

BEFORE THE
PUBLIC SERVICE COMMISSION OF WISCONSIN

Joint Application of American Transmission Company LLC,
and Northern States Power Company-Wisconsin, as Electric
Public Utilities, for Authority to Construct, a 345kV
Transmission Line from the La Cross area, in La Crosse
County, to the greater Madison area, in Dane County,
Wisconsin.

Docket No. 5-CE-142

INTERVENORS JANE AND STEPHEN POWERS REPLY BRIEF

The following is a list of observations we wish to make in reply to briefs and other materials filed by the Applicants and supporters of application 05 CE 142, “Badger-Coulee:”

1. The Applicants state that the Project would “reduce congestion,” but without further qualification, this observation could be made about most considered transmission additions, whether needed or not. Most significantly, we could find no place where the Applicants document that Wisconsin’s high voltage transmission system is experiencing increasing congestion.
2. In our current utility construction cycle with rapidly increasing rates, rather than presenting evidence of present-day and historical development of transmission system congestion, the Applicants have chosen to use what seems to be lower standard and attempt to demonstrate that return on Project investment could *potentially* exceed costs.
3. As Applicants do not guarantee any net savings to Wisconsin ratepayers, ratepayers are placed further at risk as the state has no legal standard for quantified, appropriate net savings.

4. Concern is furthered by the estimated Project cost that would be regionally shared-- dramatically lowering the minimal standard of potential net savings required to exceed project costs.
5. As a cost-shared proposal, evidence of real, quantifiable savings would enable the WPSC to account for the Project's potential affects on roughly 20 million ratepayers who have not been informed of this proceeding nor received notice to participate.

Through the review process thus far, doubt was further increased by:

- A. The Applicants' refused during cross-examination to state on record what the potential net savings would be for the average Wisconsin electric customer.
- B. Applicants stated that average ratepayer impact information is difficult to access when Ms. Rauch (of MISO) testified that a breakdown of average costs and savings had been supplied for ratepayers for MVP projects in 2011.
- C. The Applicants' refused to respond to requests by PSC staff to conduct updated cost and benefit analysis based on current load growth projection. Had the Applicants used a range of load projection figures like the flat and negative ones submitted by Wisconsin utilities in 2013, there's a good chance the analysis would have shown Wisconsin ratepayers and PSC staff the "break ahead" points greatly increasing the value of the study.
- D. The Applicants' described criticism for not using load growth projections consistent with those made by the utilities they serve as "unreasonable" and "implausible," even though they state they conducted 126 PROMOD runs.
- E. The Applicants' ultimately decided to use higher load growth assumptions (.22 percent vs. .20 percent) when asked by PSC staff to re-evaluate the low voltage transmission reliability projects based on current conditions. Their updated analysis adopted many assumptions in place of extensive analysis and in the end addressed

only economic outcomes. These show significantly lower potential net energy savings. For example, potential energy savings dropped from \$37 million over 40 years for the Slow Growth scenario of the first study with 6 futures to \$19 million for the updated, “MTEP 13” Low Growth Scenario.

6. Applicants localize potential future reliability concerns to the La Crosse-Winona area which Mr. Powers studied using the Applicants’ assumptions. He summarized that should reliability concerns develop they could be more cost-effectively addressed with load management: \$4 million for load management vs. \$5 million for the Project. Combinations of load management energy efficiency and distributed solar could also be used.
7. The usefulness of the available data is significantly reduced by the Applicants’ refusal to honor the requests made in 2011 and 2012 by many municipal governments including units outside of the Project study area to conduct cost benefit analysis of energy efficiency, load management and local power investment options. This study was requested to be complete before the scoping phase of the proposal in order for their constituents to be able to provide informed input. Recorded public comments show pronounced, state-wide concern that the cost benefit analysis requested by the municipal governments was not provided.
8. Applicants do not claim that the Project is necessary for Wisconsin to meet its RPS goals. The Applicants attribute nearly half of the potential economic benefits to undocumented ratepayer interest in encouraging out of state renewable energy investment in exchange for savings. No attempt to help ratepayers understand the scale of these potential savings is made. Further, the Applicants’ “RIB” analysis that is based entirely on the development of remote wind power does not examine and compare any other possible RE investment types such as in state distributed solar. In contrast to the Applicant’s assumption about what Wisconsin ratepayers’ want, there are numerous comments on record supporting investment in renewable resources in conjunction with Wisconsin homes, farms and businesses.

We feel that the Applicants have failed to demonstrate that the Project would not have adverse economic impacts on Wisconsin ratepayers and their local economies. They have not shown that the

proposed high voltage transmission investment would provide real, quantifiable economic benefits to Wisconsin ratepayers.

For these reasons, we respectfully request that the Commission deny the CPCN.

February 13, 2015

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