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**OFFICIAL FILING
BEFORE THE
PUBLIC SERVICE COMMISSION OF WISCONSIN**

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**Joint Application Of American Transmission Company,)
LLC, Wisconsin Public Service Corporation And)
Minnesota Power And Light Company For A Limited)
Reopening Of Certificate Of Public Convenience And)
Necessity To Construct The Arrowhead – Weston 345) 05-CE-113
kV Transmission Line Project Between Arrowhead)
Substation Near Duluth, Minnesota And Weston)
Substation Near Wausau, Wisconsin, Including Related)
Substation And System Facilities)
)
)**

DIRECT TESTIMONY OF TOM FINCO

Q. Please state your name, title and business address.

A. My name is Thomas M. Finco. I'm employed as Manager Real Estate in the Legal Department, ATC Management Inc. and the Corporate Manager of American Transmission Company LLC (collectively, "ATC"). My business address is N19 West 23993 Ridgeview Parkway West, Waukesha, Wisconsin, 53188.

Q. Please describe your background, including your education and professional experience.

A. I received a Bachelors of Science degree from the University of Wisconsin – Stevens Point in Cartography and Geographic Information Systems (GIS) in December 1986. I have held my present position at ATC since October 2000. Before that, I was employed by Alliant Energy Corporation ("Alliant Energy") as Real Estate Technical Services Manager and held various operational and management positions within the Real Estate Department for Alliant Energy or its subsidiary companies dating back to May 1989. I am a licensed real estate broker

1 and a registered land surveyor in the State of Wisconsin. I am also a licensed
2 surveyor in the State of Iowa.

3 **Q. Please describe your present responsibilities at ATC.**

4 A. I am responsible for all real estate and right-of-way acquisition, management and
5 disposition for ATC. I am also responsible for joint use pole agreement
6 administration, highway permitting and relocation coordination and geographic
7 information system (GIS) services.
8

9 **Q. What is the purpose of your testimony in this docket?**

10 A. The purpose of my testimony is to describe what land rights need to be acquired for
11 the Wisconsin portion of the Arrowhead-Weston transmission line and associated
12 facilities ("Project"). I will also testify as to the projected cost for the acquisition of
13 those land rights.
14

15 **Q. Please describe the land rights to be acquired for the Project.**

16 A. The Wisconsin portion of the Project is 208.3 miles. The current proposal and cost
17 estimate is based upon an assumption that the nominal right-of-way width for the
18 entire length of the Project will be 120 feet. This provides for 60 feet of
19 right-of-way on each side of the proposed transmission centerline. The line
20 traverses approximately 1,400 parcels of land and the land rights acquired will be
21 permanent high voltage easements that comply with Wis. Stat. § 182.017(7). In
22 places where there are already existing electric transmission easements or rights-of-
23 way, it is ATC's intent to purchase rights-of-way for the entire 120 feet.
24

25 **Q. What is your rationale for purchasing new rights-of-way upon which an**
26 **easement right already exists?**
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1 A. The line will co-locate with various existing ATC and third party electric
2 transmission lines. These existing transmission lines are a mix of operating
3 voltages (69kV, 115kV and 161kV), with varying right-of-way widths (50' to
4 130'), varying terms and conditions and some easements that are voltage specific. I
5 believe that securing new high voltage easements for the entire Project will provide
6 a consistent right-of-way width with consistent terms and conditions for safe
7 operation and maintenance of the transmission line. ATC would pay only for the
8 increased burden on any specific property.
9

10 **Q. Will there be opportunities and/or situations where less than 120 feet of**
11 **right-of-way would work?**

12 A. It is possible that less than 120 feet would be acquired in certain circumstances.
13 Portions of the proposed route co-locate and/or run parallel with existing facilities.
14 For example, when the proposed route is parallel with an existing railroad, the
15 centerline of the transmission line may be located 30 feet from the railroad
16 right-of-way. In this situation, the right-of-way to be acquired would be 90 feet,
17 with 60 feet on one side and 30 feet on the other side of the transmission line
18 centerline. These opportunities cannot be fully assessed until detailed engineering
19 is completed and therefore, the Project cost estimate for rights-of-way assumes
20 acquisition of the nominal 120 feet for the entire 208.3 miles in the State of
21 Wisconsin.
22

23 **Q. Do you believe that the opportunities to purchase less than the nominal 120**
24 **feet of right-of-way will materially impact the Project cost estimate for**
25 **right-of-way acquisition?**
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1 A. I do not believe that this will materially impact the cost estimate. Although I do
2 believe that given these potential opportunities, the cost estimate is conservative.

3 **Q. Please detail the estimated right-of-way acquisition costs for the Project and**
4 **the components involved.**

5 A. As shown on Exhibit ____ (TMF-1), the estimated right-of-way acquisition costs
6 for the Wisconsin portion of the Project is \$23.5 million. On a per-mile basis, this
7 is equal to \$113,000 per mile. There are a number of components to the per-mile
8 cost. These include labor, material and expenses, easement consideration payment,
9 appraisals, legal assistance, contingency and restoration settlements.

10 **Q. Please detail the costs for labor, materials and expenses for right-of-way**
11 **acquisition.**

12 A. This portion of the estimate was prepared by Power Engineers ("POWER"). The
13 estimate includes \$47,200 per mile for labor, materials and expenses. Mr. Wedell
14 from POWER will provide testimony on this portion of the real estate acquisition
15 costs.

16 **Q. What is your cost estimate for easement payments?**

17 A. We have estimated \$36,400 per mile for easement consideration payments. This is
18 based on a land value of \$2,500-per-acre. Per-acre value is an estimated average
19 for the entire Project, recognizing diverse land uses and values along the entire
20 proposed Project route. Applicants performed a high level general project area
21 market study to determine an average per acre cost for easements. A full narrative
22 appraisal by a qualified appraiser will be used to determine the actual consideration
23 payment for individual parcels.

24 **Q. What is your estimate for appraisals?**
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1 A. Our cost estimate includes \$13,400 per mile for full narrative appraisals on the
2 Project. This figure is based upon an average of 6.7 parcels per mile, estimated at
3 \$2,000 per parcel. The \$2,000 includes \$1,000 for the ATC appraisal and another
4 \$1,000 reimbursement of reasonable costs for landowners who wish to obtain their
5 own full narrative appraisal pursuant to Wis. Stat. § 32.06(2)(b). The estimate is
6 based upon 6.7 parcels per mile given that there will be 1400 impacted parcels on
7 an approved route of 208.3 miles. The \$2,000 estimate is consistent with our
8 experience on recent ATC projects.

9
10 **Q. Can you please detail the remaining per-mile costs?**

11 A. Yes. The \$113,000-per-mile cost also includes \$9,000 for legal assistance for
12 right-of-way acquisition, assuming 100 eminent domain actions at \$15,000 per case,
13 plus a 25% contingency. Also included is \$2,500 per mile for restoration
14 settlements that need to occur after construction. And, finally, there is an estimate
15 of \$4,500 per mile included as contingency. All of the estimates are consistent with
16 recent ATC projects.

17
18 **Q. In Exhibit ____ (TMF-1), the estimated right-of-way acquisition cost for the**
19 **Project as submitted is \$25,237,900. Your testimony itemizes a total cost of**
20 **\$23,537,900. Please describe the additional \$1.7 million.**

21
22 A. The right-of-way acquisition estimate also includes \$500,000 for an environmental
23 impact study for the Namekagon river crossing and \$1.2 million for railroad and
24 pipeline interference studies. Mr. Nichols testifies to these costs.

25 **Q. ATC is proposing to use OPGW shield wire for system communications. Will**
26 **the use of the OPGW shield wire be addressed in the easements to be**
27 **acquired?**
28

1 A. Yes. Standard easement language will state that the fiber optic shield wire will be
2 allowed on the structures and will be used for electric utility purposes only.

3 **Q. Does this conclude your testimony?**

4 A. Yes.

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