

BEFORE THE CORPORATION COMMISSION OF OKLAHOMA

APPLICATION OF PUBLIC SERVICE)
COMPANY OF OKLAHOMA ("PSO"))
FOR APPROVAL OF THE COST)
RECOVERY OF THE WIND CATCHER)
ENERGY CONNECTION PROJECT; A)
DETERMINATION THERE IS A NEED FOR)
THE PROJECT; APPROVAL FOR FUTURE)
INCLUSION IN BASE RATES COST)
RECOVERY OF PRUDENT COSTS)
INCURRED BY PSO FOR THE PROJECT;)
APPROVAL OF A TEMPORARY COST)
RECOVERY RIDER; APPROVAL OF)
CERTAIN ACCOUNTING PROCEDURES)
REGARDING FEDERAL PRODUCTION TAX)
CREDITS; WAIVER OF OAC 165:35-38-5(e);)
AND SUCH OTHER RELIEF THE)
COMMISSION DEEMS PSO IS ENTITLED)

CAUSE NO. PUD 201700267

FILED
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**COURT CLERK'S OFFICE - OKC
CORPORATION COMMISSION
OF OKLAHOMA**

**SUMMARY
OF THE
RESPONSIVE TESTIMONY OF
MARIO HURTADO
ON BEHALF OF
PLAINS AND EASTERN CLEAN LINE OKLAHOMA LLC**

INTRODUCTION

On December 4, 2017, Mario Hurtado filed Responsive Testimony on behalf of Plains and Eastern Clean Line Oklahoma LLC (“Plains and Eastern”). Mr. Hurtado is employed by Clean Line Energy Partners LLC (“Clean Line”) as Executive Vice President and is a co-founder of the company. He also serves as the lead project developer of the Plains and Eastern Clean Line transmission project (“Plains & Eastern Project” or the “Project”). Clean Line is the ultimate parent company of Plains and Eastern, the Intervenor in this proceeding.

For the past eight and a half years, Mr. Hurtado has been responsible for managing all aspects of development of the Plains & Eastern Project, including public outreach, siting, regulatory and environmental permitting, and technical studies. He is ultimately responsible for project budget and schedule. He oversees the efforts of the project development team and functional specialists in legal, financial, environmental, and technical groups, and makes sure that they are aligned towards achieving the Project’s objectives. As part of his role he engages often with local officials, community representatives, landowners, transmission planners and engineers, and other stakeholders in the Project’s area.

Mr. Hurtado received his Bachelor of Arts from Columbia University with a major in Political Science. For over twenty years he has developed and managed power plants and other energy infrastructure in the electric power and natural gas industries. He headed all development and operations in Central America and the Caribbean for Globeleq, a successful power developer and operator focused on the emerging markets. While at Globeleq, he oversaw the acquisition and development of thermal and renewable electric generating plants and managed a portfolio of

traditional and renewable electric generating plants. As an executive at Reliant Energy and Duke Energy, he led corporate transactions teams and managed commercial issues involving large electric and natural gas utilities and generating plants. While at Duke Energy, he worked on the completion and commercialization of the McClain Energy Facility in Oklahoma, a 500 MW combined cycle natural gas generating plant currently owned by Oklahoma Gas & Electric and Oklahoma Municipal Power Authority. He has also worked in the development of liquefied natural gas terminals in the United States and Europe.

PSO's Wind Catcher proceeding concerns the development of long-haul electric transmission infrastructure to deliver new wind generation from the Oklahoma Panhandle region to load centers to the east. He stated that Clean has spent more than eight years focused on a very similar goal. Mr. Hurtado's responsive testimony provides an update on the Plains & Eastern Project's progress. The development of the Plains & Eastern Project is virtually complete. Given Plains and Eastern's extensive experience developing high-voltage transmission to accommodate the build-out of renewable energy in Oklahoma, Plains and Eastern believes it is important to participate in the Wind Catcher proceeding.

Furthermore, the Plains and Eastern team has received many questions from landowners and other stakeholders in Oklahoma about the Wind Catcher project. The team has been asked if Plains and Eastern can be involved or assist in the Wind Catcher project given that Plains and Eastern has a construction-ready, long-haul transmission project that runs from the Oklahoma Panhandle to the east and has acquired easements on more than 750 parcels in Oklahoma. After being approached

by representatives of PSO, Oklahoma landowners have asked the Plains and Eastern team if they should work with PSO even though they have already signed an easement with Plains and Eastern. Mr. Hurtado stated that he was testifying to convey two key points to the Oklahoma Corporation Commission (“Commission”), PSO, and the other parties in the proceeding: (1) the Plains & Eastern Project is primed to begin construction in 2018, and (2) the Plains & Eastern Project is available to deliver power to interconnection points in eastern Oklahoma for PSO or other load serving entities in the region. Plains and Eastern believes that the Plains & Eastern Project can be extremely helpful for PSO to accomplish the laudable objectives of the Wind Catcher project.

The power markets have evolved substantially since Plains and Eastern received its order from this Commission in the past eight years and eastern Oklahoma is now a strong delivery point for the Plains & Eastern Project. The Project could be utilized to accommodate high-voltage either direct current (“HVDC”) and alternating current (“AC”) transmission solutions to accomplish this interconnection in eastern Oklahoma and Plains and Eastern is willing to engage to consider either option. Mr. Hurtado stated that he would explain that Plains and Eastern is open to building a first phase of the Project that is located solely in Oklahoma. Finally, Mr. Hurtado stated that he would describe why using the Plains & Eastern Project would greatly benefit ratepayers and consumers in Oklahoma as compared to other solutions.

As detailed in Mr. Hurtado’s testimony, it is Clean Line’s position that the Plains & Eastern Project could and should be utilized by PSO to deliver energy from the panhandle to load centers in eastern Oklahoma, as it would reduce risk from a development and scheduling perspective, and would achieve savings for Oklahoma ratepayers.

Clean Line is supportive of wind energy and transmission development in Oklahoma, and Clean Line is very supportive of the objectives enunciated by PSO in its application and as highlighted in the testimony of Paul Chodak. Oklahoma is highly advantaged in being the home to vast resources of low-cost renewable energy. Specifically, the Oklahoma Panhandle is home to a highly competitive environment where multiple wind generators have worked for years with landowners and others to make available the cheapest source of energy for consumers. Construction of wind farms in the Oklahoma Panhandle and delivery to PSO's customers provide a number of benefits:

- Wind farm investments provide years of financial support for Oklahoma farmers, ranchers, landowners, school districts and communities.
- Purchasing wind energy at costs below market power prices to lower customer bills and hedge against future fuel cost increases is both economically advantageous and prudent.
- Customers of PSO and other utilities are demanding greater amounts of cleaner, renewable energy. Many leading commercial and industrial companies have set ambitious goals for sustainability and will only locate new facilities where they are guaranteed sources of low-cost, 100% renewable energy. Consequently, greater supply of lower-cost renewable energy resources will enable economic development.
- Finally, current U.S. tax policy, through the phase-out of the wind production tax credit, provides a unique but time-sensitive opportunity to satisfy demand for renewable energy at the lowest possible cost.

Nonetheless, as PSO's Robert Bradish notes in his testimony, without additional transmission infrastructure, these benefits cannot be fully realized for PSO's customers or other Oklahomans. Congestion costs in the Southwest Power Pool ("SPP") have grown dramatically, and they will continue to grow as more wind farms are installed. SPP has no plans to build new transmission lines in the next decade, making independent transmission necessary to enable large amounts of new wind farms to be built in the Oklahoma Panhandle.

As a company focused on providing transmission solutions to connect renewable generation sources to communities that have a need for low-cost renewable power, Clean Line wants to ensure that new transmission that is developed to unlock these wind resources is done responsibly, and with the public interest in mind. The manner in which Oklahoma builds out the grid to accommodate renewables will have a lasting impact on the future of energy prices and energy security in Oklahoma and around the nation. Utilizing the progress made by the Plains & Eastern Project to deliver Oklahoma Panhandle wind resources to interconnection points in eastern Oklahoma will lower the risks markedly of cost overruns and schedule delays, and hence increase the benefits for ratepayers and the Oklahoma public.

PLAINS AND EASTERN CLEAN LINE OKLAHOMA LLC

Plains and Eastern, an Oklahoma limited liability company, was designated as a transmission only public utility in Cause No. PUD 201000075, Order No. 590530. As a transmission only public utility, Plains and Eastern is developing the Plains & Eastern Project.

Since receiving public utility status in Oklahoma, Plains and Eastern has pursued the development activities that will allow it to construct, own, and operate electric transmission in the state. As discussed in more detail below, Plains and Eastern engaged in a multi-year, stakeholder driven siting process for the Project that culminated in a well-vetted, approved route in Oklahoma. Plains and Eastern has also secured all key regulatory approvals necessary for construction on that route. The U.S. Department of Energy (“DOE”) served as the lead federal agency in a multi-year environmental review process that culminated in a Final Environmental Impact Statement (“EIS”) under the National Environmental Policy Act (“NEPA”). Plains and Eastern has obtained the environmental permits from the U.S. Army Corps of Engineers and the U.S. Fish & Wildlife Service necessary to commence construction of the Project. Plains and Eastern has also worked closely with tribes in Oklahoma to avoid impacts on cultural resources.

To date, Plains and Eastern has acquired nearly sixty percent of the required easements in Oklahoma—more than 750 parcels—and easement acquisition continues in the state. Plains and Eastern carried out environmental surveys for biological, aquatic and cultural resources on a majority of the route in Oklahoma. And the company completed major engineering activities, including preliminary geotechnical studies, structure design and testing, and technical studies to firm up interconnection and construction costs and schedule. Completion of this pre-construction work provides for a high degree of certainty around project cost and schedule. Plains and Eastern is the most advanced project for new transmission to deliver wind from the Oklahoma Panhandle.

In the Oklahoma Panhandle there is a widely undifferentiated, high-quality wind resource where multiple companies have signed leases with landowners and stand poised to build new wind

generation projects at a low cost. In a 2013 Request for Information, Clean Line Energy documented more than 11,000 MW of projects. The large majority of these projects have not yet come on-line due to the lack of available transmission.

Clean Line Energy received an overwhelming response to its 2014 open solicitation process for transmission capacity. Fifteen potential customers submitted 29 service requests totaling 17,091 MW of transmission service, or 392% of the project's total 4,355 MW of West-East transfer capacity.

Mr. Hurtado believes that the Plains & Eastern Project is the most studied transmission line project in Oklahoma. Since the Project was started, Plains and Eastern has focused on how best to connect wind farms in the Panhandle and how to find the best route to transport that power to the eastern part of the state and beyond. Plains and Eastern engaged in a lengthy and thorough multi-step process spanning more than five years to identify the location of the Project right-of-way and other facilities. Many Oklahoma agencies and organizations provided input during the Plains & Eastern routing process through pre-permitting meetings. Plains and Eastern also met with landowners and other stakeholders during several rounds of meetings to gather geo-specific information about local areas and potential siting opportunities. This information was used to modify and refine possible routes for the transmission line and to create alternatives that would reduce impacts on key community and landowner resources.

Plains and Eastern used geographic information systems models and other tools to analyze and compare alternative routes using over 70 siting criteria. Plains and Eastern convened a multi-

disciplinary team of subject matter experts in engineering, environmental science, land use, and other disciplines to review the model outputs and stakeholder comments, and identify the proposed route. The DOE independently analyzed the proposed route and several alternative routes in its EIS and ultimately approved a preferred route through its Record of Decision. Based on engineering and environmental studies that included input from the public as well as from local, state, and federal agencies, the selected route meets the goals of the Project while best minimizing overall impacts.

Following the finalization of the approved route from DOE and the release of the EIS, Clean Line has worked with landowners to make dozens of modifications to the route (micro-siting) where technically feasible and reasonable. These adjustments include consideration of routes along or parallel to existing divisions of land (e.g., roads, transmission lines, and pipelines) with the intent of reducing the impact of the right-of-way on private properties. In summary, the proper development of a transmission route is a lengthy process that should not be rushed. The Plains & Eastern Project took on these tasks for more than five years and is truly construction-ready.

Stakeholder outreach is the foundation of the development process for the Project. Engaging all stakeholders – landowners, local businesses, public officials and conservation groups – to gather feedback is paramount to Plains and Eastern’s success in Oklahoma. Plains and Eastern engages with stakeholders directly in person and through direct mail, phone calls, a detailed website and a 1-800 number available 24 hours a day. During the NEPA review of the Project, Plains and Eastern delivered more than 4,000 letters to Oklahoma landowners with an interest in property along the proposed route, alternative routes and route study areas, and met with over a thousand Oklahoma

stakeholders. Most importantly, Plains and Eastern has had thousands of one-on-one meetings between Plains and Eastern representatives and individual Oklahomans. Plains and Eastern held dozens of public meetings to introduce the Project, present and receive feedback on the route, and seek information from Oklahoma businesses to assist with development, construction and maintenance of the Project.

Plains and Eastern also engaged early and repeatedly with Oklahoma-based agencies and organizations who provided input on the Project's routing process. These agencies and organizations include:

- Oklahoma Conservation Commission
- Oklahoma Department of Environmental Quality
- Oklahoma Department of Transportation
- Oklahoma Department of Wildlife Conservation
- Oklahoma Tourism and Recreation Department
- U.S. Environmental Protection Agency (Region 6)
- U.S. Fish and Wildlife Service (Sequoyah National Wildlife Refuge [NWR], Deep Fork NWR, Ozark Plateau NWR, OK Ecological Services Field Office)
- U.S. Department of Agriculture Natural Resources Conservation Service
- Oklahoma Association of Conservation Districts
- National Wildlife Federation
- The Nature Conservancy
- Land Legacy
- Sierra Club

As a result of this outreach and consultation, Plains and Eastern was able to incorporate specific input from stakeholders to inform construction methods, agricultural mitigation and financial compensation into final plans and processes for development, construction and operation.

Plains and Eastern's efforts to work with landowners began around the time the company sought formal recognition as a public utility in 2010. Plains and Eastern's careful and open approach to landowner interaction and easement acquisition established the company as a solid partner and good neighbor in Oklahoma. Through discussions during the OCC process and through additional consultation with landowners, Clean Line developed and presented to Oklahoma landowners a compensation package comprised of three components:

1. An easement payment valued at 100% of the fair market value of the land within the easement area;
2. Payment for each transmission structure located on a landowner's property, which will be paid as a one-time payment or annually at the landowner's selection; and
3. Payment for damages, if any, including compensation for marketable timber, lost crops, and other damages specific to a property and its use.

Plains and Eastern conducts landowner communications in a transparent and open manner that seeks to foster direct and productive negotiation and respect for private property rights. Following the approval of the Project's route by DOE, Plains and Eastern engaged two Oklahoma right-of-way services companies to begin in earnest the right-of-way acquisition activities. Clean Line estimates that the Project will make payments valued at over \$35 million to Oklahoma landowners who grant easements for the transmission line. Many landowners are exercising their option to receive annual payments as part of the compensation package and will receive these payments every year, escalating at 2% annually, for the life of the Project. Plains and Eastern has acquired easements on more than 750 parcels for the Project in Oklahoma, or nearly 60% of the right-of-way in the state. Plains and Eastern has had more than 4,300 in person meetings with Oklahoma landowners and has logged more than 15,000 phone conversations. Many landowner conversations are on-going, and Plains and Eastern is highly confident that all right-of-way

necessary to start construction could be completed in time to allow for construction to start in 2018 and an on-line date in 2020.

The Project was subject to a thorough environmental review, resulting in selection of the route. DOE served as the lead agency on a NEPA review process over the course of more than three years that developed an approximately 100,000-page administrative record, including an EIS that was released in November 2015. Additionally, the U.S. Fish and Wildlife Service issued a Biological Opinion for the Project on November 20, 2015, and Plains and Eastern executed the Programmatic Agreement with several state and federal agencies on December 12, 2015. These two documents fully contemplate potential impacts to listed threatened or endangered species and cultural resources, respectively. Following selection of the route, Clean Line deployed dozens of teams of biologists and cultural resource specialists to conduct field surveys, including tribal monitors in designated areas of the state to oversee some of the cultural resource survey work. A majority of the Project's right-of-way has been surveyed for biological, aquatic and cultural resources, and Plains and Eastern has secured all necessary environmental permits for construction. Permitting and environmental issues on other transmission projects have caused delays and cost increases. Those risks are largely mitigated for the Plains & Eastern Project.

Plains and Eastern has completed significant engineering and design work necessary for construction of the Project, some of which could not be initiated until a final route was identified. For example, a construction access plan designating existing and new roads necessary for the construction crews and equipment to reach the ROW cannot be properly developed until a final route is ascertained.

Plains and Eastern has worked closely with Quanta Services and Power Engineers for several years on route review and construction planning for the Plains & Eastern Project. The focus of this work has been to develop a route that minimizes construction and engineering challenges while also reducing impacts to landowners' existing land uses and to the existing environmental and cultural resources along the route. Engineering and design work for major equipment, including transmission structures and conductors, has been completed. Additionally Plains and Eastern has completed extensive construction plans, including structure spotting, as well as construction and operations access.

Plains and Eastern worked with GE Energy Connections ("GE") as the provider of the HVDC converter stations in Oklahoma, Arkansas, and Tennessee. GE completed preliminary engineering design work for all converter stations including: site layout, single line diagrams, noise studies, site preparation plans, site specific geotechnical investigations, transformer specifications, and valve hall and control building specifications and layout.

Plains and Eastern has conducted preliminary geotechnical investigations in several locations in Oklahoma as well as an extensive review of existing geotechnical data for areas along the approved route. This work will expedite the construction process and reduce risk. Notably, much of the transmission line engineering work completed to date will work not only for HVDC technology, but also can be used for an AC transmission alternative.

FUTURE PLANS FOR OKLAHOMA

The Plains & Eastern Project has an approved final route for a transmission line in Oklahoma that has been thoroughly studied and vetted by Plains and Eastern, several outside parties, and the public. The route has been surveyed for biological, aquatic and cultural resources and a majority of the necessary easements have been acquired and even more are being acquired today. The significant environmental review and engineering work that has been completed on the Project provides for a level of schedule and cost certainty that no other proposed transmission solution in Oklahoma can come close to claiming. Plains and Eastern continues to advance discussions with several potential customers and construction could begin very shortly after firming up these necessary commercial agreements.

Until recently, commercial discussions centered around the Project's proposed delivery stations in Arkansas and Tennessee. However, the market has seen significant changes as more wind energy has been built in the western SPP region well-ahead of new transmission line construction, resulting in increased congestion costs. Utilities in Oklahoma, such as PSO, have expressed a desire for large amounts of renewable energy from the best wind resources, which tend to be in areas that are already transmission-constrained. Plains and Eastern is focused on meeting the demands of the market, and thus is now prepared to include an interconnection point that would allow for delivery to eastern Oklahoma load and other loads in SPP. If there is a demand for Oklahoma Panhandle wind in eastern Oklahoma, the Project's first phase could be built solely in Oklahoma. Subsequent phases could be built at a later date if market demands warranted such action. This type of transmission build-out is not uncommon in the U.S. grid, where an initial link is built, and that link is upgraded or extended at a later date. In short, Plains and Eastern is

proposing that the Project can be utilized by PSO to deliver wind power from the Panhandle to the PSO system.

While Plains and Eastern's efforts have been focused on HVDC transmission, other technical solutions could be constructed in the Project's right-of-way, such as 345kV AC or 765kV AC. All of these high-voltage transmission technologies are feasible in the right-of-way that Plains and Eastern has developed, surveyed, permitted and acquired in Oklahoma. Plains and Eastern's easements generally allow for a right-of-way up to 200 feet wide and would allow for use of AC or DC technologies and differing voltage levels. Plains and Eastern is open to modifying the Project to a different technology or voltage level if it offers the best value to customers. It is important to note that use of DC technology offers the option of greater power transfer—at a voltage of ± 600 kV, the Project could deliver about 4000 MW, or double the proposed capacity of the AEP-PSO proposed GenTie. This is an important consideration given the great potential for wind generation in the Panhandle and the probable demand from other utilities and customers. Doubling the line's capacity would in turn greatly increase the potential economic impact in the Panhandle region by enabling the construction of additional wind farms.

The Project begins near Wind Catcher's generation position in the Panhandle and the route runs within 50 miles of PSO's Tulsa North substation, the proposed interconnection point for the Wind Catcher line. Plains and Eastern already designated a transmission corridor to the Wind Catcher wind facility. This corridor was studied in the routing process and approved in the environmental review described previously. In eastern Oklahoma, there are also other potential interconnection points in PSO's service territory that are even closer to the Plains & Eastern Project's route than

the Tulsa North substation and could be utilized to serve PSO load and other loads. A map of the Plains & Eastern Project in Oklahoma in relation to the PSO transmission system is attached as Exhibit "A."

Development work completed on the Plains & Eastern Project provides for cost and schedule certainty for a transmission line running from the Oklahoma Panhandle to the eastern part of the state. One of the largest challenges in developing long-distance electric transmission is the sheer number of people involved – thousands of landowners and hundreds of other Oklahoma stakeholders. Because of this, it must be done methodically and with care for those along the line. The quality of the work undertaken during development of the project can determine the timing of and methods used in construction as well as the type and magnitude of impacts. Until a route is determined and substantial progress is made in securing that route, many questions remain unanswered about the design and ultimate construction of a transmission line. Only very rough cost and schedule estimates can be made before the route is known, studied and permitted. As Andrew Rawlins testified, without a route there is no price or schedule certainty. Once a route is in hand, decisions can be made about the location of transmission structures and the plans for mobilizing crews to execute the work can be completed. Uncertainty over route conditions drive risk that activities could take longer than estimated. If a project begins to run behind schedule, costs can escalate very quickly.

It is no secret in the transmission industry that projects are often delayed and take much longer than originally anticipated. Plains and Eastern has a finalized route that is permitted and has secured approximately 60% of the necessary easements. To Mr. Hurtado's knowledge, the Wind

Catcher project only has conceptual corridors, little to no survey work completed, only initial landowner interaction, and little or no easements acquired. With only this initial level of development work completed, there is no way to provide more than an estimated cost or schedule based on comparable data, not a bankable budget and firm schedule. Delays will only increase costs. As PSO notes in its testimony, schedule delays could jeopardize the size of the benefit to ratepayers from the production tax credit and even the applicability of the tax credit in its entirety. The Plains & Eastern Project could substantially mitigate the cost and schedule risks for Wind Catcher.

In general, Plains and Eastern is open to discussing the best commercial and technical implementation model that will accomplish the lowest risk and cost for customers. Plains and Eastern is open to PSO or other utilities customers owning all or a portion of the transmission line, commensurate with their transmission needs. In addition, Plains and Eastern is open to PSO or other utilities managing part or all of the Plains & Eastern Project's construction.

Fundamentally, Plains and Eastern believes that the Wind Catcher proposal is a good idea. AEP-PSO building and owning a transmission line that directly delivers some of the world's cheapest renewable energy to PSO's customers offers many benefits. However, it only makes sense to use the eight plus years of progress already made by Plains & Eastern.

BENEFITS TO OKLAHOMA FROM USING PLAINS & EASTERN PROJECT TO DELIVER OKLAHOMA PANHANDLE WIND TO EASTERN OKLAHOMA

In addition to the market-leading compensation package detailed earlier in this testimony, Oklahoma landowners benefit from certainty of the route developed by Plains and Eastern. Not

only was the route developed with significant landowner input, but information on the location and characteristics of the Project and landowner compensation have been public in Oklahoma for more than three years. Through concerted work over several years, Plains and Eastern has been able to address key issues, such as the opportunity for landowners to receive annual payments, and the ability to make route adjustments to minimize impacts to landowners, without the limitations imposed by an expedited and compressed schedule. Plains and Eastern representatives have sustained a dialogue with Oklahoma landowners over an extended period of time.

Many Oklahoma landowners will also receive the benefit of lower rates through receiving the state's lowest cost energy source – wind from the Panhandle delivered by the Project. Further, the Project can assure that Oklahomans receive the benefit of a 100% of the value of the federal production tax credit.

Plains and Eastern believes that energy infrastructure should benefit not only energy consumers but also local communities that host infrastructure projects. The Plains & Eastern Project and the wind farms it will enable will produce substantial economic benefits for Oklahoma. A substantial portion of these benefits will accrue at the local level, in and around the communities where the transmission line and other facilities will be located. The Project is expected to contribute more than more than \$300 million in ad valorem taxes to local communities over the first 25 years of operation. Most of these funds will support education.

The Project's \$1 billion direct investment in Oklahoma will create thousands of jobs during construction and a \$1.9 billion economic impact on the Oklahoma economy according to a 2017

study performed by Dr. Kyle Dean and Dr. Russell Evans of Economic Impact Group and released through Oklahoma City University. The new energy investments in the Oklahoma Panhandle region, will themselves result in a significant increase in ad valorem tax taxes, landowner payments, and direct economic benefits to rural communities in the state. Based on research done by Dr. Shannon Ferrell of Oklahoma State University, at the current wind capacity in Oklahoma, royalties from wind generators to landowners in Oklahoma are estimated to total nearly \$34 million annually. Each new wind turbine could add approximately \$10,000 per year in royalties to landowners. Oklahoma wind farms are forecasted to pay approximately \$1 billion in ad valorem taxes through 2043. These tax revenues from wind energy could take schools in the Oklahoma Panhandle completely off of school formula funding, allowing funds to go back to the state and ultimately support schools across Oklahoma. Additionally, the economic impact from operations and maintenance for the Project will result in another \$34 million impact annually and support more than 100 jobs in Oklahoma.

SUMMARY

The Plains & Eastern Project will provide PSO with the use of a finalized and permitted route that has undergone extensive landowner scrutiny and on which easements for more than 750 parcels have been obtained. The Project can give PSO much greater schedule and cost certainty and will result in lower costs for Oklahoma ratepayers with less disruption to landowners along the route. Wind Catcher and the Plains & Eastern Project together can take advantage of seven-plus years of transmission line development while accomplishing the goal of delivering affordable wind energy to eastern Oklahoma and allowing the state to take advantage of several billion dollars of energy investment.

CERTIFICATE OF SERVICE

On this 11th day of December, 2017, the undersigned caused a true and correct copy of the above and foregoing document to be transmitted to the following:

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