



January 20, 2023

Michigan Public Service Commission Chairman, Dan Scripps
Michigan Public Service Commission
7109 W. Saginaw Highway
Lansing, MI 48917

**RE: PUBLIC ACT 125 OF 2021 MEETING REQUIREMENT & SUBMISSION OF
FORMAL QUARTERLY REPORTS**

Dear Chairman Scripps,

Public Act 125 of 2021, the Transmission Infrastructure Planning Act (TIPA) requires that an impacted Transmission Owner (TO) submit a formal report to the Michigan Public Service Commission (MPSC) no later than 180-days from the approval of a regionally cost-shared transmission line. The purpose of the report is to inform the MPSC of the estimated cost to construct the regionally cost shared transmission line and documentation that the cost for the regionally cost-shared transmission line is the result of a "competitive" solicitation process.

Additionally, TIPA requires that the TO formally meet with the MPSC to provide detailed information and answer any questions about the regionally cost-shared transmission line. In accordance with Public Act 125 of 2021, on January 10, 2023, representatives from Michigan Electric Transmission Company, LLC (METC) met with you, Commissioner Peretick, Commissioner Phillips, and members of the MPSC staff to provide detailed information regarding the formal report as well as address questions pertaining to the regionally cost-shared transmission project(s).

Along with this letter acknowledging compliance with TIPA, attached are the formal reports documenting the METC competitive solicitation process which was reviewed and discussed during our meeting on January 10, 2023.

Please don't hesitate to contact me if you have questions or require additional information.

Sincerely,

Simon Whitelocke
Vice President, ITC Holdings Corp. and President of ITC Michigan

CC: Michigan Public Service Commissioner, Katherine Peretick
Michigan Public Service Commissioner, Tremaine Phillips

METC Long-Range Transmission Plan

Michigan Public Service Commission Report

Duck Lake-Hiple Report January 20, 2023

INTRODUCTION

Approximately two years ago, the Midcontinent Independent System Operator (MISO) initiated a collaborative and innovative effort known as the Long-Range Transmission Plan (LRTP) to provide a roadmap for future transmission investment across the MISO region. On July 25, 2022, the MISO Board of Directors approved the largest portfolio of long-range transmission projects in Regional Transmission Organization (RTO) history. The \$10.3 billion investment includes 18 transmission projects in MISO's Midwest Subregion. The Tranche 1 portfolio is the first of four planned tranches in MISO's LRTP process.



As part of Tranche 1, approximately 100 new miles of 345kV electric transmission lines are to be constructed in Michigan, with an estimated investment of \$850 million. These lines run from METC's Nelson Rd substation (Gratiot County) to Oneida substation (Eaton County); and Duck Lake substation (new substation, potentially targeted to locate in northern Calhoun County) to Hiple substation in Indiana.

In accordance with Public Act 125 of 2021 (PA 125) the incumbent transmission company or companies are required to provide a report to the Michigan Public Service Commission (MPSC) that includes an estimate of the cost to construct the "regionally cost-shared transmission line" as well as provide additional documentation that the cost(s) for the project are the result of a competitively bid process. PA 125 instructs the incumbent transmission company, or companies to provide an updated report to the MPSC on a quarterly basis until the completion of the regionally cost-shared transmission project.

MISO's updated figures demonstrate that the projects located within LRZ7 are estimated to total approximately \$846M of investments. Of that \$846M, MISO identified that it would cost a total of \$5.1M per mile of 345 kV electric transmission line to complete the projects. Specifically, the two "greenfield projects" (Duck Lake-Hiple & Oneida-Nelson Road) with an estimated cost of \$588M. Additionally, to support the two greenfield projects, there are expected to be associated upgrades supporting the Nelson Road-Oneida & Duck Lake-Hiple totaling an estimated \$222M with an additional \$36M for the construction of a new substation needed to support Duck Lake-Hiple. Regarding the two Greenfield Expansion Transmission projects, METC estimates that approximately 50% of costs will be associated with Labor, 30% associated with Materials, and 20% to be classified as "Other" which includes items such as Real Estate, Legal, Design.



METHODOLOGY USED TO IDENTIFY CONTRACTORS

For the items identified below, METC issues Requested For Proposals (RFPs)—or—Requests For Quotes (RFQs) allowing prequalified vendors (where applicable) to submit formal proposals to METC. Upon receiving proposals from qualified vendors, METC evaluates the merits of each proposal based on factors such as (but not limited to) overall cost, proposed schedule, and proposed completion of work (based on scope of the project). From this evaluation, METC determines the appropriate vendor for the proposed scope of work and then notifies all bidding vendors if they have or have not been selected to complete this work.

IDENTIFIED ITEMS INCLUDED

****Figures below are comprehensive totals and will be adjusted on a quarterly basis and are subject to change as relevant information becomes available throughout the construction process. Additionally, the information provided is through 12/31/2022, METC plans to provide its next report by 4/14/2023 which will include updated figures through 3/31/2023.****

Routing Study

METC formally issued an RFP/RFQ on September 1, 2022, and METC received a total of three proposals from prequalified vendors. Upon internal review and based on overall cost and meeting the specific needs detailed in the RFP/RFQ; METC awarded the contract to [Burns & McDonnell](#) to complete the Routing Study for both of the “Greenfield Projects” within LRZ 7 (Michigan’s Lower Peninsula).

\$619,704.00

Labor

Relevant information pertaining to costs for this specific section are not yet available and will be provided in a timely manner in accordance with Public Act 125 of 2022.

Not Applicable At This Time

Engineering

Relevant information pertaining to costs for this specific section are not yet available and will be provided in a timely manner in accordance with Public Act 125 of 2022.

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Structures

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Conductors

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Insulators

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Pole Line Hardware

Relevant information pertaining to costs for this specific section are not yet available and will be provided in a timely manner in accordance with Public Act 125 of 2022.

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Substation & Substation Equipment

Breakers

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CCVT

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Switches

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METC Long-Range Transmission Plan

Michigan Public Service Commission Report

Nelson Road-Oneida Report January 20, 2023

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\$434,160.00

Labor

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Not Applicable At This Time

Engineering

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