

**UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION**

Citizens Energy Task Force and)
Save Our Unique Lands,)
)
Complainants,)
)
v.)
)
Midwest Reliability Organization, Midwest)
Independent Transmission System Operator,)
Inc., Xcel Energy Inc., Great River Energy,)
Dairyland Power Cooperative, and)
WPPI Energy,)
)
Respondents.)

Docket No. EL13-49-000

MOTION FOR LEAVE TO ANSWER AND ANSWER OF RESPONDENT UTILITIES

Pursuant to Rules 212 and 213 of the Rules of Practice and Procedure of the Federal Energy Regulatory Commission (the “Commission”),¹ Respondent Utilities² submit this Motion for Leave to Answer and Answer (this “Answer”) in response to the Motion for Leave to Answer and Answer of Citizens Energy Task Force (“CETF”) and Save Our Unique Lands (“SOUL,” and collectively with CETF, “Complainants”) filed in the above referenced proceeding on April 5, 2013 (“Complainants’ Answer”).

¹ 18 C.F.R. §§ 385.212; 385.213 (2012).

² Respondent Utilities are Xcel Energy Services Inc. (“XES”), on behalf of its holding company parent Xcel Energy Inc. (“XEI”), and its operating company affiliates Northern States Power Company, a Minnesota corporation (“NSPM”), and Northern States Power Company, a Wisconsin corporation (“NSPW,” and collectively with XES, XEI, and NSPM, “Xcel Energy”), Great River Energy (“GRE”), Dairyland Power Cooperative (“DPC”), and WPPI Energy (“WPPI”).

The Twin Cities – La Crosse Project (“Project”)³ was planned as an efficient solution to resolve real and existing reliability needs in the Rochester, Minnesota and La Crosse, Wisconsin areas. The record demonstrates that all planning efforts for the Project were fully compliant with all applicable standards and requirements, and that the Project received timely and thorough review by the Midwest Independent Transmission System Operator, Inc. (“MISO”) and received all necessary state-law permits and approvals. Nevertheless, Complainants’ Answer continues to quote planning studies selectively in support of erroneous points. Respondent Utilities provide this narrow Answer to clarify the record with respect to issues not raised in the Initial Complaint⁴ and only raised for the first time in Complainants’ Answer, specifically: (i) underbuilds and operating guides, which Complainants misunderstand, and (ii) the actual demand levels that necessitated the construction of the Twin Cities – La Crosse Project.

I. MOTION FOR LEAVE TO ANSWER

Pursuant to Rule 212,⁵ and to the extent the Commission accepts Complainants’ Answer, Respondent Utilities respectfully request leave to file an answer to Complainants’ Answer. Generally, an answer to an answer is not permitted;⁶ however, the Commission permits such answers when the answer provides useful and relevant information that will assist the Commission in the decision-making process,⁷ or where the answer will correct factual

³ The Twin Cities – La Crosse Project is a new 345 kV transmission line from the new NSPM Hampton Substation in the Twin Cities area to an intermediate substation in the Rochester, Minnesota area and terminating at the new NSPW Briggs Road Substation in the La Crosse, Wisconsin area with two 161 kV extensions into local load serving areas.

⁴ Complaint of Citizens Energy Task Force and Save Our Unique Lands, Docket No. EL13-49-000 (March 2, 2013) (“Initial Complaint”).

⁵ 18 C.F.R. § 385.212 (2012).

⁶ 18 C.F.R. § 385.213(a) (2012).

⁷ See, e.g. *Midwest Independent Transmission System Operator, Inc.*, 131 FERC ¶ 61,285 (2010).

inaccuracies and clarify the issues before the Commission.⁸ Respondent Utilities request that the Commission accept this Answer because it will clarify the issues, correct factual inaccuracies and will assist the Commission in the decision-making process. In addition, to the extent the Commission accepts Complainants' Answer, it is appropriate to accept this Answer as well, to allow Respondent Utilities to address issues that were not raised in the Initial Complaint and to which Respondent Utilities have not previously had occasion to respond.

II. ANSWER

In this proceeding, Complainants have the burden to show that the planning for the Twin Cities – La Crosse Project was not compliant with applicable reliability standards, and they must do so with more than just out-of-context and selective quotations from planning studies.⁹ Complainants have not met this burden.

Complainants' Answer appears to claim that, because certain studies identified additions to the lower voltage network and operating guides may be needed when the Project is placed in-service, the planning for the Project was not compliant with applicable reliability standards.¹⁰ This misunderstands transmission planning. Planning studies do not address the effects of a proposed transmission facility not being in-service because, at the planning stage, the results would merely identify the issues on the transmission system that the planning study seeks to mitigate.

Anytime substantial high voltage additions are made to the transmission system, an analysis of the performance of the lower-voltage network must be performed to ensure the

⁸ See, e.g. *Entergy Services Inc.*, 123 FERC ¶ 61,227 (2009).

⁹ *Interstate Power and Light Company v. ITC Midwest LLC*, 127 FERC ¶ 61,043 at n.49 (2009) (“[t]he Commission has long recognized that a ... complainant has a burden to do more than make mere unsubstantiated allegations to warrant a hearing”); *J. William Foley Incorporated v. United Illuminating Company*, 142 FERC ¶ 61,125 at P 19 (2013) (applying this standard in the context of a complaint pursuant to Section 306 of the Federal Power Act).

¹⁰ Complainants' Answer at p. 10.

system remains reliable. If one of the new high-voltage circuits fails, power will instantaneously flow through the remaining system of transmission lines. Analyses must be done to ensure the capacity of the lower-voltage circuits is not exceeded due to the higher-voltage addition. A preliminary analysis was performed with respect to the Project and the other CapX2020 projects¹¹ and Complainant CETF was aware of such studies.¹² Further, once a transmission addition is approved it is included in subsequent planning models and is thereafter studied as a possible contingency.¹³ It is through this iterative process that necessary additional facilities on the lower-voltage system can be further identified and refined, not exclusively in initial planning studies. The Commission has found that such additions to the lower-voltage system are appropriately part of any major addition to the transmission system.¹⁴

Similarly, operating guides¹⁵ are a common part of general system operations. Prior to a major addition to the transmission system, such as the Project, being placed into service, operating studies are undertaken to determine and set the parameters for the reliable operation of the transmission system with the new transmission addition.¹⁶ These operating studies analyze

¹¹ *In re Application for Great River Energy, Northern States Power Company (d/b/a Xcel Energy) and Others for Certificates of Need for Three 345 kV Transmission Lines with Associated System Connections*, MPUC Docket No. ET-2, E-002, *et al.*/CN-06-1115, Application to the Minnesota Public Utilities Commission for Certificates of Need for Three 345 kV Transmission Line Projects with Associated System Connections at pp. 2.17-2.18 (August 16, 2007).

¹² Answer of Respondent Utilities at pp 9-10, Docket No. EL13-49-000 (March 21, 2013) (describing how CETF and its counsel have been active in the CapX2020 state-regulatory process for several years).

¹³ *American Transmission Company LLC v. Midwest Independent Transmission System Operator, Inc., et. al.*, 142 FERC ¶ 61,090 at P 55 (2013) (“[i]n order to plan future projects, MISO’s planning cycles necessarily assume that previously-approved projects in its models will be in operation even if they have not yet been placed in service”).

¹⁴ *Midwest Independent Transmission System Operator, Inc.*, 133 FERC ¶ 61,121 at P 220 (2010) (“it is these underbuild facilities that will ensure reliable system operation in case of an outage of the MVP facility”).

¹⁵ “An Operating Guide is a written set of operating practices that affect the Reliability Coordination Customer Transmission Facilities or the Combined Reliability Systems to be followed for transmission and generation operation, including implementing procedures, actions, and sequences of actions to be taken to maintain operations within operating reliability criteria.” *Midwest Independent Transmission System Operator, Inc.*, 140 FERC ¶ 61,171 at P 26, n.25 (2012).

¹⁶ Affidavit of Mr. Dean Schiro at P 11, provided as Attachment A to this Answer (“Schiro Affidavit”).

the transmission system as it exists today.¹⁷ To the extent such operating studies identify system operations parameters that need to be addressed due to the new transmission addition, operating guides are created to put all system operators on notice as to the applicable parameters. This is merely part of prudent and reliable operation of the transmission system and not indicia of any violation of applicable reliability standards.¹⁸ The Commission has found that operating guides are an appropriate way to address system operating conditions.¹⁹

Finally, the record in this proceeding as well as the record in the Wisconsin need proceeding establish that demand levels in the Rochester and La Crosse areas have already reached a point that requires a solution to ensure continued reliability in those areas. The Supplemental Need Study,²⁰ which is two years old, indicated the load levels in the Rochester area were sufficiently high to create concern during single contingency events,²¹ and load levels that could impact reliability in the La Crosse area had already been reached.²² Specifically, the Public Service Commission of Wisconsin found in considering the need for the Project that:

The Commission finds the critical load limit for the La Crosse local area to be 430 MW. Because the applicants observed a peak level of 465 MW in 2011, the critical load level has already been exceeded.²³

¹⁷ *Id.*

¹⁸ *Id.* at P 12.

¹⁹ See, e.g. *New York Independent Operator System, Inc.*, 132 FERC ¶ 61031 at P 10 (2012) (approving the use of operating guides to address certain issues in the Lake Erie region).

²⁰ CapX2020 Hampton – Rochester – La Crosse 345 kV Project Supplemental Need Study (2011) (“Supplemental Need Study”), provided as Attachment F to the Answer of Respondent Utilities, Docket No. EL13-49-000 (March 21, 2013).

²¹ *Id.* at p. 36.

²² *Id.* at p. 31.

²³ *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*, PSCW Docket No. 5-CE-136, Final Decision at p. 12 (May 30, 2012).

The projected need for the Project has materialized, irrespective of future growth in demand.

III. CONCLUSION

For the foregoing reasons, Respondent Utilities respectfully request the Commission accept this Answer and immediately deny the Initial Complaint.

Respectfully Submitted,

Dated: April 19, 2013

/s/ Michael C. Krikava

Michael C. Krikava

Zeviel Simpser

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ATTORNEYS FOR RESPONDENT
UTILITIES

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on this 19th day of April 2013, I have served the foregoing document on all affected parties in accordance with the requirements of the Commission's Rules of Practice and Procedure.

/s/ Zeviel Simpser _____
Zeviel Simpser

ATTACHMENT A

AFFIDAVIT OF DEAN SCHIRO

UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION

Citizens Energy Task Force and
Save Our Unique Lands

Complainants

v.

Midwest Reliability Organization, Midwest
Independent Transmission System Operator,
Inc., Xcel Energy Inc., Great River Energy,
Dairyland Power Cooperative, and
WPPI Energy

Respondents

Docket No. EL13-49-000

AFFIDAVIT OF DEAN SCHIRO

STATE OF MINNESOTA)
) ss
COUNTY OF HENNEPIN)

I, Dean Schiro, state under oath:

Introductory Information

1. My name is Dean Schiro and I am Manager, Real Time Planning for Xcel Energy Services Inc. (“XES”) the service company subsidiary of Xcel Energy Inc. My Resume is attached as Schedule 1. I have more than 18 years experience in the electric utility industry.
2. My business address is 414 Nicollet Mall, Minneapolis, Minnesota 55401.
3. I have a Bachelors of Electrical Engineering from the University of Minnesota with an emphasis in power engineering. In addition, I am a registered Professional Engineer in the State of Minnesota.
4. I am providing this affidavit in support of the Answer filed by Xcel Energy Services Inc. (“XES”), on behalf of its holding company parent Xcel Energy Inc. (“XEI”) and its operating company affiliates Northern States Power Company, a Minnesota corporation (“NSPM”), and Northern States Power Company, a Wisconsin corporation (“NSPW”, and collectively with XES, XEI and NSPM, “Xcel Energy”), Great River Energy (“GRE”), Dairyland Power Cooperative (“DPC”) and WPPI Energy (“WPPI” and collectively with

Xcel Energy, GRE, and DPC, “Respondent Utilities”) in response to the April 5, 2013 Motion for Leave to Answer (“Complainant’s Answer”) filed by Citizens Energy Task Force (“CETF”) and Save Our Unique Lands (“SOUL,” and collectively with CETF, “Complainants”) in the above captioned proceeding. The purpose of my affidavit is to describe how operating guides are developed and utilized to ensure that transmission system operators comply with all applicable North American Electric Reliability Corporation (“NERC”) operating standards.

5. As Manager, Real Time Planning I am responsible for managing a geographically dispersed staff of engineers that support the Xcel Energy Transmission Operations Control Centers in Minnesota, Wisconsin, Colorado, and Texas. Activities include overseeing the control center functions of contingency analyses, daily transmission restrictions, operating procedures and other operating issues with immediate daily focus. Other activities include performing seasonal operating studies and review of new facility additions to the transmission system and their impact on real-time operations.
6. Prior to my current role at XES, I was a Transmission Analyst in the Transmission Access business for two years supporting the NSP Companies’ ability to secure transmission service rights. Before that I was an engineer in the Real Time Planning department for seven years progressing from Engineer to Principal Engineer grade and responsible for performing operating studies to support the NSP control center. Before that I was a Student Engineer in the Transmission Planning department.
7. Through my employment with NSP and XES, I have become familiar with the workings of transmission operations, generally, the MISO operating standards, the history of development of operating guides in the upper-Midwest and NERC operating standards.
8. Part of my job is to manage the development and performance of operating studies in connection with new major additions to the regional transmission system. Operational studies generally analyze the impact of a new high voltage facility on the day-to-day operation of the overall system. In essence we seek to assess how the system will operate with the new facility in place.

Operating Studies

9. Any time substantial high voltage additions are made to the transmission system, system planners begin by studying the system and analyzing alternatives to address overall system conditions. These system planning studies provide a robust review of the system and the impacts a new high voltage facility will have on the overall system. Those planning studies and the methodologies used were previously described in the Affidavit of Daniel Kline.¹
10. In addition to planning studies, an analysis of the performance of the lower voltage network must be performed to ensure the system remains reliable. If one of the new high voltage circuits fails, power will instantaneously flow through the remaining system of

¹ Answer of Respondent Utilities at Attachment B, Docket No. EL13-49-000 (March 21, 2013).

transmission lines. Analyses must be done to ensure the capacity of the lower voltage circuits is not exceeded due to the higher-voltage addition.

11. Prior to a major addition to the transmission system, operating studies are undertaken to determine and set the parameters for the reliable operation of the transmission system with the new transmission addition. Such operating studies analyze the transmission system as it exists today. To the extent such operating studies identify system operation parameters that need to be addressed due to the new transmission addition, operating guides are created to put all system operators on notice as to the applicable parameters. This is merely part of prudent and reliable operation of the transmission and not indicia of any violation of applicable reliability standards. In other words, daily operation of the transmission system requires constant attention to ensure reliable service.
12. An operating guide is a document used by System Operators as well as the Reliability Coordinator, which is the entity responsible for overall regional coordination. An Operating Guide generally provides instructions to System Operators on those necessary actions to be taken in the event specified contingencies occur or actions to be taken prior to the event to minimize the impact to the system. It is a tool that can be quickly implemented by the Operator and is designed to enhance system reliability during specified contingencies. For example, if the operating study shows that an outage of a particular segment of a 345 kV line increases loading on the neighboring 115 kV system, an appropriate Operating Guide could be to take those actions necessary to decrease loading on the 115 kV system by curtailing generation, switching a particular transmission line, or taking other actions necessary to maintain reliability of the system.

Twin Cities – La Crosse Project

13. In keeping with the normal sequence of bringing new transmission into the transmission system, the operational studies for the Twin Cities – La Crosse Project have not yet been conducted and, in my professional opinion, should not be conducted until closer to the time that the Project is completed.
14. I note that a preliminary analysis was performed with respect to the Project and the other CapX2020 projects. Those studies were described during the Minnesota State Certificate of Need process for the CapX2020 projects. I understand Complainant CETF participated in that State regulatory proceeding so would have been aware of such studies.
15. In my opinion the operational studies for the Twin Cities – La Crosse project should be conducted no sooner than six to nine months prior to project completion. At that time it will be determined whether any specific operational characteristics or issues need to be addressed. If so, I will assist in developing appropriate operating guides to address any issues that may be encountered. This process is consistent with prudent utility practices and is consistent with how operational studies are developed and implemented throughout Xcel Energy's system.

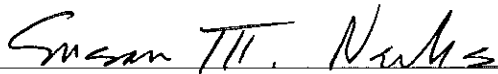
Further, Affiant sayeth not.



Dean Schiro

Subscribed and sworn to before me

this 18th day of April, 2013



Notary Public



SCHEDULE 1 TO AFFIDAVIT OF DEAN SCHIRO

RESUME

DEAN E. SCHIRO

Experience

Xcel Energy Services Inc. Minneapolis, MN **2000 - Present**
Northern States Power Company **1994 - 2000**

Manager **Transmission Real Time Planning** **2006 - Present**

- Manage a geographically dispersed staff of engineers supporting the Transmission Operations Control Centers.
- Oversee Real Time Planning, which includes contingency analyses, daily transmission restrictions, operating procedures and other operating issues with immediate daily focus.
- Responsible to coordinate with internal departments on issues pertaining to transmission operations.
- Represent Xcel Energy Operating Companies in various external regional organizations including MISO and the Midwest Reliability Organization.

Transmission Analyst **Transmission Access** **2004 - 2006**

- Provide vital information on transmission access to enhance the Resource Planning and Acquisition process.
- Manage and review studies performed by outside consultants for determining necessary transmission enhancements for future resource additions and power purchases.
- Provide guidance regarding the MISO Generation Interconnection process.
- Represent NSP Companies in various MISO committees to advocate changes to improve the ability of Market Participants to utilize the transmission system.

Engineer **Transmission Real Time Planning** **1997 - 2004**

Principal Engineer 2003 - 2004
Senior Engineer 2001 - 2003
Specialty Engineer 1998 - 2001
Engineer 1997 - 1998

- Perform steady state and stability analysis of the transmission system to determine operating limits.
- Develop transmission system operating guides for use by NSP Control Center and MISO.
- Represent the company in various MAPP and MISO committees.
- Liaison with IT for support of the UNIX computer system used to perform powerflow and stability simulations.

Student Engineer **Transmission Planning** **1994 - 1997**

- Assist transmission planning engineers in developing transmission enhancements for future uses of the system.

Committee Participation

MRO Operating Committee	2010 - Present
MISO Reliability Subcommittee	2007 - Present
MISO Operations Working Group	2007 - Present
Technical Review Committee – 2006 MN Wind Integration Study	2006
MISO AFC Working Group	2004 - 2006
MISO Planning Subcommittee	2004 - 2006
MISO Expansion Planning Working Group	2004 - 2006
MISO Generation Deliverability Task Force	2005 - 2006
MISO Transmission System Operations Working Group	2004
MAPP Planning Subcommittee	2004
MAPP Planning Standards Development Working Group	2004
Northern MAPP Operations Review Working Group	1997 - 2004

Licensure

Registered Professional Engineer in the State of Minnesota

Education

University of Minnesota	1997
▪ B.E.E., Bachelor's of Electrical Engineering with emphasis in power systems.	