

## GRAIN BELT EXPRESS RESPONSE TO CONDITIONS RECOMMENDED BY STAFF

In re Grain Belt Express Clean Line LLC, No. EA-2016-0358 (Mo. P.S.C.)

The following conditions or recommendations were contained in the Staff Rebuttal Report submitted on January 24, 2017:

Summary of Staff's Proposed Conditions	Grain Belt Express Position on or Modifications to Conditions	Grain Belt Express Witness on Conditions (Surrebuttal)
<b>I. Financing Conditions (Staff Rebuttal Report at 63-64)</b>		
Grain Belt will not install transmission facilities on easement property in Missouri until it has obtained commitments for funds in an amount equal to or greater than the total cost to build the entirety of this multi-state transmission project. To allow the Commission to verify compliance with this condition, Grain Belt shall file the following documents with the Commission at such a time as Grain Belt is prepared to begin to construct electric transmission facilities in Missouri:	Grain Belt Express accepts this condition as proposed.	Berry, p. 44
(a) On a confidential basis, equity and loan or other debt financing agreements and commitments entered into or obtained by Grain Belt or its parent company for the purpose of funding Grain Belt's multi-state transmission project that, in the aggregate, provide commitments for the total project cost.	Grain Belt Express accepts this condition as proposed.	Berry, p. 44
(b) An attestation by an officer of Grain Belt that Grain Belt has not, prior to the date of the attestation, installed transmission facilities on easement property; or a notification that such installation is scheduled to begin on a specified date.	Grain Belt Express accepts this condition as proposed.	Berry, p. 44
(c) Statement of total multi-state transmission project cost, broken out by the categories of engineering, manufacturing and installation of converter stations; transmission line engineering; transmission towers; conductor; construction labor necessary to complete the project; right-of-way acquisition costs; and other costs necessary to complete the project, and certified by an officer of Grain Belt, along with a reconciliation of the total project cost in the statement to the total project cost as of the Application of \$2.2 billion; and property owned in fee by Grain Belt including the converter station sites.	Grain Belt Express accepts this condition as proposed.	Berry, p. 44

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<p>(d) A reconciliation statement certified by an officer of Grain Belt showing that (1) the agreements and commitments for funds provided in (a) are equal to or greater than the total project cost provided in (c) and (2) the contracted transmission service revenue is sufficient to service the debt financing of the project (taking into account any planned refinancing of debt).</p>	<p>Grain Belt Express accepts this condition as proposed.</p>	<p>Berry, p. 44</p>
<p><b>II. Interconnection Studies (Staff Rebuttal Report at 64, 67)</b></p>		
<p>1. Grain Belt provides Staff with completed RTO Interconnection Agreements and any associated studies. Should the studies raise new issues, Grain Belt will provide its plan to address those issues.</p>	<p>Grain Belt Express accepts this conditions as proposed</p>	<p>Galli, p. 41</p>
<p>2. Grain Belt will provide to the Commission completed documentation of the Grain Belt plan, equipment, and engineering drawings to achieve compliance with NERC standards for a project of this scope and size, the National Electric Safety Code for a project of this scope and size (as set forth in 4 CSR 240-18.010), the Overhead Power Line Safety Act (Section 319.075-.090) , and any other applicable Missouri State law for a project of this scope and size; prior to the commercial operational date of the Project.</p>	<p>Grain Belt Express accepts this conditions as proposed</p>	<p>Galli, p. 41</p>

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<b>III. Nearby Utility Facilities (Staff Rebuttal Report at 64-66)</b>		
<p>1. Grain Belt obtains detailed location information on each existing underground utility plant, either crossed by or in close proximity to its proposed route, and that Grain Belt contact and coordinate with the owners of each such facility prior to construction.</p>	<p>Grain Belt Express proposes that the following italicized language should be added: "Grain Belt shall use <i>commercially reasonable efforts</i> to obtain..."</p>	<p>Galli, p. 41</p>

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<p>2. Grain Belt show the Commission, before it begins commercial operation of any part of the multi-state Project, that it built the entire multi-state Grain Belt proposed HVDC transmission line with dedicated metallic return conductors which are operational and that the entire multi-state Project has operational protection and control safety systems that automatically de-energize the Project within approximately 150 milliseconds of when an abnormal or fault condition occurs.</p>	<p>Grain Belt Express accepts this conditions as proposed</p>	<p>Galli, p. 41</p>
<p>3. Grain Belt performs engineering studies to determine if the operation of the Grain Belt proposed HVDC transmission line, the Grain Belt proposed Missouri converter station, and the Grain Belt-owned portion of the AC electric transmission line connecting the Grain Belt proposed Missouri converter station to the AC grid have adverse impacts on nearby facilities. These engineering studies must include, but not be limited to, items (a)-(e) of p. 65 of Staff's Rebuttal Report.</p> <p>a. the effects of tower footing groundings, if used;</p> <p>b. analysis of metallic underground facilities;</p> <p>c. other AC power lines and telecommunications facilities that are located within a distance from the Grain Belt proposed HVDC transmission line, as determined by an appropriately qualified expert, where there may be adverse effects on the facilities;</p> <p>d. a determination whether there are locations where the Grain Belt proposed HVDC transmission line parallels a pipeline and an existing AC power line and, ifso, whether there are any combined effects on steel pipelines (and other underground metallic facilities); and</p> <p>e. the effects of Grain Belt proposed transmission line(s) connecting the Grain Belt proposed Missouri converter station to the AC grid.</p> <p>If any of these studies show that mitigation measures are identified/needed, those measures must be in place prior to commercial operation of the Grain Belt proposed transmission line</p>	<p>Grain Belt Express accepts this conditions as proposed</p>	<p>Galli, p. 41</p>

Summary of Staff’s Proposed Conditions	Grain Belt Express Position on or Modifications to Conditions	Grain Belt Express Witness on Conditions (Surrebuttal Testimony)
(a) Studies should be made available to Staff and affected facility owners at least 45 days prior to commercial operation of the Grain Belt proposed HVDC transmission line.	Grain Belt Express accepts this condition as proposed.	Galli, p. 41
(b) Studies should disclose how the parameters for conducting them were determined (e.g., continuous 24-hour recordings at a certain time of year).	Grain Belt Express accepts this condition as proposed.	Galli, p. 41
(c) Such studies shall be conducted by persons knowledgeable in: (1) HVDC power lines; (2) DC-to-AC converter stations; (3) Pipeline cathodic protection systems; (4) Corrosion of underground metallic facilities; (5) Interference with AC utility lines; (6) Interference with telecommunications facilities; (7) Effects of DC and AC interference on the facilities identified in EX 3 as amended by Grain Belt’s addendum to the application and all additional facilities subsequently identified.	Grain Belt Express accepts this condition as proposed.	Galli, p. 41
4. GBX must file “annual status updates” on discussions with Staff regarding need for additional studies of the impacts of its facilities on other facilities in Missouri, as summary of the results of any additional studies, and any mitigation measures that have been implemented to address underground metallic structures, telecom facilities and AC lines. Mitigation measures indicated by future studies must be implemented within three (3) months of discovery that additional mitigation measures are needed.	Grain Belt proposes that the following italicized language be added in the second sentence, “Mitigation measures indicated by future studies must be implemented within three (3) months of discovery that additional mitigation measures are needed, <i>or as quickly as reasonably practical thereafter.</i> ”	Galli, p. 41

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<b>IV. Emergency Restoration Plans (Staff Rebuttal Report at 66)</b>		
Grain Belt provides a copy of the final Grain Belt Emergency Restoration Plan prior to the commercial operations date for the Grain Belt Project.	Grain Belt Express accepts this condition as proposed.	Galli, p. 41
<b>V. Construction and Clearing (Staff Rebuttal Report at 67-68)</b>		
1. Prior to construction, Grain Belt will notify all landowners in writing of the name and telephone number of Grain Belt's Construction Supervisor so that they may contact the Construction Supervisor with questions or concerns before, during, or after construction. Such notice will also advise the landowners of the expected start and end dates of construction on their properties.	Grain Belt Express accepts this condition as proposed	Lawlor, p. 5
2. Prior to construction, Grain Belt's Construction Supervisor will personally contact each landowner (or at least one owner of any parcel with multiple owners) to discuss access to the right-of-way on their parcel and any special concerns or requests about which the landowner desires to make Grain Belt Express aware.	Grain Belt Express accepts this condition as proposed	Lawlor, p. 5
3. From the beginning of construction until end of construction and clean-up of the right-of-way is complete, Grain Belt's Construction Supervisor will be on-site, meaning at or in the vicinity of the route, or on-call, to respond to landowner questions or concerns.	Grain Belt Express accepts this condition as proposed	Lawlor, p. 5

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4. If requested by the landowner, Grain Belt will cut logs 12" in diameter or more into 10 to 20 foot lengths and stack them just outside the right-of-way for handling by the landowner.	Grain Belt Express accepts this condition as proposed	Lawlor, p. 5
5. Stumps will be cut as close to the ground as practical, but in any event will be left no more than 4" above grade.	Grain Belt Express accepts this condition as proposed	Lawlor, p. 5
6. Unless otherwise directed by the landowner, stumps will be treated to prevent regrowth.	Grain Belt Express proposes modified text for this condition as described in Mark Lawlor's testimony	Lawlor, p. 5
7. Unless the landowner does not want the area seeded, disturbed areas will be reseeded with a blend of K31 fescue, perennial rye, and wheat grasses, fertilized, and mulched with straw.	Grain Belt Express proposes modified text for this condition as described in Mark Lawlor's testimony	Lawlor, p. 6
8. Best management practices will be followed to minimize erosion, with the particular practice employed at a given location depending upon terrain, soil, and other relevant factors.	Grain Belt Express accepts this condition as proposed	Lawlor, p. 5
9. Gates will be securely closed after use.	Grain Belt Express accepts this condition as proposed	Lawlor, p. 5
10. Should Grain Belt damage a gate, Grain Belt will repair that damage.	Grain Belt Express accepts this condition as proposed	Lawlor, p. 5
11. If Grain Belt installs a new gate, Grain Belt Express will either remove it after construction and repair the fence to its pre-construction condition, or will maintain the gate so that it is secure against the escape of livestock.	Grain Belt Express accepts this condition as proposed	Lawlor, p. 5
12. Grain Belt will utilize design techniques intended to minimize corona.	Grain Belt Express accepts this condition as proposed	Lawlor, p. 5

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13. Should a landowner experience radio or television interference issues believed by the landowner to be attributed to Grain Belt's line, Grain Belt will work with the landowner in good faith to attempt to solve the problem.	Grain Belt Express accepts this condition as proposed	Lawlor, p. 5
14. Grain Belt will clearly mark guy wires.	Grain Belt Express accepts this condition as proposed	Lawlor, p. 5
<b>VI. Maintenance and Repair (Staff Rebuttal Report at 68-69)</b>		
1. With regard to future maintenance or repair and right-of-way maintenance after construction is completed, Grain Belt will make reasonable efforts to contact landowners prior to entry onto the right-of-way on their property to advise the landowners of Grain Belt's presence, particularly if access is near their residence.	Grain Belt Express accepts this condition as proposed	Lawlor, p. 5
2. All Grain Belt contractors will be required to carry and maintain a minimum of one million dollars of liability insurance available to respond to damage claims of landowners. All contractors will be required to respond to any landowner damage claims within 24 hours. All contractors will be required to have all licenses required by state, federal, or local law.	Grain Belt Express accepts this condition as proposed	Lawlor, p. 5
3. All right-of-way maintenance contractors will employ foremen that are certified arborists.	Grain Belt Express requests the removal of this condition on the grounds that it is not reasonable to require a foreman to be a certified arborist.	Lawlor, p. 6
4. If herbicides are used, only herbicides approved by the EPA and any applicable state authorities will be used, and herbicides will be used in strict compliance with all labeling directions.	Grain Belt Express accepts this condition as proposed	Lawlor, p. 5



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5. Routine maintenance will not occur during wet conditions so as to prevent rutting.	Grain Belt Express accepts this condition as proposed	Lawlor, p. 5
6. Existing access roads will be used to access the right-of-way wherever available.	Grain Belt Express accepts this condition as proposed	Lawlor, p. 5
7. Prior to commencing any vegetation management on the right-of-way, Grain Belt will meet personally with all landowners to discuss Grain Belt's vegetation management program and plans for their property, and to determine if the landowner does or does not want herbicides used on their property. If the landowner does not want herbicides used, they will not be used.	Grain Belt Express proposes modified text for this condition as described in Mark Lawlor's testimony	Lawlor, p. 6
<b>VII. Landowner Interactions and Right-of-Way Acquisition (Staff Rebuttal Report at 43-45, 69)</b>		
1. That the certificate is limited to the construction of this line in the location specified in the application, and as represented to the landowners on the aerial photos provided by Grain Belt, unless a written agreement from the landowner is obtained, or the company gets a variance from the Commission a particular property.	Grain Belt Express proposes following italicized language should be added at the end of the condition: <i>“; provided, however, minor deviations to the location of the line will be permitted as a result of surveying, final engineering and design, and landowner consultation.”</i>	Lanz, pp. 11-12
2. That absent a voluntary agreement for the purchase of the property rights, the transmission line shall not be located so that a residential structure currently occupied by the property owners will be removed or located in the easement requiring the owner to move or relocate from the property	Grain Belt Express accepts this condition as proposed.	Lanz, p. 11
3. That Grain Belt shall survey the transmission line location after construction and record the easement location with the Recorder of Deeds in the appropriate counties. Grain Belt shall also file a copy of its survey in this case.	Grain Belt Express accepts this condition as proposed	Lanz, p. 11

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4. That Grain Belt shall follow the construction, clearing, maintenance, repair, and right-of-way practices set out in Exhibit A attached to the order [in Case No. EO-2002-351].	Grain Belt Express takes the actions as laid out in this Schedule DAB-9 and as described in Dean Lanz's testimony.	Lanz, pp. 11-12
5. Every landowner from whom Grain Belt requires an easement will be contacted personally, and Grain Belt will negotiate with each such landowner in good faith on the terms and conditions of the easement, its location, and compensation therefor. They will be shown a specific, surveyed location for the easement and be given specific easement terms.	The Company accepts this condition as proposed if the word "surveyed" is deleted from the second sentence, such that the condition reads: "Every landowner from whom Grain Belt requires an easement will be contacted personally, and Grain Belt will negotiate with each such landowner in good faith on the terms and conditions of the easement, its location, and compensation therefor. Each landowner will receive an Easement Agreement pertaining to such landowner's land, which Easement Agreement will contain a drawing that shows the location of the easement."	Lanz, p. 12
6. After construction is completed, every landowner will be contacted personally to ensure construction and clean-up was done properly, to discuss any concerns, and to settle any damages that may have occurred.	Grain Belt Express accepts this condition as proposed	Lanz, p. 11
7. If a landowner so desires, Grain Belt will give the landowner a reasonable period of time in advance of construction to harvest any timber the landowner desires to harvest and sell.	Grain Belt Express accepts this condition as proposed	Lanz, p. 11
8. Grain Belt's right-of-way acquisition policies and practices will not change regardless of whether Grain Belt does or does not yet possess a Certificate of Convenience or Necessity from the Commission.	Grain Belt Express accepts this condition as proposed	Lanz, p.11
<b>VIII. Other Conditions</b>		

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<p>Staff states that GBX’s commitment not to cost allocate the Project poses a risk to Missouri ratepayers because GBX retains the right to ask the Commission to allow such cost allocation in a future proceeding. (Staff Rebuttal Report, p. 31)</p>	<p>GBX disagrees with Staff. The Commission will be able to review any proposal for GBX to allocate any of its costs through regional cost allocation, and determine whether such cost allocation would benefit Missouri. GBX proposes the following italicized language</p> <p><i>“Grain Belt Express will not recover any Project costs from Missouri retail ratepayers through MISO or SPP regional cost allocation without first obtaining an approval from the Missouri Public Service Commission in a new proceeding initiated by Grain Belt Express. As used in the prior sentence, the Project refers to the approximately 780 mile HVDC transmission line to be built by Grain Belt Express , including the HVDC converter stations and the AC feeder lines connecting the HVDC Project to wind generation facilities.”</i></p>	<p>Berry, pp. 3-4</p>
<p>Staff states that the Commission could grant the CCN if GBX agrees to submit “... a modified plan to address congestion should the ATXI Mark Twain project not proceed as planned.” (Staff Rebuttal Report, p. 7)</p>	<p>GBX disagrees with Staff because the development of plans to address such hypothetical congestion issues is the responsibility of the relevant Regional Transmission Organization. GBX agrees to cooperate with such planning efforts if they should occur.</p>	<p>Galli, p. 42</p>

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<p>Staff proposes that contributions to the decommissioning fund begin when the Project begins commercial operation, similar to that of a nuclear generating plant. (Staff Rebuttal Report, pp. 44-45).</p>	<p>GBX opposes such a condition because contributions to a decommissioning fund related to a transmission project have never been required at the time the project begins commercial operation. Decommissioning issues related to an electric transmission project are far different than nuclear generating plants and issues of radioactive fuel storage and disposal.</p>	<p>Lanz, pp. 9-10</p>