer-1 at [XXV](#) and [XXVII](#).

<sup>19</sup> DATCP March 5, 2012 Letter at 2-4 ([PSC REF#: 160995](#)).

Dated: April 30, 2012

**BRIGGS AND MORGAN, P.A.**

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