



July 14, 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 SUBMISSION OF FORMAL QUARTERLY REPORT

Dear Chairman Scripps,

Public Act 125 of 2021, the Transmission Infrastructure Planning Act (TIPA) requires that an incumbent Transmission Owner (TO) that will construct a regionally cost-shared transmission line shall provide to the Michigan Public Service Commission (MPSC) within 180 days an estimate of the cost to construct and documentation that the costs are the result of a "competitive" solicitation process. Thereafter, the TO shall provide the MPSC a quarterly report that includes an updated estimate of the cost to construct a regionally cost-shared transmission line and an explanation of changes in the cost estimate from the previous cost estimate.

Along with this letter acknowledging compliance with TIPA, attached are the formal reports documenting the METC competitive solicitation process. Additionally, representatives from Michigan Electric Transmission Company, LLC (METC) look forward to meeting with members of your staff to provide detailed information regarding the formal report as well as address questions pertaining to the regionally cost-shared transmission project(s).

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

Sincerely,

DocuSigned by:

Simon Whitelocke

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

CC: Michigan Public Service Commissioner, Katherine Peretick

METC Long-Range Transmission Plan

Michigan Public Service Commission Report

Helix-Hiple Report July 14, 2023

INTRODUCTION

Approximately three 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 Road substation (Griatiot County) to Oneida substation (Eaton County); and Helix 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 competitive 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 Local Resource Zone 7 are estimated to total approximately \$846M of investment. Using a MISO cost estimate of \$5.1M per mile of 345 kV electric transmission line to complete the projects, the two greenfield projects (Helix-Hiple & Oneida-Nelson Road) are estimated to cost \$588M. Additionally, to support the two greenfield projects, there are expected to be associated upgrades supporting the Helix-Hiple & Nelson Road-Oneida totaling an estimated \$222M; with an additional \$36M for the construction of a new substation needed to support Helix-Hiple. For the two greenfield 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, and 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. The information provided is through 6/30/2023. METC plans to provide its next report by 10/13/2023 which will include updated figures through 9/30/2023.****

Routing Study

\$619,704.00

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).

Labor

Not Applicable
At This Time

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.

Engineering

Not Applicable
At This Time

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.

Structures

Not Applicable
At This Time

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Conductors

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**Not Applicable
At This Time**

Insulators

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**

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.

**Not Applicable
At This Time**

Substation & Substation Equipment Breakers

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**

CCVT

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**

Switches

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**

METC Long-Range Transmission Plan

Michigan Public Service Commission Report

Nelson Road-Oneida Report July 14, 2023

INTRODUCTION

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MISO's updated figures demonstrate that the projects located within Local Resource Zone 7 are estimated to total approximately \$846M of investment. Using a MISO cost estimate of \$5.1M per mile of 345 kV electric transmission line to complete the project, the two greenfield projects (Helix-Hiple & Oneida-Nelson Road) are to estimated cost \$588M. Additionally, to support the two greenfield projects, there are expected to be associated upgrades supporting the Helix-Hiple & Nelson Road-Oneida totaling an estimated \$222M; with an additional \$36M for the construction of a new substation needed to support Helix-Hiple. For the two greenfield 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, and Design.



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\$434,160.00

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.

**Not Applicable
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Structures

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Conductors

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At This Time**

Insulators

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Pole Line Hardware

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At This Time**



FOR THE GREATER GRID.

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