

PUBLIC SERVICE COMMISSION OF WISCONSIN

Application of American Transmission Company, as an Electric Public Utility, to Construct a New 345 kV Substation and Associated 345 kV Transmission Lines, and Relocate a Portion of an Existing 138 kV Transmission Line, in the Town of Franklin, Manitowoc County, Wisconsin

137-CE-176

FINAL DECISION

On October 27, 2014, pursuant to Wis. Stat. § 196.491 and Wis. Admin. Code chs. PSC 4 and 111, American Transmission Company LLC (ATC) filed with the Commission an application for a Certificate of Public Convenience and Necessity (CPCN) to construct new 345 kilovolt (kV) electric transmission facilities. (*See, e.g.,* [PSC REF#: 223278](#).) The project, known as the Branch River Electric Reliability project, includes construction of a new 345 kV switching station and associated 345 kV transmission lines in the town of Franklin, Wisconsin. (*Id.*) The CPCN application is APPROVED subject to conditions and as modified by this Final Decision.

Introduction

The Commission found the application in this docket to be complete on November 25, 2014. ([PSC REF#: 225238](#).) A Notice of Proceeding was issued on January 22, 2015. ([PSC REF#: 230283](#).) Wisconsin Stat. § 196.491(3)(g) requires that the Commission take final action within 180 days after it finds a CPCN application complete unless the Chairperson of the Commission grants an extension. On April 8, 2015, the Commission Chairperson granted an extension of 180 days. ([PSC REF#: 234262](#).) The Commission must take final action on or

before November 20, 2015, or the application is approved by operation of law. (*See id.* at 3; Wis. Stat. § 196.491(3)(g).)

The Commission served a notification on February 4, 2015, indicating that it would prepare an Environmental Assessment (EA) pursuant to Wis. Stat. § 1.11 and Wis. Admin Code chs. NR 150 and PSC 4. ([PSC REF#: 231036](#).)

The Commission held hearings for public comment in Reedsville, Wisconsin, on June 4, 2015. (*See* [PSC REF#: 241959](#); [PSC REF#: 241960](#).) At these hearings, the Commission accepted both oral and written testimony from members of the public. (*See* [PSC REF#: 237639](#); [PSC REF#: 241959](#); [PSC REF#: 241960](#).) The Commission also requested and received comments from members of the public through its Internet web site. ([PSC REF#: 237639](#).)

A hearing for party expert testimony and cross-examination was also held on June 4, 2015, in Reedsville, Wisconsin. ([PSC REF#: 237708](#); [PSC REF#: 241961](#).) The parties, for purposes of review under Wis. Stat. §§ 227.47 and 227.53, are listed in Appendix A. The Commission conducted its hearings as Class 1 contested case proceedings, pursuant to Wis. Stat. §§ 196.491(3)(b), 227.01(3)(a), and 227.44. (*See* [PSC REF#: 230283](#); [PSC REF#: 233058](#).)

The general issue for hearing, as determined in the Scheduling Order issued on March 11, 2015, was: Does the proposed project comply with the applicable standards under Wis. Stat. §§ 1.11, 1.12, 196.025, 196.49, and 196.491, and Wis. Admin. Code chs. PSC 4, and PSC 111? ([PSC REF#: 233050](#).) The Commission discussed the record in this matter at its open meeting of July, 23, 2015. (*See, e.g.*, [PSC REF#: 273116](#).)

Findings of Fact

1. ATC is a Wisconsin public utility engaged in providing electric service in Wisconsin. Pursuant to Wis. Stat. § 196.491(3), this entity is subject to the Commission's jurisdiction over its application for a CPCN for the proposed project. ([PSC REF#: 223278](#) at 1.)

2. ATC's project consists of constructing a new 345 kV substation and a corresponding 345 kV transmission line and related facilities, as described in the EA and ATC's application, and as modified by this Final Decision. (*Id.*; [PSC REF#: 236056](#) at 1.) ATC's estimated cost of the proposed project is between \$40.91 million and \$46.05 million, depending on the substation site and route selected. ([PSC REF#: 223278](#) at 22.)

3. Construction and operation of the facilities at the estimated cost will not impair the efficiency of ATC's service, will not provide facilities unreasonably in excess of probable future requirements, and when placed in operation, will not add to the cost of service without proportionately increasing the value or available quantity thereof.¹

4. The facilities approved by this Final Decision are necessary to provide adequate and reliable service to present and future electric customers.²

5. The facilities approved by this Final Decision will adequately address the present needs of ATC's electric system and are necessary to satisfy the reasonable needs of the public for an adequate supply of electrical energy.³

¹ ([PSC REF#: 235190](#) at 4:2-14, 10:3-11:2, 11:11-12:5; [PSC REF#: 236053](#) at 4:19-5:3.)

² (*See* n.1, *supra*.)

³ (*See* n.1, *supra*.)

6. The facilities approved by this Final Decision provide usage, service, or increased regional benefits to wholesale and retail customers or members in this state, and the benefits of the facilities are reasonable in relation to their cost.⁴

7. The facility design, location, and route approved by this Final Decision are in the public interest considering alternative sources of supply, alternative locations or routes, individual hardships, engineering, economic, safety, reliability, and environmental factors.⁵

8. The facilities approved by this Final Decision will not have undue adverse impacts on environmental values including ecological balance, public health and welfare, historic sites, geological formations, aesthetics of land and water, and recreational use.⁶

9. The facilities approved by this Final Decision will not unreasonably interfere with the orderly land use and development plans for the area. ([PSC REF#: 236606](#) at 3:1-14; [PSC REF#: 236607](#); [PSC REF#: 237504](#) at 3:2-6:12; [PSC REF#: 237610](#) at 6:4-8:5, 10:2-6.)

10. The facilities approved by this Final Decision will not have a material adverse impact on competition in the relevant wholesale electric service market. ([PSC REF#: 235190](#) at 4:2-14, 11:14-16.)

11. Energy conservation, renewable resources, or other energy priorities listed in Wis. Stat. §§ 1.12 and 196.025 are not cost-effective, technically feasible, or environmentally sound alternatives to the proposed facilities. ([PSC REF#: 223278](#) at 10-13, 18; [PSC REF#: 236053](#) at 4:5-18.)

⁴ (See n.1, *supra*.)

⁵ (See, e.g., [PSC REF#: 237551](#) at 3:17-4:4; [PSC REF#: 236056](#).)

⁶ (See n.5, *supra*.)

12. The approved transmission line route utilizes priority siting corridors listed in Wis. Stat. § 1.12(6) to the greatest extent feasible, consistent with economic and engineering considerations, reliability of the electric system, and protection of the environment. ([PSC REF#: 237504](#) at 8:1-17; [PSC REF#: 237610](#) at 5:17-6:2, 10:2-6.)

13. The approved transmission line route will affect local farmland, and the Wisconsin Department of Agriculture, Trade and Consumer Protection (DATCP) has issued an agricultural impact statement. ([PSC REF#: 236056](#) at Attachment 3.)

14. The approved transmission line route will affect waterways and wetlands, and will require permits from the Wisconsin Department of Natural Resources (DNR) for construction in waterways and wetlands, construction site erosion control, and storm water handling. (*See, e.g.,* [PSC REF#: 223278](#) at 2-5, 42-48.)

15. The approved transmission line route may affect endangered and threatened species, and ATC will need to consult with the DNR Bureau of Natural Heritage Conservation to ensure compliance with the state's endangered species law. (*Id.* at 48, 59; [PSC REF#: 223140](#).)

16. The facilities approved by this Final Decision are not located in the Lower Wisconsin State Riverway. (*See, e.g.,* [PSC REF#: 223278](#).)

17. Approval of the project is in the public interest and is required by the public convenience and necessity. ([PSC REF#: 235190](#) at 11:11-12:5; [PSC REF#: 237504](#) at 3:2-13:8; [PSC REF#: 237610](#) at 6:4-8:5, 10:2-6; [PSC REF#: 236606](#) at 3:1-14; [PSC REF#: 236607](#).)

Conclusions of Law

The Commission has jurisdiction under Wis. Stat. §§ 1.11, 1.12, 44.40, 196.02, 196.025, 196.395, and 196.491, and Wis. Admin. Code chs. PSC 4 and 111, to issue a CPCN authorizing

the applicant to construct and place in operation the proposed electric transmission facilities described in this Final Decision and to impose the conditions specified in this Final Decision.

Opinion

The Commission has a responsibility to ensure that Wisconsin receives adequate, reliable, and economical electric service, now and in the future. The need for ATC's proposed project is driven by ATC's Fox Valley dynamic stability operating guide which limits the Point Beach Unit 1 power output under outage conditions in order to maintain generator stability.

(See [PSC REF#: 235190](#) at 3:10-6:22; [PSC REF#: 236053](#) at 2:19-4:2.)

The Commission's proceeding on this CPCN application developed an extensive record from the public and parties on all of the issues that the Commission must consider in reviewing a proposed project. Members of the public commented both in writing and through appearances at the public hearing about the impact that this project may have on them and their communities. ([PSC REF#: 237639](#); [PSC REF#: 241959](#); [PSC REF#: 241960](#).) The Commission acknowledges the thoughtful and helpful comments from the public in this proceeding. This information assisted the Commission in its review of the application, in understanding the different perspectives toward the proposed project, and in making its determinations on the application.

Project Description, Purpose, and Cost

ATC proposes to construct a new 345 kV switching station,⁷ to be known as the Branch River Substation, at one of two adjacent sites in the town of Franklin, Manitowoc County, Wisconsin. ([PSC REF#: 223278](#) at 1.) A new 345 kV transmission line would be built to

⁷ A switching station is a type of substation that does not contain a transformer; the lines going into the proposed switching station will be at the 345 kV level.

connect the new substation to the existing transmission system. (*Id.*) In addition, an existing 138 kV line would be relocated in order to accommodate the new 345 kV line construction. (*Id.*) The possible routes for these lines vary in length from 1.6 to 2.5 miles, depending on the substation site and transmission line routes selected. (*See, e.g.,* [PSC REF#: 236056](#) at 5-6.)

The proposed 345 kV transmission line would be constructed using single-pole steel structures. ([PSC REF#: 235192](#) at 4:8-21.) The 138 kV structures may be steel single-pole structures with a delta conductor configuration, steel single-pole structures with a vertical conductor arrangement, or wood H-frame structures, depending on the route chosen. (*Id.*)

For the purpose of the Commission's review, ATC's proposed two sites for the substation and two routes for the 138 kV transmission line relocation. ([PSC REF#: 223278](#) at 23-31.) There are North and South site alternatives for the substation and East and West route alternatives for the 138 kV line construction. (*Id.*)

The route segments and proposed structure and line configurations are described in more detail below.

ATC's estimated cost of the proposed project is between \$40.91 million and \$46.05 million, depending on the route and substation site chosen. (*Id.* at 21-22.) ATC's estimated cost does not include modifications to the proposed project identified during the Commission's review and required by this Final Decision. The estimated costs are based on year 2018 dollars, the projected in-service year for the proposed project, and include: transmission line and substation construction; existing transmission line reconstruction; and, existing distribution line relocation. (*Id.*)

Project Need

ATC proposes to construct the proposed project in order to strengthen the transmission system and increase operational flexibility in eastern Wisconsin. ([PSC REF#: 223278](#) at 1.) The project would involve the construction of a 345 kV switching station/substation, the construction of a new 345 kV transmission line, and the relocation of an existing 138 kV transmission line. (*Id.*)

Planning for the proposed project began when the Kewaunee Nuclear Power Plant (KNPP) was still in operation. ([PSC REF#: 236056](#) at 2.) With KNPP still in service, extensive transmission upgrades were necessary to allow full Point Beach generator output under required system conditions. (*Id.*) These upgrades were to be known as the “Barnhart-Branch River Project” and included the construction of a new 345 kV switching station (Branch River), a new 345/138 kV substation (Barnhart), converting 51 miles of existing 138 kV line into 345 kV operation, constructing 18 miles of new 138 kV line, and other substation work. (*Id.*)

The retirement of KNPP on May 7, 2013, reduced the transmission system operational problems in the Fox Valley to the point that the proposed project is adequate to ensure long-term, unrestricted, and reliable output of Point Beach generation. (*Id.*) ATC states that the proposed project addresses the remaining Point Beach bus breaker 2-3 outage stability issue and further reduces generator output limitations. (*Id.*) In addition, ATC has a Federal Energy Regulatory Commission-accepted interconnection agreement filed under Midcontinent Independent System Operator, Inc., with NextEra Energy Resources (the owner and operator of the Point Beach generating units) to upgrade the system to eliminate this limitation. (*Id.*) ATC states that if this project or an alternative is not built, ATC cannot fulfill this agreement. (*Id.*)

Transmission System Alternatives

ATC studied another transmission system alternative and a no-build alternative to assess their relative benefits compared to the proposed project. (*See, e.g.,* [PSC REF#: 223278](#) at 12-13.) The transmission system alternative is referred to as the Reconfigure Point Beach 345 kV as a Quasi-Ring Bus alternative. ([PSC REF#: 223147](#) at 26.) As shown in ATC's application, this alternative eliminates the stability issue at the Point Beach generators; however, this alternative does not eliminate all of the stability issues addressed by the retired Point Beach Special Protection Scheme. (*Id.*)

ATC states that in addition to resolving the operational constraints on Point Beach generation, the proposed project:

1. maintains Point Beach generator stability for a close-in line fault on the existing Point Beach to Sheboygan Falls Energy Center or Point Beach to Fox River 345 kV lines with breaker failure under prior outage conditions;
2. strengthens the system near Branch River, which fits into future plans to address Manitowoc area voltage issues and connect increased generation;
3. requires the least nuclear plant substation work, which affects cost and scheduling, and could adversely affect Point Beach generation;
4. utilizes design work completed as part of the Barnhart-Branch River project; and
5. reduces outage exposure of the existing Point Beach to Sheboygan Falls Energy Center and Point Beach to Forest Junction 345 kV lines by shortening line length.

([PSC REF#: 235190](#) at 10:3-22.) ATC prefers the proposed project over the Reconfigure Point Beach alternative because the proposed project has the additional benefits listed above. (*See id.*)

For the purposes of this proceeding, the Commission deems reasonable ATC's consideration of transmission system alternatives. The Commission further finds that ATC's basis for choosing the proposed project over other transmission system alternatives is reasonable.

Energy Efficiency and Conservation and Alternative Sources of Electric Supply

In making its decision, the Commission considers whether there are technically feasible and environmentally sound alternatives to building the proposed project, per Wis. Stat. §§ 1.12(4) and 196.025(1). Specifically, the Commission must consider whether energy efficiency and conservation, load management, lower voltage transmission, or solar and other distributed generation are reasonable alternatives to the proposed project.

ATC studied energy efficiency and conservation, load management, and distributed generation including solar generation as alternatives to meet the need for the proposed project. ([PSC REF#: 223278](#) at 10-13, 18.) ATC concluded that these alternatives are either not feasible, or they would not provide the benefits of the proposed project. (*Id.*)

The Commission finds that energy efficiency and conservation and other sources of electric supply are not technically feasible, cost-effective alternatives to the project.

Siting and Routing

ATC proposed two substation sites, the North and the South Sites, and two 138 kV transmission line routes, the East and the West Routes, allowing for four different combinations of site and route. (*See, e.g.,* [PSC REF#: 236056](#) at 5-6.)

The North Site is approximately 34 acres. (*Id.* at 5.) The fenced area of the substation on the North Site would be 7.1 acres. (*Id.* at 15.) The North Site is bounded on the south by a double-circuit line (Point Beach to Forest Junction 345 kV and Forest Junction to Howards

Grove 138 kV), and on the west by Menchalville Road. (*Id.* at 5.) The North Site has one small wetland at the south end of the site and is adjacent to residences in the northwest and northeast corners of the quarter-quarter section. (*Id.* at 12, 18.) The North Site will require drainage across adjacent properties to discharge storm water runoff. (*Id.* at 13.)

The South Site is approximately 40 acres. (*Id.* at 5.) The fenced area of the substation on the South Site is 10.2 acres. (*Id.* at 14.) The South Site is bounded on the west by Menchalville Road, on the north by the double-circuit line (the Point Beach to Forest Junction 345 kV and Forest Junction to Howards Grove 138 kV lines), on the south by Polifka Road, and on the east by the existing Forest Junction to Howards Grove 138 kV line. (*Id.* at Attachment 1.) The South Site has areas of field verified wetlands on the north, east, and south sides of the site that cannot be avoided. (*Id.* at 10.) Both sites are zoned Exclusive Agriculture and are actively farmed. (*Id.*)

The Commission determines that the North Site alternative is the most reasonable alternative as it offers fewer wetland impacts, agricultural impacts, and has a lower cost than the South Site. (*See, e.g.*, [PSC REF#: 237504](#) at 7:5-19; [PSC REF#: 237610](#) at 5:17-6:2; [PSC REF#: 237551](#) at 3:5-16, 4:1-4; [PSC REF#: 223278](#) at 21-22.)

The new substation will interconnect with two existing 345 kV circuits. ([PSC REF#: 236056](#) at 1.) The existing Point Beach to Forest Junction 345 kV line will be split and routed into the substation, creating separate Point Beach to Forest Junction E and Point Beach to Forest Junction W lines. (*Id.* at 5.) Short sections of new right-of-way (ROW), primarily on substation property, will be required. (*Id.* at 5-10.) The existing Point Beach to Sheboygan Falls Energy Center 345 kV line will be split, creating separate Point Beach to Sheboygan Falls Energy

Center E and Point Beach to Sheboygan Falls Energy Center S lines, which will be routed to the substation primarily as a double-circuit line on existing transmission line ROW and on existing structures presently occupied by a portion of the existing Forest Junction to Howards Grove 138 kV line. (*Id.* at 5.) The displaced portion of Forest Junction to Howard Grove will be relocated to new ROW. (*Id.*)

ATC provided two routing options for the 138 kV transmission line portion of the project, referred to as the East Route and the West Route. (*Id.* at 5-10.) Generally, the East Route is west of, and adjoining, the existing ROW presently occupied by the circuit. (*Id.*) The West Route follows Menchalville Road south and travels cross country to the east from Menchalville Road to rejoin the existing ROW of the Point Beach to Sheboygan Falls Energy Center 345 kV line. (*Id.*)

The Commission determines that the East Route alternative is the most reasonable route as it requires less new ROW, has fewer landowner impacts, is further from the Menchalville Road residences, and has a lower cost than the West Route alternative. (*See, e.g.,* [PSC REF#: 237504](#) at 7:5-19; [PSC REF#: 237610](#) at 5:17-6:2; [PSC REF#: 237551](#) at 3:5-16, 4:1-4; [PSC REF#: 223278](#) at 21-22.)

Land Use and Development Plans

Wisconsin Stat. § 196.491(3)(d)6 requires the Commission to determine that a proposed project requiring a CPCN not unreasonably interfere with orderly land use and development plans for the area involved. The Commission recognizes that the proposed project, as with any major construction project, will create impacts on the land use and development plans of affected areas, but finds that the proposed project will not unreasonably interfere with the orderly land use

and development plans of the project area. ([PSC REF#: 237610](#) at 6:4-8:5, 10:2-6; [PSC REF#: 237504](#) at 3:2-6:12; [PSC REF#: 236606](#) at 3:1-14; [PSC REF#: 236607](#).)

Conditions Related to DATCP Recommendations

DATCP recommended, and the Commission accepts, the following conditions as part of the approved CPCN:

1. Before construction begins, ATC shall identify dairy operations or other confined animal operations within 0.5 mile of any new project facilities. ATC shall assist those farmers in obtaining Neutral-to-Earth-Voltage (NEV) testing of their facilities if those farmers choose to do so. The testing shall measure the amount of cow contact voltage that exists on the farm before construction of the project facilities. Once the project is constructed, the NEV testing shall be performed again to verify that any NEV levels present on the farm are still below allowable limits set by the Commission.

2. To address potential drainage problems that may occur as a result of the project, ATC shall discuss project design and construction plans with the Manitowoc County land conservationist during the design process.

3. ATC shall ensure that construction proceeds in a manner that minimizes crop damage, soil compaction, and soil erosion on adjacent farmland.

4. Landowners and farm operators shall be given advance notice of acquisition and construction schedules so that farm activities can be adjusted accordingly. To the extent feasible, the timing of land acquisition and construction shall be coordinated with operators to minimize crop damage and disruption of farm operations. (*See, e.g.,* [PSC REF#: 236049](#) at 2:5-3:2; [PSC REF#: 236023](#).)

Environmental Impact Fees

Wisconsin law imposes a one-time environmental impact fee and an annual impact fee for construction of high voltage lines with a nominal voltage of 345 kV or higher. Wis. Stat. § 196.491(3g)(a.). Under Wis. Stat. § 16.969(2), the applicant must pay the Wisconsin Department of Administration (DOA) 0.3 percent of the cost of the approved line annually for the annual impact fee and 5 percent of the cost of the approved line for the one-time environmental impact fee. DOA distributes these fee payments among cities, towns, villages, and counties through which the transmission line passes, allocated proportionate to the number of miles of transmission line that will be built within each municipality. (*See id.*, Wis. Stat. § 16.969(3)(a).) The Commission is responsible for determining the base cost from which the impact fees will be calculated and the percentage of that line cost attributable to the affected municipalities and counties. (*See id.*, Wis. Stat. § 196.491(3g)(m).)

The above-stated statute defines “high voltage transmission” as “a conductor of electric energy . . . together with associated facilities,” but does not specifically define “associated facilities.” (*See id.*, Wis. Stat. § 196.491(1)(f).) A recurring question in this and past dockets is whether the relocation of lower-voltage transmission and distribution lines and the lower-voltage components at the affected substations should be included in the cost basis for calculating the high-voltage impact fees.

The Commission finds that for the proposed project, the cost basis for the environmental impact fees is the cost of the 345 kV transmission line and the 345 kV components at the Branch River Substation. The fee cost basis does not include costs of the lower-voltage transmission and distribution lines, operation and maintenance costs during construction, pre-certification costs,

the impact fees themselves, and the estimated contingency costs. As required by the applicable statutes and administrative code noted above, the one-time environmental impact fee will be trued-up based on the final cost of the project. Similarly, the annual impact fees will be adjusted going forward based on the final cost.

The 5 percent environmental impact fee is estimated by ATC to be \$1,545,000 and is listed in the cost table below. The 0.3 percent high-voltage impact fee is estimated by ATC to be \$80,592. Both amounts are based on ATC's estimated 345 kV cost basis of \$26,864,000. ([PSC REF#: 223278](#) at 52-53.)

Further, the Commission recognizes the impact that transmission lines, including the proposed project, place on all affected landowners and communities. Such impacts are the unfortunate but necessary result of the construction and operation of an electric transmission system that is required to meet the needs of the public for an adequate supply of electricity. The one-time environmental and annual impact fees, as established by statute, are intended to address this impact.

As the project only impacts the town of Franklin, Manitowoc County, Wisconsin, the entire percentage of the environmental impact fee would go to the town of Franklin.

Impact on Wholesale Competition

In making its decision, the Commission must consider whether the proposed project will have a material adverse impact on competition in the relevant wholesale electric service market under Wis. Stat. § 196.491(3)(d)7.

The Commission finds that the addition of the proposed project by ATC will not have a material adverse impact on competition in the relevant wholesale electric service market because

it will increase the operational flexibility of the existing Point Beach generation. Additional operational flexibility for the facility will increase competition in the wholesale electric service market. ([PSC REF#: 235190](#) at 4:2-14, 11:14-16.)

Public Health and Welfare

As the Wisconsin Supreme Court has declared, issuing a CPCN is a legislative determination involving public policy and statecraft. *Clean Wisconsin, Inc. v. Pub. Serv. Comm'n of Wisconsin*, 2005 WI 93, ¶ 35, 282 Wis. 2d 250, 700 N.W.2d 768. Wisconsin Stat. § 196.491 assigns to the Commission the role of weighing and balancing many conflicting factors. Applying Wisconsin's Siting Priority Laws requires a similar weighing and balancing. In order to choose a transmission line route that is reasonable and in the public interest, the Commission must not just apply the priority list in Wis. Stat. § 1.12(6), but also must examine the conditions written into that law and consider the purpose of the legislation.

These statutes require that when the Commission reviews a CPCN transmission line application, it must consider the reasonable needs of the public for an adequate supply of electric energy, alternative routes, individual hardships, engineering, economics, safety, reliability, a host of environmental factors, the use of existing ROW, corridor sharing, the effect on electric rates, any interference with orderly local land use and development plans, and potential impacts to wholesale electric competition. Ultimately, the Commission must determine whether granting or denying a CPCN applicant's request will promote the public health and welfare. After weighing all of these factors and all of the conditions it is imposing, the Commission finds that issuing a CPCN for this project promotes the public health and welfare and is in the public interest.

Compliance with the Wisconsin Environmental Policy Act (WEPA)

Wisconsin Stat. § 1.11 requires all state agencies to consider the environmental impacts of “major actions” that could significantly affect the quality of the human environment. In Wis. Admin. Code ch. PSC 4, the Commission has categorized the types of actions it undertakes for purposes of complying with this law.

The Commission has fulfilled its requirements under WEPA through the preparation and issuance of the notification of its intent to prepare an EA for this project, the issuance of a preliminary determination and the EA document, and the creation of the record of the technical and public hearings held in the project area. (See [PSC REF#: 231036](#); [PSC REF#: 233956](#); [PSC REF#: 236056](#).) The EA was prepared by Commission staff. ([PSC REF#: 237551](#) at 1:17-2:5.) Thus, the Commission concludes that the EA meets the requirements of Wis. Admin. Code § PSC 4.20. The Commission finds that its review of the proposed project is adequate in both of these respects.

Project Cost and Construction Schedule

ATC’s estimate of the total gross project cost of the proposed project as modified by this Final Decision is \$40,910,000. The estimated total gross project cost is detailed as follows:

Estimated Project Cost

Transmission Line Costs

345 kV Transmission Lines \$ 6,801,000

138 kV Transmission Lines 5,163,000

Subtotal Transmission Line Costs **\$11,964,000**

Substation Costs

345 kV Substation \$25,446,000

Subtotal Substation Costs **\$25,446,000**

Other Project Costs

345 kV Environmental Impact Fees \$ 1,545,000

Precertification Costs 1,955,000

Subtotal Other Project Costs **\$ 3,500,000**

Total Gross Project Cost **\$40,910,000**

([PSC REF#: 223278](#) at 21-22.) ATC intends to begin construction of the proposed project in August 2016, and place the facilities in service by December 2018. (*Id.* at 2.)

Certificate

The Commission grants ATC a CPCN for construction of the Branch River Electric Reliability project using the North Site for the proposed substation and the East Route for the proposed transmission line facilities, as described in the EA and Ex.-ATC-Application, and as modified by this Final Decision, at an estimated cost of \$40,910,000.

Order

1. ATC is authorized to construct the facilities as approved by this Final Decision at a total estimated cost of \$40,910,000.

2. This authorization is for the specific project as described in this Final Decision at the stated cost. Should the scope, design, or location of the project change significantly, or if it is discovered or identified that the project cost, including *force majeure* costs, may exceed the estimated cost by more than 10 percent, ATC shall promptly notify the Commission as soon as it becomes aware of the possible change or cost increase.

3. ATC shall construct the proposed project using the North Site for the proposed substation and the East Route for the proposed transmission line facilities, and as modified by this Final Decision.

4. If ATC cancels the project or enters into any arrangement with another party regarding ownership or operation of the proposed facilities, ATC shall provide prior notice to the Commission. All of ATC's commitments and all conditions of this Final Decision apply to ATC and to its successors, assigns, agents, and contractors.

5. All necessary federal, state, and local permits shall be secured by ATC prior to beginning construction.

6. ATC shall work with the applicable distribution utility to test for stray voltage at each agricultural confined animal operation within 0.5 mile of any new electric facilities constructed as part of the proposed project, prior to construction and after the project is energized. ATC shall work with the distribution utility and farm owners to rectify any identified stray voltage problem arising from the construction or operation of the project. Prior to testing, ATC shall work with the applicable distribution utility and Commission staff to determine where and how they will conduct the stray voltage measurements. ATC shall report the results of its testing to Commission staff.

7. ATC may propose minor route adjustments (MRA) in the approved route and substation for the protection of social, cultural, or environmental resources, but any changes in alignment from the approved centerline may not affect resources or cause impacts not discussed in the EA, nor may they affect new landowners who have not been given proper notice and hearing opportunity. For each proposed MRA, ATC shall submit for Commission staff review

and approval a letter describing the nature of the requested change, the reason for it, the incremental cost, environmental impact differences based on the approved route, and ATC's communications with the affected landowners.

8. ATC's revegetation plan shall include monitoring of the ROW for the presence of new or spreading invasive species for at least three growing seasons with results submitted to Commission staff annually.

9. ATC shall work with all landowners, to the extent practicable, regarding the best placement of facilities, including access roads, on their properties.

10. ATC shall comply with DATCP recommendations as described in this Final Decision.

11. ATC shall work with the owner of the nearest unscreened residence to the substation site to determine where plantings on the substation site would be most effective in screening views. ATC shall report to the Commission the results of this discussion.

12. ATC shall identify the location of each transmission structure using global positioning system technology and transfer this data to a geographic information systems database, using software compatible with state government standards. ATC shall provide this data to the Commission as soon as it becomes available.

13. Not more than 30 days from the date of this Final Decision, ATC shall provide to Commission staff adequate information to determine the distribution of environmental impact fees.

14. Upon completion of the project, ATC shall notify the Commission and report the actual costs segregated by plant account and comparable to the cost breakdown included in this

Final Decision. For any account or category where actual cost deviates significantly from those authorized, the final cost report shall itemize and explain the reasons for the deviation.

15. Beginning with the quarter ending December 31, 2015, and within 30 days of the end of each quarter thereafter and continuing until the facilities are fully operational, ATC shall submit quarterly progress reports to the Commission that include all of the following:

- a. the date that construction commences;
- b. major construction and environmental milestones, including permits obtained, by agency, subject, and date;
- c. summaries of the status of construction, the anticipated in-service date, and the overall percent of physical completion;
- d. actual project costs to-date segregated by line item as reflected in the cost breakdown listed in this Final Decision;
- e. once each year, a revised total cost estimate for the project; and
- f. the date that the facilities are placed in service.

16. The CPCN is valid only if construction commences no later than one year after the latest of the following dates:

- a. The date this Final Decision is served.
- b. The date when ATC has received every federal and state permit, approval, and license that is required prior to commencement of construction by construction spread under the CPCN.

- c. The date when the deadlines expire for requesting administrative review or reconsideration of the CPCN and of the permits, approvals, and licenses described in paragraph b.
- d. The date when ATC receives the Final Decision, after exhaustion of judicial review, in every proceeding for judicial review concerning the CPCN and the permits, approvals, and licenses described in paragraph b.

17. This Final Decision takes effect one day after the date of service.

Dated at Madison, Wisconsin, this 14th day of August, 2015.

By the Commission:

A handwritten signature in black ink, appearing to read "Sandra J. Paske", with a stylized, flowing script.

Sandra J. Paske
Secretary to the Commission

SJP:AIV:jlt:DL: 00984385

See attached Notice of Rights

PUBLIC SERVICE COMMISSION OF WISCONSIN
610 North Whitney Way
P.O. Box 7854
Madison, Wisconsin 53707-7854

**NOTICE OF RIGHTS FOR REHEARING OR JUDICIAL REVIEW, THE
TIMES ALLOWED FOR EACH, AND THE IDENTIFICATION OF THE
PARTY TO BE NAMED AS RESPONDENT**

The following notice is served on you as part of the Commission's written decision. This general notice is for the purpose of ensuring compliance with Wis. Stat. § 227.48(2), and does not constitute a conclusion or admission that any particular party or person is necessarily aggrieved or that any particular decision or order is final or judicially reviewable.

PETITION FOR REHEARING

If this decision is an order following a contested case proceeding as defined in Wis. Stat. § 227.01(3), a person aggrieved by the decision has a right to petition the Commission for rehearing within 20 days of the date of service of this decision, as provided in Wis. Stat. § 227.49. The date of service is shown on the first page. If there is no date on the first page, the date of service is shown immediately above the signature line. The petition for rehearing must be filed with the Public Service Commission of Wisconsin and served on the parties. An appeal of this decision may also be taken directly to circuit court through the filing of a petition for judicial review. It is not necessary to first petition for rehearing.

PETITION FOR JUDICIAL REVIEW

A person aggrieved by this decision has a right to petition for judicial review as provided in Wis. Stat. § 227.53. In a contested case, the petition must be filed in circuit court and served upon the Public Service Commission of Wisconsin within 30 days of the date of service of this decision if there has been no petition for rehearing. If a timely petition for rehearing has been filed, the petition for judicial review must be filed within 30 days of the date of service of the order finally disposing of the petition for rehearing, or within 30 days after the final disposition of the petition for rehearing by operation of law pursuant to Wis. Stat. § 227.49(5), whichever is sooner. If an *untimely* petition for rehearing is filed, the 30-day period to petition for judicial review commences the date the Commission serves its original decision.⁸ The Public Service Commission of Wisconsin must be named as respondent in the petition for judicial review.

If this decision is an order denying rehearing, a person aggrieved who wishes to appeal must seek judicial review rather than rehearing. A second petition for rehearing is not permitted.

Revised: March 27, 2013

⁸ See *Currier v. Wisconsin Dep't of Revenue*, 2006 WI App 12, 288 Wis. 2d 693, 709 N.W.2d 520.

APPENDIX A

CONTACT LIST FOR SERVICE BY PARTIES

AMERICAN TRANSMISSION COMPANY

TOM MALANOWSKI

PATRISHA SMITH

PO BOX 47

WAUKESHA, WI 53187-0047

tmalanowski@atcllc.com; psmith@atcllc.com

PUBLIC SERVICE COMMISSION OF WISCONSIN

(Not a party, but must be served)

610 NORTH WHITNEY WAY

PO BOX 7854

MADISON WI, 53707-7854

(Please file document using the Electronic Regulatory Filing (ERF) system which may be accessed through the PSC website: <https://psc.wi.gov>)

PUBLIC SERVICE COMMISSION OF WISCONSIN

ALEX MAHFOOD

ALEXANDER VEDVIK

UDAIVIR SINGH SIROHI

610 NORTH WHITNEY WAY

PO BOX 7854

MADISON WI, 53707-7854

Alex2.Mahfood@wisconsin.gov; Alexander.Vedvik@wisconsin.gov;

UdaivirSingh.Sirohi@wisconsin.gov