

STATE OF NEW YORK
PUBLIC SERVICE COMMISSION

At a session of the Public Service
Commission held in the City of
Albany on December 19, 2013

COMMISSIONERS PRESENT:

Audrey Zibelman, Chair
Patricia L. Acampora
Garry A. Brown, recused
Gregg C. Sayre
Diane X. Burman

CASE 11-T-0534 - Application of Rochester Gas and Electric Corporation for a Certificate of Environmental Compatibility and Public Need for the Construction of the "Rochester Area Reliability Project," Approximately 23.6 Miles of 115 Kilovolt Transmission Lines and 1.9 Miles of 345 Kilovolt Line in the City of Rochester and the Towns of Chili, Gates and Henrietta in Monroe County.

ORDER APPROVING ENVIRONMENTAL MANAGEMENT AND CONSTRUCTION PLAN
FOR SEGMENT I IN PART AND EXTENDING COMMENT DEADLINE

(Issued and Effective December 20, 2013)

BY THE COMMISSION:

BACKGROUND

Rochester Gas & Electric Corporation (RG&E) filed Article VII application documents with the Commission on September 29, 2011, seeking a Certificate of Environmental Compatibility and Public Need related to the Rochester Area Reliability Project (RARP), a transmission project designed to enhance the reliability of RG&E's network in the Rochester area. The Project as proposed and subsequently authorized by the Commission consists of 345 and 115 Kilovolt transmission lines,

improvements to three existing substations, and construction of one new 345kV/115kV substation (Station 255) in Monroe County.¹

On May 21, 2013, Thomas, Anna, David, and Marie Krenzer (collectively hereinafter, the Krenzlers) filed a Petition for Rehearing regarding the Certificate Order and filed a request for party status on May 23, 2013. On May 23, 2013, Town of Chili Supervisor David Dunning requested that the Commission reopen the proceeding and sought party status.

On August 15, 2013, the Commission issued an Order that granted the Krenzlers' and the Town's requests for party status.² In that Order, the Commission remanded the proceeding to an Administrative Law Judge (ALJ) for the limited purpose of facilitating discussions between the parties regarding the agricultural impacts of the siting of Station 255 and the transmission lines on the Krenzlers' property. At that time we declined to decide "whether the record should be reopened to admit additional materials on the merits of the substantive siting decisions made in this case,"³ and directed the ALJ to conduct settlement discussions among the parties and to report results of these discussions to the Commission within 30 days. We also explained that the Certificate Order was neither modified nor stayed by the Remand Order and that RG&E should

¹ Further details regarding the technical specifications of the project, the procedural history leading to the initial Certification of the RARP, and a description of the contingencies leading to the need for the project can be found in the Commission's April 23, 2013 Order Adopting the Terms of a Joint Proposal and Granting Certificate of Environmental Compatibility and Public Need, With Conditions in this proceeding (hereinafter the Certificate Order).

² Case 11-T-0534, Order on Petitions for Rehearing (issued August 15, 2013) (hereinafter the Remand Order).

³ Id. p. 10.

expeditiously continue to prepare its Environmental Management and Construction Plan (EM&CP) filing in compliance with the Certificate Order.⁴

On October 11, 2013, RG&E filed its EM&CP for Segment I in compliance with the Certificate Order, on which comments were due by November 29, 2013.⁵ The EM&CPs for electric transmission facilities that include substations are often segmented so that substation work, which is usually on the critical path of construction, can be started as soon as possible. Segment I of RG&E's EM&CP provides details regarding the construction and environmental management of a new substation (Station 255 in the Town of Chili) and improvements at existing RG&E substations (Station 418 in the Town of Gates, Station 23 in the City of Rochester, and Station 80 in the Town of Henrietta), as well as at New York State Electric and Gas Corporation's (NYSEG) Kintigh Substation in the Town of Somerset, and the New York Power Authority's (NYPA) Niagara Substation in the Town of Lewiston. No comments were received regarding the proposed work at the existing substations. Therefore, we will approve the non-controversial aspects of RG&E's Segment I EM&CP. Before doing so, however, we relate some additional procedural history.

Based on the ALJ's report and our review of the record, we decided to reopen the record in this case.⁶ While directing RG&E to continue development of the authorized

⁴ Id. p. 15.

⁵ The comment deadline was established in Condition 29(b)(8) in Appendix D of Attachment 1 to the Certificate Order.

⁶ Case 11-T-0534, Order Reopening the Record for the Re-Examination of Location of Substation 255 and the Route of Circuits 40, 940 and 941 (issued November 15, 2013) (hereinafter the Reopener Order).

project, we reopened the record to provide for the re-examination of:

- 1) the route of Circuits 940 and 941;
- 2) the alternatives for the siting of Substation 255 proposed in its original application between Station 80, on the east, and the Rochester & Southern Rail line, on the west (including any sites east of the Genesee River that were not mentioned in the original application), as well as the additional sites for the location of Substation 255 advanced by the Krenzlers in their petition for rehearing or otherwise discussed during the negotiations on remand;
- 3) the impact of any changes to the routes of Circuits 40, 940, and 941 that would be necessary to accommodate the substation location alternatives.

We directed RG&E to update and file its projection for the project's need date and a major milestone schedule for completion of the authorized facility within 30 days following issuance of the Reopening Order (that is, by December 16, 2013). We also required RG&E to file its alternatives analysis according to a schedule to be set by the ALJ. Moreover, we explained that the ALJ will bring this matter back to the Commission for final resolution after ensuring that the record is further developed.

THE EM&CP AND RESPONSES

As described in the EM&CP, the substation fence line at Station 418 would be expanded 80 feet towards the east. New bus support steel structures and associated foundations would be installed to tie into the existing 115 kV bus section. The line terminal would consist of one new 115 kV, 3000 A breaker, 115

kV, 3000 A motor-operated isolating switches, surge arresters, cable terminations and associated structures, foundations, grounding, conduit, control cable, and buswork. The existing tie breaker would be replaced with a new gas-insulated 3000 A breaker, and the switches would be replaced with 3000 A motor-operated disconnect switches.

At Station 23, the line terminal would consist of one new 115 kV, 2500 A breaker, 115 kV, 2500 A isolating switches, surge arresters, and cable terminations. All new equipment would be located within the existing building.

At Station 80, a fourth 345 kV breaker and a half bay would be constructed to accommodate the additional 345 kV line (Circuit 40) to Station 255. The bay addition would be installed within the existing substation fence area. The addition of a control house building would require the expansion of the eastern fence line by 20 feet. New dead end and bus support steel structures and associated foundations would be installed to construct the new 345 kV bay addition. The line terminal would consist of two new 345 kV, 3000 A breakers, 345 kV, 3000 A motor-operated isolating switches, surge arresters and associated structures, foundations, grounding, conduit, control cable, and buswork. Moreover, the existing protection and communication systems installed on the 345 kV lines to NYSEG's Kintigh substation (SR-1) and to NYPA's Niagara substation (NR-1) would be upgraded to coordinate with the new protection and communication system required at Station 255. The new protection and communication equipment would be installed within the existing control building.

At NYSEG's Kintigh Station, the existing protection and communication systems installed on the 345 kV line to Station 80 (SR-1) would be upgraded to coordinate with the new protection and communication system required at Station 255.

The protection system would include pilot distance line protection for the 345 kV line to Station 255, direct transfer trip, and breaker back-up protection. The new protection and communication equipment would be installed within the existing control building. No new equipment or modifications would be required in the substation yard.

At NYPA's Niagara Station, the existing protection and communication systems installed on the 345 kV line to Station 80 (NR-2) would be upgraded to coordinate with the new protection and communication system required at Station 255. The protection system would include pilot distance line protection for the 345 kV line to Station 255, direct transfer trip, and breaker back-up protection. The new protection and communication equipment would be installed within the existing control building and no significant modifications would be made to the substation arrangement or substation yard.

The Krenzlers and the Department of Agriculture and Markets requested that the comment deadline for Segment I of the EM&CP be extended until after the Commission resolves the matters that are the subject of the Reopener Order. In a letter dated November 21, 2013, Secretary Burgess advised that, because the deadline was established in a Commission Order, she was not authorized by our regulations to grant such extension and that the matter would be referred to us. The Krenzlers and the Department of Environmental Conservation filed comments on Segment I of the EM&CP by the deadline of November 29, 2013 but, as noted above, their comments did not address the substation work just described. Instead, the Krenzlers asked us to hold in abeyance our approval of Segment I of the EM&CP and not allow RG&E to take any action pending the resolution of the matters discussed in the Reopener Order.

DISCUSSION AND CONCLUSION

The Rochester Area Reliability Project is needed, as we have explained in other orders, to ensure reliability in the City of Rochester. Delaying work could jeopardize that reliability. In light of the lack of comments regarding the work proposed for the existing substations in the Segment I EM&CP and our previous directives that RG&E continue with its work in compliance with the Certificate Order, we will approve the Segment I EM&CP in part, so RG&E can begin construction of the non-controversial work at existing substations described in Segment I of the EM&CP as soon as possible. Delaying that work could impair reliability in Rochester. We emphasize, however, that our action applies to only the uncontroverted part of the project and the action that we are taking here in no way pre-judges the issues on the controverted part of the route. We are committed to the process we provided for in the Reopener Order to ensure that all parties are heard and that we reach a fair and fully informed decision on the controversial portion of the project. We have confidence that this process will proceed in an expeditious fashion consistent with our previous directives and with due regard for the importance we place on having the matter resolved. Given that the Reopener Order provides for the re-examination of alternatives to the authorized location of Substation 255, we will extend the deadline for providing further comments on Segment I of the EM&CP relating to the substation until after that re-examination is concluded. Should we then determine to affirm the currently authorized location of Substation 255, parties and landowners will have an additional

15 days from the date of our decision in which to provide further comments on the Segment I EM&CP.⁷

The Commission orders:

1. Segment I of the Environmental Management and Construction Plan (EM&CP) filed by Rochester Gas and Electric Corporation (RG&E) on October 11, 2013 is approved in part, as discussed in the body of this Order, subject to the conditions that, before the start of construction, RG&E shall file:

a) An update to the construction contact list in Appendix G to the EM&CP;

b) a copy of the Department of Environmental Conservation's acknowledgement of its receipt of RG&E's Notice of Intent referred to in Attachment L of Appendix G to the EM&CP; and

c) copies of any Highway Work Permits received, including from Monroe County (for Lehigh Station Road into Station 80) and from the City of Rochester (for access to Station 23).

2. RG&E shall not commence construction until it has received a "Notice to Proceed with Construction" sent by the Director of the Office of Energy Efficiency and the Environment.

3. In the event that there is a Commission Order affirming that Substation 255 will be located on the Krenzlers' property as currently authorized, the deadline for the receipt of any further comments on Segment I of the EM&CP as they relate

⁷ If we decide to authorize Substation 255 to be located on a different site, RG&E will have to prepare and file an EM&CP for the new substation on such site and parties and landowners will have the opportunity to submit comments on that partial EM&CP.

to Substation 255 is extended until 15 days following issuance of such Order.

4. The Secretary, in her sole discretion, may extend the deadline set forth in this order, provided the request for such extension is in writing, including a justification for the extension, and filed on a timely basis, which should be on at least one day's notice prior to any affected deadline.

5. This proceeding is continued.

By the Commission,

KATHLEEN H. BURGESS
Secretary