

**STATE OF MINNESOTA
BEFORE THE
MINNESOTA PUBLIC UTILITIES COMMISSION**

IN THE MATTER OF THE APPLICATION Docket No. E002, ET6675/CN-17-184
OF NORTHERN STATES POWER
COMPANY AND ITC MIDWEST LLC OAH Docket No. 82-2500-35157
FOR A CERTIFICATE OF NEED FOR THE
HUNTLEY-WILMARTH 345 kV
TRANSMISSION LINE PROJECT

IN THE MATTER OF THE APPLICATION Docket No. E002, ET6675/RP-17-185
TO THE MINNESOTA PUBLIC UTILITIES
COMMISSION FOR A ROUTE PERMIT OAH Docket No. 82-2500-35157
FOR THE HUNTLEY-WILMARTH 345 kV
TRANSMISSION LINE PROJECT

**REBUTTAL TESTIMONY OF
GRANT D. STEVENSON**

On Behalf of

**NORTHERN STATES POWER COMPANY,
A MINNESOTA CORPORATION**

and

ITC MIDWEST LLC

December 18, 2018

Exhibit ____ (GDS-2)

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I. INTRODUCTION

Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

A. My name is Grant D. Stevenson, and my business address is 414 Nicollet Mall, Minneapolis, Minnesota 55401.

Q. HAVE YOU PREVIOUSLY PROVIDED TESTIMONY IN THIS PROCEEDING?

A. Yes. I filed Direct Testimony on behalf of Xcel Energy (Xcel Energy) and ITC Midwest LLC (ITC Midwest) (collectively, Applicants) for a Certificate of Need and Route Permit for the Huntley – Wilmarth Project (Project).

Q. WHAT IS THE PURPOSE OF YOUR REBUTTAL TESTIMONY?

A. The purpose of my Rebuttal Testimony is to respond to the recommendations related to the Project cost estimates provided by the Applicants in response to the Direct Testimony of Department of Commerce, Division of Energy Resources (DOC-DER) witness Mark A. Johnson. I will also discuss the operational challenges associated with the triple-circuit design that would be required for one of the two options for Alignment Alternative 3 (AA-3).

II. FINAL PROJECT COST ESTIMATES

Q. IN HIS DIRECT TESTIMONY, MR. JOHNSON OUTLINES TWO RECOMMENDATIONS RELATED TO XCEL ENERGY'S COST RECOVERY FOR THIS PROJECT. HAVE YOU REVIEWED THESE RECOMMENDATIONS?

A. Yes. In general, Mr. Johnson recommends that: (1) Xcel Energy not be allowed to recover through the Transmission Cost Recovery Rider any Project costs exceeding those estimated by the Applicants, and (2) any excess costs can be recovered in Xcel Energy's first rate case after the Project is in-service so long as Xcel Energy is able to justify that these excess costs are reasonable.

Q. IS XCEL ENERGY WILLING TO AGREE TO MR. JOHNSON'S CONDITIONS?

A. Yes, with one clarification. Mr. Johnson did not identify which costs would be used to establish a baseline for the Minnesota Public Utilities Commission's (Commission) review of Project costs. In the Route Permit proceeding, the Commission will determine the final route and design for the Project and may order mitigation. For an appropriate baseline, Applicants propose to file, within 45 days of the written order, an updated estimate that accounts for any route changes or mitigation that the Commission may order. That estimate would then be the baseline to determine if there are any excess costs.

Q. WHY IS SUCH A FILING NECESSARY?

A. There are many route and design options that are currently under consideration in this proceeding. While I am confident in the estimates the

1 Applicants have provided, it is important to confirm that the final cost
2 estimates accurately reflect route and design changes and/or mitigation
3 measures ordered by the Commission. In Table 2 in my Direct Testimony, I
4 provided cost estimates for the nine different routes/design options that the
5 Applicants proposed in the Route Permit Application. In addition, Schedule
6 2 to my Direct Testimony provided cost estimates for the nearly 40 different
7 route, segment, and alignment alternatives that were proposed during the
8 scoping process. However, each of the cost estimates in Schedule 2
9 assumed one specific design and if the Commission were to select a different
10 design, the cost estimates would need to be updated to reflect the selected
11 design.

12
13 It is also possible that the Commission could make route or alignment
14 adjustments to these proposed routes in its Route Permit Order. Likewise,
15 the Route Permit Order could include mitigation measures that were not
16 contemplated by the Applicants in developing the Project cost estimates.
17 These route and/or alignment adjustments and mitigation measures could
18 impact the costs and the proposed cost estimate compliance filing would
19 reflect these changes.

20
21 Q. WILL THE APPLICANTS PROVIDE AN EXPLANATION FOR ANY CHANGES TO
22 THEIR COST ESTIMATES IN THE PROPOSED COMPLIANCE FILING?

23 A. Yes, if the final cost estimate is different from the cost estimates that have
24 been previously provided in this proceeding due to route adjustments or
25 mitigation measures included in the Route Permit Order, the Applicants will
26 provide a detailed explanation for the reason for these differences.

1

2 **III. ALIGNMENT ALTERNATIVE 3**

3

4 Q. PLEASE DESCRIBE AA-3.

5 A. AA-3 is an alignment alternative under consideration for a portion of the
6 Purple Route just west of the Huntley Substation. On the north side of
7 160th Street there is an existing 345/161 kilovolt (kV) transmission line that
8 was recently constructed as part of ITC Midwest's Minnesota – Iowa 345 kV
9 Transmission Project (MN-IA Project). The Purple Route proposes to place
10 the Project on a new set of poles located north of the MN-IA Project poles.
11 AA-3 contemplates two additional alignment options in this area. Option
12 AA-3b would construct a single-circuit 345 kV line along the south side of
13 160th Street. The other option, AA-3a, is a triple-circuit design with the new
14 345 kV line and the existing MN-IA Project for less than one mile.

15

16 Q. WHAT WOULD CONSTRUCTION OF A TRIPLE-CIRCUIT DESIGN FOR THIS
17 PORTION OF THE PROJECT REQUIRE?

18 A. To construct this segment of the Project in a triple-circuit design would
19 require removing the existing double-circuit 345 kV/161 kV structures and
20 foundations and replacing them with new taller triple-circuit structures. I
21 note that these existing double-circuit structures and foundations are less
22 than a year old.

23

1 Q. DO YOU HAVE ANY CONCERNS WITH CONSTRUCTING THIS SEGMENT OF THE
2 PROJECT IN A TRIPLE-CIRCUIT DESIGN AS WOULD BE REQUIRED FOR OPTION
3 AA-3A?

4 A. Yes. Generally speaking, the Applicants prefer to avoid triple-circuit designs
5 for their transmission line facilities due to maintenance safety and
6 operational concerns. Triple-circuit structures are similar to double-circuit
7 designs with a third circuit added at the bottom. If either of the upper
8 circuits needs to be taken out of service for maintenance, the bottom 161 kV
9 circuit would very likely also need to be taken out of service to ensure
10 worker safety while working on the circuit requiring maintenance. This
11 poses additional operating restrictions when compared to single-circuit and
12 double-circuit lines.

13
14 Q. DO YOU HAVE ANY CONCERNS WITH CONSTRUCTING THE PROJECT ON THE
15 SOUTH SIDE OF 160TH STREET AS PROPOSED IN OPTION AA-3B?

16 A. No. If the Purple Route were selected, either the original Purple alignment
17 (north of the MN-IA Project) or AA-3b (south side of 160th Street) are
18 preferred to the triple-circuit design based on the concerns I stated above.
19 From an engineering and routing perspective, the original Purple alignment
20 has the benefit of being the least expensive and would cross the MN-IA
21 Project only once, resulting in fewer tall crossing structures.

22 23 IV. CONCLUSION

24
25 Q. DOES THIS CONCLUDE YOUR PRE-FILED REBUTTAL TESTIMONY?

26 A. Yes.