

UNITED STATES OF AMERICA
NUCLEAR REGULATORY COMMISSION

BEFORE THE ATOMIC SAFETY AND LICENSING BOARD

In the Matter of:)
DTE ELECTRIC COMPANY) Docket No. 52-033-COL
(Fermi Nuclear Power Plant, Unit 3))

AFFIDAVIT OF PETER SMITH ON
TRANSMISSION CORRIDOR TOPICS

I, Peter W. Smith, do hereby state as follows:

1. I am the Director, Nuclear Development – Licensing and Engineering, for DTE Electric Company. In my current position, I have overall responsibility for the combined license application for Fermi Unit 3.
2. In its Memorandum and Order (Denying Intervenors’ Motion for Resubmission of Contentions 3 and 13, for Resubmission of Contention 23 or its Admission as a New Contention, and for Admission of New Contentions 26 and 27), dated April 30, 2013, the Board requested input, through documentary evidence and/or affidavits, on the following factual issues:
 - (1) The current status of planning for and development of the transmission line corridor;
 - (2) Whether any permits necessary for development of the transmission line corridor have been applied for;
 - (3) Whether any routes for the transmission line corridor are currently being actively evaluated other than the proposed route shown in the FEIS, page 2-11; and
 - (4) Whether the transmission line is likely to be constructed even if Fermi Unit 3 is not built.

These issues are addressed, to the best of my knowledge, in the paragraphs that follow, along with additional background information on transmission planning in the region.

Background on MISO and ITC*Transmission*

3. In November 1999, ITC*Transmission* was created as an independently functioning business unit within Detroit Edison. This was the first step in the formation of an independent, stand-alone transmission company. In May 2000, ITC*Transmission*, Detroit Edison, and DTE Energy filed a joint application with the Federal Energy Regulatory Commission (“FERC”), seeking permission to transfer all jurisdictional transmission assets from Detroit Edison to ITC*Transmission*. This approval was granted in June of 2000. On June 1, 2001, ITC*Transmission* began operations as a wholly owned subsidiary of DTE Energy.
4. In December 2001, ITC*Transmission* joined the Midwest Independent Transmission System Operator (“MISO”), a FERC-approved regional transmission organization. On February 28, 2003, ITC*Transmission* became a stand-alone transmission company following the sale of transmission assets from DTE Energy. On April 8, 2004, ITC*Transmission* became the United States’ first fully independent transmission company after completing the transition by assuming construction and maintenance activities from DTE Energy. ITC*Transmission*, which is not affiliated with DTE, therefore owns and operates the transmission system in southeastern Michigan.
5. ITC*Transmission* operates within the MISO regional reliability area. One of MISO’s primary roles is the oversight of the reliability planning process. MISO manages incremental generation capacity development through the Generation Interconnection Request Queue. Developers wishing to provide new incremental generation must file an

interconnection request and enter into MISO's queue-based interconnection process. It is widely recognized that not all projects in the Generation Interconnection Request Queue are likely to be built, and a developer can withdraw a project from the Generation Interconnection Request Queue at any point.

6. As part of the MISO interconnection process, various studies and analyses are performed, including feasibility and system impact studies. MISO typically has *ITCTransmission* perform the studies and analyses for its transmission system. As part of these work activities, MISO and *ITCTransmission* determine necessary upgrades to the transmission system. The interconnection studies are performed by *ITCTransmission*, including evaluations of the routes for any new transmission lines.

Transmission Planning for Fermi 3

7. The above process was followed for the proposed connection of Fermi 3 to the *ITCTransmission* system. At the outset of the Fermi 3 project in 2007, DTE applied for an interconnection agreement with MISO, which was responsible for determining the feasibility and system stability, taking into account higher queued MISO projects in the area.
8. MISO then requested a System Impact Study ("SIS") from *ITCTransmission*.¹ The purpose of the SIS was to give an "indication" of constraints on *ITCTransmission*'s system arising from the proposed interconnection of Fermi 3 generation. DTE was not involved in the evaluation or decision making for proposed changes to the transmission system (other than to provide information regarding the proposed generation facility).

¹ "System Impact Study Report (MISO G867)," dated July 21, 2008 (Attachment 1). MISO provided *ITCTransmission* with the system models used in the study.

9. The SIS (at 6) includes a “preliminary, good faith estimate of the nature, extent, and cost of the facilities that may be required to inject the output of the generator facilities to the grid.” The study also explains (at 17) that “[f]uture situations that differ from the assumptions contained in this report may affect the observations, recommendations and conclusions.”
10. Subsequently, DTE entered into a Generator Interconnection Agreement (“GIA”) with MISO and *ITCTransmission*.² The agreement describes each party’s responsibilities related to connecting Fermi 3 to the transmission system, including the upgrades and facilities that must be built to support interconnection. Importantly, however, the GIA does not finalize the location of the offsite transmission corridor. The GIA states (at Original Sheet 105) that:

The Transmission Owner will be responsible for all siting requirements, permits, and community approvals for projects concerning the Transmission Owner’s towers and lines. The siting and permit process is projected to take between one and four years. A Certificate of Public Convenience and Necessity (CPCN) from the Michigan Public Service Commission (MPSC) will be required for this project. A CPCN application once it is submitted to the MPSC could take up to 12 months. The CPCN process will determine the final route for the line and as such permits will not be able to be obtained until after the process is complete.

(emphasis added). The GIA also confirms that *ITCTransmission*, not DTE, is responsible for necessary permits.

Permit Status

11. The offsite portions of the proposed Fermi 3 transmission system and associated corridors would be owned and operated by *ITCTransmission*. DTE has no control over the siting,

² “Generator Interconnection Agreement entered into by the Midwest Independent Transmission System Operator, Inc., *ITCTransmission*, and The Detroit Edison Company,” First Revised Service Agreement No. 2192, dated December 6, 2011 (Public Version) (Attachment 2)

construction, or operation of the offsite transmission system. And, *ITCTransmission*, not DTE, must follow applicable regulatory processes and approvals in order to implement changes to the transmission system.

12. To the best of my knowledge, *ITCTransmission* has not applied for any of the permits necessary for development of the offsite transmission line corridor related to Fermi 3. Indeed, as the excerpt from the GIA indicates, the final route must be determined through the CPCN process before *ITCTransmission* can apply for any permits.³ I have no knowledge of any ongoing CPCN proceedings relating to the offsite transmission corridor.
13. I am not aware of any routes under consideration for the transmission line corridor other than those shown in the NRC's FEIS for Fermi 3. The SIS estimates (at 17-18) that the system enhancements would take up to 36 months to complete and would depend on resolution of numerous issues including securing the necessary rights-of-way. As I noted above, the final route for the offsite transmission line will be determined through the CPCN process.
14. I cannot speculate on whether the transmission line is likely to be constructed even if Fermi 3 is not built. As noted above, DTE is not affiliated with *ITCTransmission* and has no direct role in evaluating when or whether to perform transmission systems upgrades or build new transmission lines. However, the proposed transmission corridor could support development of a variety of new generation sources in the area (*e.g.*, the transmission upgrades could presumably support development of non-nuclear

³ In 1995, the State of Michigan assigned the power to regulate the location and construction of electric transmission lines to the Michigan Public Service Commission ("MPSC"). The MPSC's review process is governed by the Electric Transmission Line Certification Act (Act 30).

generation). Developments involving Fermi 2 (e.g., power uprates) or other nearby generators also might create a need for transmission upgrades.

15. I hereby certify under penalty of perjury that the forgoing is true and complete to the best of my knowledge, information, and belief.

Executed in accord with 10 C.F.R. § 2.304(d),

signed electronically by Peter W. Smith

Peter W. Smith

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Dated at Detroit, Michigan
this 30th day of May 2013