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**US Department of Energy**

**MAY 27 2011**

May 26, 2011

**Electricity Delivery and  
Energy Reliability**

Office of Electricity Delivery and Energy Reliability (OE-20)  
U.S. Department of Energy  
1000 Independence Avenue, S.W.  
Washington, D.C. 20585

Dear Sir/Madame:

Enclosed please find two copies of a document entitled "Motion to Intervene Out of Time and Comments Submitted on behalf of the Public Utilities Commission of Ohio" to be submitted in Docket No. PP-230-4, *In re International Transmission Company dba ITCTransmission*.

Upon receipt, please date-stamp one of the copies and return it to me in the enclosed, self-addressed, postage-prepaid envelope.

Thank you in advance for your assistance.

Sincerely,

/s/ *Thomas W. McNamee*

**Thomas W. McNamee**  
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U.S. Department of Energy

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Electricity Delivery and  
Energy Reliability

**UNITED STATES OF AMERICA  
DEPARTMENT OF ENERGY  
OFFICE OF ELECTRICITY DELIVERY AND ENERGY RELIABILITY**

International Transmission Company : Docket Number PP-230-4  
d/b/a ITC Transmission :

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**MOTION TO INTERVENE OUT OF TIME  
AND  
COMMENTS  
SUBMITTED ON BEHALF OF  
THE PUBLIC UTILITIES COMMISSION OF OHIO**

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The Public Utilities Commission of Ohio (PUCO) hereby respectfully submits this Motion to intervene Out of Time and Comments in the above-captioned proceeding in response to International Transmission Company d/b/a *ITCTransmission*'s (ITC) Request to Amend Presidential Permit.<sup>1</sup>

**BACKGROUND**

On January 5, 2009, ITC filed with the Department of Energy (DOE) a request to amend Presidential Permit PP-230-3 (Amendment Request), which, "... among other things, authorized ITC to operate and maintain the Interconnection Facilities [interconnecting ITC with Hydro One Networks Inc. ('Hydro One') on the United States-

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<sup>1</sup> *Int'l Transmission Co. d/b/a ITCTransmission*, DOE Docket No. PP-230-4 (Request to Amend Presidential Permit) (filed Jan. 5, 2009).

States-Canada border], including . . . one 675-[Megavolt Ampere ('MVA')] phase shifting transformer connecting ITC's Bunce Creek Station located in Maryville, Michigan with Hydro One's Scott Transformer Station located in Sarnia, Ontario."<sup>2</sup>

In March 2003, the above-referenced Bunce Creek transformer failed while in service.

Thus, in the January 5 Filing, ITC requests that the DOE amend Presidential Permit PP-230-3 to replace the failed Bunce Creek phase shifting transformer "with two 700-MVA phase shifting transformers connected in series."<sup>3</sup>

### DESCRIPTION OF INTERVENORS

The PUCO respectfully moves to intervene in this proceeding because it has interests which may be directly affected by the outcome of the proceeding. The PUCO is the regulator for the electric industry in the state of Ohio. It must balance the needs of multiple stakeholders to assure adequacy, retail reliability, and affordability of power supplies. It has responsibility to oversee forecasting and planning efforts in this industry. Any activity which has the potential to affect the cost of electricity or its reliability will affect the activities of this agency and the amendment of Presidential Permit PP-230-3 has that potential.

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<sup>2</sup> *Int'l Transmission Co. d/b/a ITC Transmission*, DOE Docket No. PP-230-4 (Request to Amend Presidential Permit at 1) (filed Jan. 5, 2009).

<sup>3</sup> *Id.*

## **GROUND FOR LATE INTERVENTION**

The PUCO's ability to accomplish its statutory obligations will be impacted by the amendment of Presidential Permit PP-230-3. As no other entity is charged to regulate the electric industry in Ohio, no other entity can adequately represent the interests of the PUCO in this matter.

Intervention by the PUCO will not cause undue delay in the proceeding and will not prejudice or burden any party. This proceeding was initiated over two years ago upon ITC's application. However, ITC has not yet supplemented its application with operating agreements that will be critical to reasoned analysis of the proposal's benefits and disadvantages, and the DOE has not acted on the application. Indeed, despite its age, there has been little substantive activity in this proceeding, and it will be ITC's filing of the operating agreements that will permit legitimate commentary on and analysis of ITC's proposal. Considering that ITC has not demonstrated any urgency in filing its operating agreements, it should not be heard to complain that it will suffer any hardship as a result of the PUCO's late intervention. The PUCO will accept the record as it stands, and, thus, their intervention will not delay the proceedings or otherwise burden any party.

Therefore, good cause exists for the DOE to grant the PUCO's motion to intervene out of time.

## CORRESPONDENCE AND COMMUNICATION

The following persons should be included on the official service list in this proceeding. All correspondence and communications concerning this matter should be sent to:

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Attorney for the Public Utilities Commission of Ohio

## COMMENTS

On January 5, 2009, International Transmission Company (ITC) filed a request with the Department of Energy (DOE) to amend Presidential Permit PP-230-3,<sup>4</sup> which authorizes ITC to own and operate specified electric transmission facilities at the Bunce Creek station that interconnects ITC with Hydro One Networks Inc.'s (Hydro One) electric transmission facilities at the United States-Canada border. Under its existing permit, ITC is authorized to own and operate a 675-MVA phase angle regulator (PAR) facility

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<sup>4</sup> *Int'l Transmission Co. d/b/a ITCTransmission*, DOE Docket No. PP-230-4 (Request to Amend Presidential Permit) (Jan. 5, 2009).

installed at Bunce Creek station. In March 2003, that PAR facility failed while in service, and ITC seeks permission to replace it with two 700-MVA PAR facilities. The Public Utilities Commission of Ohio (Ohio Commission) hereby submits its comments for review.

## **DISCUSSION**

ITC's request that the DOE amend Presidential Permit PP-230-3 is based on the belief that the new PARs will greatly increase the ability to redirect power around the southern side of Lake Erie. ITC contends that the impact of the proposed equipment substitution on regional power flows will be significant. Considering the potential impact on interconnected transmission systems within the PJM Interconnection, L.L.C. (PJM) grid, the Ohio Commission strongly recommends that the Operating Agreement be thoroughly reviewed by both interested parties and the appropriate regulatory bodies. The Ohio Commission is uniquely concerned with the potential impact the proposed amendment can have on offshore wind facilities along Lake Erie in Ohio. Moreover, the affect on congestion and reliability must be studied. The public interest standard, which governs the issuance of a Presidential Permit, requires the DOE to determine that the operation of cross border facilities do not harm interconnected electric facilities in the United States.

On March 25, 2011, PJM filed initial comments regarding ITC's request to amend Presidential Permit PP-203-3.<sup>5</sup> Within its comments, PJM requested specific relief by asking the DOE to:

- provide an opportunity for interested parties to comment on the pending Operating Agreement;
- convene a technical conference at which interested parties can raise their concerns with the DOE;
- ensure that the Federal Energy Regulatory Commission's (FERC) expertise is applied in this matter through the technical meeting and FERC review of the Operating Agreement.<sup>6</sup>

Additionally, on April 25, 2011, FirstEnergy Service Company (FirstEnergy) filed comments requesting that the DOE utilize FERC's expertise in regards to the reliability impacts of the proposed new PARs as they would function pursuant to the Operating Agreement.<sup>7</sup> The Ohio Commission endorses the above-mentioned requests for relief submitted by PJM and FirstEnergy and correspondingly asks the DOE to grant them at the appropriate time. The Ohio Commission also requests that the potential affect on

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<sup>5</sup> *Int'l Transmission Co. d/b/a ITCTransmission*, DOE Docket No. PP-230-4 (Motion To Intervene and Initial Comments of PJM Interconnection, L.L.C. at 2) (March 25, 2011).

<sup>6</sup> *Id.*

<sup>7</sup> *Int'l Transmission Co. d/b/a ITCTransmission*, DOE Docket No. PP-230-4, (Motion To Intervene and Initial Comments of FirstEnergy Service Company at 7) (April 25, 2011).



offshore wind facilities located on Lake Erie is carefully reviewed during the technical conference.

### **CONCLUSION**

As a result of the Ohio Commission's concerns regarding the potential impact on Ohio utility companies and customers, the PUCO respectfully request that the DOE accept this motion to intervene out of time, and give consideration to the comments herein. The PUCO notes that PJM has filed a Motion to Intervene and Comments<sup>8</sup> in this proceeding and supports that filing and the relief requested therein. Additionally, for the reasons stated herein, the PUCO respectfully requests that the DOE take advantage of FERC's unique expertise in this area by delegating to FERC the task of examining the potential reliability impacts of ITCs January 5 Filing.

Respectfully submitted,

/s/ Thomas W. McNamee

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**Attorney for the  
Public Utilities Commission of Ohio**

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<sup>8</sup> *Int'l Transmission Co. d/b/a/ ITCTransmission*, DOE Docket No. PP-230-4 (Motion to Intervene and Initial Comments of PJM Interconnection, LLC) (March 25, 2011).

### **CERTIFICATE OF SERVICE**

I hereby certify that I have this day served the foregoing Motion to Intervene Out of time and Comments of the Public Utilities Commission of Ohio to all parties of record in this proceeding.

/s/ Thomas W. McNamee

Thomas W. McNamee

Dated at Columbus, Ohio this 26<sup>th</sup> day of May, 2011.