BEFORE THE TENNESSEE REGULATORY AUTHORITY NASHVILLE, TENNESSEE

IN	RE
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IN THE MATTER OF THE PETITION)	
OF PLAINS AND EASTERN CLEAN)	
LINE LLC FOR A CERTIFICATE OF)	
CONVENIENCE AND NECESSITY)	Docket No. 14-00036
APPROVING A PLAN TO)	
CONSTRUCT A TRANSMISSION LINE)	
AND TO OPERATE AS AN ELECTRIC)	
TRANSMISSION PUBLIC UTILITY)	

TESTIMONY OF MICHAEL SKELLY
PRESIDENT AND CHIEF EXECUTIVE OFFICER
CLEAN LINE ENERGY PARTNERS LLC

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1		I. <u>INTRODUCTION</u>
2	Q.	Please state your name and business address.
3	A.	My name is Michael Skelly. My business address is 1001 McKinney Street, Suite 700,
4		Houston, Texas 77002.
5	Q.	By whom are you employed and in what capacity?
6	A.	I am the President and Chief Executive Officer of Clean Line Energy Partners LLC
7		("Clean Line"), and the President of Plains and Eastern Clean Line LLC ("Plains and
8		Eastern"), the Applicant in this proceeding. Clean Line is the ultimate parent company of
9		Plains and Eastern.
10	Q.	Please provide an overview of the business of Clean Line and Plains and Eastern.
11	A.	The mission of Clean Line and its subsidiaries, including Plains and Eastern, is to
12		develop, construct, and operate long-distance transmission lines to deliver renewable
13		power from the windiest areas of the United States to communities that have a strong
14		demand for low-cost, renewable energy but that lack access to abundant, cost-effective
15		clean energy resources. Clean Line's projects will facilitate the development of wind
16		generation resources that otherwise would not be constructed due to the lack of available
17		electric transmission infrastructure needed to deliver wind energy to the load centers
18		seeking new supplies of renewable energy.
19		Plains and Eastern, a subsidiary of Clean Line, is developing the Plains & Eastern
20		Clean Line transmission project, an approximately 700-mile, +/-600 kV high voltage
21		direct current ("HVDC") transmission line and associated facilities with the capacity to

deliver approximately 3,500 megawatts ("MW") from renewable energy generation

facilities in the Oklahoma Panhandle region to load serving entities in Tennessee, the
Mid-South and Southeast (the "Project" or the "Plains & Eastern Project").

Q. Please describe your educational and professional background.

I received a Bachelor of Arts in Economics from the University of Notre Dame and subsequently served in the United States Peace Corps in Central America. After my service in the Peace Corps, I obtained a Masters of Business Administration from Harvard Business School. I have been in the renewable energy business for more than 20 years. I developed thermal, hydroelectric, biomass and wind energy projects in Central America with Energia Global. Subsequently, I joined Horizon Wind Energy ("Horizon") and led the growth of that company from a two-person company to one of the leading wind energy companies in the U.S.

I have extensive experience in evaluating and developing wind energy resources. I have traveled to nearly every state in the U.S. to evaluate the potential to build wind farms, and I have led the development of more than 2,000 MW of wind energy projects that were ultimately constructed. During my tenure at Horizon, which has subsequently been renamed EDP Renewables North America, the company developed and saw the completion of more than a dozen wind energy projects and created a development portfolio of more than 10,000 MW in over a dozen states. Several members of our management team at Clean Line also came from Horizon, where we worked together to develop and construct various projects, including: 599 MW of wind projects in Illinois; 401 MW of wind projects in Iowa; 925 MW of wind projects in the three-state region of Oklahoma, Texas and Kansas; 322 MW of wind projects in New York, which spearheaded a growing interest in wind energy through the northeastern U.S.; 300 MW in

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Oregon; 101 MW of wind projects in Minnesota; and 101 MW of wind projects in
Washington state. During my tenure, Horizon initiated work on many other wind farms
that were eventually constructed.

In the course of developing those projects, our management team worked with business leaders, legislators and other governmental officials in the various states and conducted extensive public outreach efforts to educate landowners and other stakeholders about wind farm development. Our work in developing and building wind energy projects has given our management team invaluable experience that is directly relevant and transferable to the development of Clean Line's and its subsidiaries' projects. In addition, several members of our team, including Dr. Wayne Galli, our technical witness in this proceeding, have direct experience with developing and constructing transmission lines. The experience of the management team is described more fully in **Exhibit MS-2**.

13 Q. Have you previously testified before regulatory commissions?

14 A. Yes, I have provided testimony in proceedings before the state regulatory commissions of 15 several states, including Arkansas, Illinois, Indiana, Kansas, New York, and Wisconsin, 16 concerning the development of wind farms and transmission projects.

Q. What is the purpose of your testimony in this proceeding?

The purpose of my testimony in this proceeding is to (1) summarize the relief being requested by Plains and Eastern from the Tennessee Regulatory Authority ("Authority"), (2) provide an overview of Plains and Eastern's case-in-chief testimony and witnesses, (3) summarize the Project's purpose and schedule, (4) summarize benefits of the Project, and (5) provide information about the managerial, technical, and financial capabilities of

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1		Clean Line and Plains and Eastern to develop, construct, own, operate, manage and
2		control the Plains & Eastern Project.
3	Q.	What relief is Plains and Eastern requesting from the Authority in this case?
4	A.	Plains and Eastern is requesting an order from the Authority:
5 6 7 8 9		 Granting Plains and Eastern a Certificate of Public Convenience and Necessity pursuant to Tenn. Code Ann. § 65-4-208 approving its plan to construct an interstate electric transmission line in the State of Tennessee; Granting Plains and Eastern a Certificate of Public Convenience and Necessity pursuant to Tenn. Code Ann. § 65-4-201 to operate as an electric transmission public utility in Tennessee;
11 12 13		Confirming that Plains and Eastern is not subject to the rate-making authority of the Authority because its rates will be subject to regulation by the Federal Energy Regulatory Commission ("FERC");
14 15 16 17		To the extent deemed necessary by the Authority, waiving the applicability of Rule 1220-04-0111 to Plains and Eastern so long as Plains and Eastern maintains its books and records in accordance with FERC's Uniform System of Accounts at 18 C.F.R. Part 101; and
18 19 20 21		 Granting proprietary and confidential treatment to the information designated by Plains and Eastern as proprietary and confidential in the testimony and exhibits submitted in this proceeding; and Granting such other and further relief to which Plains and Eastern may be entitled.
22	Q.	Please identify the witnesses who are submitting direct testimony on behalf of Plains
23		and Eastern and the primary topics they are addressing.
24	A.	Plains and Eastern's witnesses and the primary topics addressed in their testimony are as

follows:

Witness	Primary Testimony Topics
Michael Skelly President and CEO of Clean Line; President of Plains and Eastern	 Overview of Plain and Eastern's case-in-chief, including overview of relief requested from the Authority Clean Line's and Plains and Eastern's ownership, organizational structures, and business objectives A description of the public interest and public benefits that the Project will provide Clean Line's and Plains and Eastern's technical, managerial and financial capability
David Berry Clean Line Executive Vice President – Strategy and Finance	 Need for the Plains & Eastern Clean Line Benefits of the Plains & Eastern Project Plains and Eastern's financing capability and financing plan
Wayne Galli Clean Line Executive Vice President – Transmission and Technical Services	 Status of interconnection processes for the Plains & Eastern Project and interactions with TVA and other transmission system operators Plains and Eastern's technical capabilities Project's proposed design and technical specifications Benefits of using HVDC technology
Mario Hurtado Clean Line Executive Vice President and Project Manager for Plains & Eastern Clean Line	 Project description Plains and Eastern's public outreach efforts and process Plains and Eastern's approach to negotiations with landowners
Jason Thomas Clean Line Director, Environmental	 Plains and Eastern's route selection process Identification of Plains & Eastern Clean Line's Proposed Right-of-Way in Tennessee

- 1 Q. Have you reviewed the Petition that Plains and Eastern has filed in this docket?
- 2 A. Yes, I have.
- 3 Q. Are the statements contained in the Petition true and correct to the best of your
- 4 knowledge, information and belief?
- 5 A. Yes, they are.

1	Q.	Will Plains and Eastern comply with the policies, rules and orders of the Tennessee
2		Regulatory Authority that are applicable to Plains and Eastern's operations in
3		Tennessee?
4	A.	Yes, Plains and Eastern will.
5 6	II.	BUSINESS OBJECTIVES, CORPORATE ORGANIZATION AND OWNERSHIP STRUCTURE OF CLEAN LINE AND PLAINS AND EASTERN
7	Q.	Please describe the mission of Clean Line.
8	A.	Clean Line's mission is to develop a series of long-haul transmission lines that will
9		deliver thousands of megawatts of renewable power from the windiest areas of the United
10		States to communities and cities that have a strong demand for clean, low-cost, reliable
11		energy.
12		The United States possesses some of the best renewable energy resources in the
13		world. Bolstered by the improvement in efficiency and cost of renewable energy
14		technologies, and the need for cleaner energy, the U.S. is moving towards a cleaner
15		energy economy. However, continued growth of renewable energy in the U.S. faces a
16		serious challenge: the lack of transmission to connect high wind resource areas to the
17		load centers that are seeking new sources of renewable energy.
18		The existing transmission system was created primarily as a result of local utility
19		planning to connect population centers with nearby fossil fuel power plants; it is now
20		insufficient to meet the demands of our new energy economy. We need long-haul
21		transmission lines to reliably and affordably move America's vast renewable energy
22		resources to market.
23	Q.	Please describe the organizational structure and ownership of Clean Line and Plains
24		and Eastern and their affiliates.

Plains and Eastern, the Applicant in this proceeding, is a limited liability company
organized under the laws of the State of Arkansas and is authorized to do business in
Tennessee. (See Petition, Exhibits A and B.) Plains and Eastern is a wholly owned
subsidiary of Plains and Eastern Clean Line Holdings LLC, a Delaware limited liability
company, which in turn is a wholly owned subsidiary of Clean Line, a Delaware limited
liability company. Plains and Eastern is jointly developing the Project with its affiliate,
Plains and Eastern Clean Line Oklahoma LLC. As I will describe, Clean Line owns
additional subsidiaries, which are developing transmission line projects in other parts of
the country.

Exhibit MS-1 is an organizational structure chart showing Clean Line and all of its subsidiaries, including Plains and Eastern.

Clean Line's investors are GridAmerica Holdings, Inc. (a subsidiary of National Grid USA ("National Grid")), Clean Line Investor Corp. (a subsidiary of ZAM Ventures, L.P. ("ZAM Ventures")), Michael Zilkha, and Clean Line Investment LLC. In the United States, National Grid's regulated subsidiaries deliver electricity to approximately 3.4 million customers in New York, Massachusetts and Rhode Island. Through these subsidiaries, National Grid owns and operates over 8,600 miles of high voltage transmission, 100 miles of underground cable and 522 substations. National Grid is also the largest distributor of natural gas in the northeastern United States, serving approximately 3.5 million customers in New England and upstate New York. Other operating subsidiaries are involved in LNG storage. National Grid also invests and participates in the development of natural gas pipelines and other energy-related projects.

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1	National Grid is a wholly owned U.S. subsidiary of National Grid plc, a major
2	multinational company whose principal activities are owning and operating regulated
3	networks for the transmission and distribution of electricity and natural gas. National
4	Grid plc is based in the United Kingdom and is one of the largest investor-owned energy
5	companies in the world with \$75 billion in assets and over \$22 billion in annual revenues.
6	In the United Kingdom, a subsidiary of National Grid plc, National Grid Electricity
7	Transmission plc, owns and operates the high voltage electric transmission system in
8	England and Wales, comprising approximately 4,500 miles of overhead transmission
9	lines among other assets, and operates the high voltage electricity transmission system in
10	Scotland. National Grid Electricity Transmission plc is also the operator and part owner
11	of a 2,000 MW HVDC link to France, a 1,000 MW HVDC link to the Netherlands, and a
12	planned HVDC facility to link Scotland with England and Wales. Another subsidiary of
13	National Grid plc, National Grid Gas plc, owns and operates the gas transportation
14	system, comprising approximately 4,700 miles of high pressure pipe, and a majority of
15	the gas distribution system, in Great Britain, serving over 11 million homes and
16	businesses.
17	ZAM Ventures is one of the principal investment vehicles for ZBI Ventures,
18	L.L.C ("ZBI Ventures"). ZBI Ventures focuses on long-term investments in the energy
19	sector. ZBI Ventures has invested in several private conventional and unconventional oil
20	and gas investments in the United States, Canada and elsewhere in the world, and has

Michael Zilkha has a proven track record of successful and productive investments in the energy industry, including as the primary investor in Horizon during

made several investments in alternative energy companies.

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its early growth. Clean Line Investment LLC is owned by employees and service providers of Clean Line, and is a small, minority shareholder in Clean Line.

Q. Please describe the current and planned business operations of Clean Line and its subsidiaries.

Clean Line, through its subsidiaries, Plains and Eastern, the Applicant in this proceeding and Plains and Eastern Clean Line Oklahoma LLC¹, is developing the Plains & Eastern Project. The Plains & Eastern Project is comprised of an approximately 700-mile, +/-600 kV HVDC electric transmission system and associated facilities with the capacity to deliver approximately 3,500 MW from renewable energy generation facilities in the Oklahoma Panhandle region to the Tennessee Valley Authority ("TVA") in Tennessee and other load serving entities throughout the Mid-South and Southeast. The TVA and other load serving entities have a strong and growing demand for cost-effective electricity from renewable resources. Clean Line and its subsidiaries are presently developing four other transmission projects, each of which will connect wind generation resources in wind-rich areas of the U.S. to load and population centers where a demand exists for electricity from renewable resources. While Clean Line's legal, financial, accounting, and engineering teams support work on all the five projects, each line has a dedicated project development team that works solely on that project. In addition, as David Berry will describe in more detail in his testimony, each of Clean Line's projects is owned separately and will be financed separately. Clean Line's other transmission projects are:

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¹ Plains and Eastern Clean Line LLC is incorporated in Arkansas and is the project entity for the Arkansas and Tennessee portions of the Project. Plains and Eastern Clean Line Oklahoma LLC is incorporated in Oklahoma and is the project entity for the Oklahoma portion of the Project. Due to different state statutory requirements regarding entity incorporation, there are two Project entities.

1 2 3 4		• Grain Belt Express Clean Line LLC is developing the Grain Belt Express Clean Line, an approximately 700-mile-long HVDC transmission project, which will deliver thousands of megawatts of electric power from wind generation resources in western Kansas and the surrounding area to Missouri, Illinois, Indiana, and states farther east.
5 6 7 8		 Centennial West Clean Line LLC is developing the Centennial West Clean Line, an approximately 900-mile-long HVDC transmission project, which will deliver up to 3,500 MW of electric power from wind generation facilities in New Mexico to southern California and other load centers in the Western United States.
9 10 11 12		 Rock Island Clean Line LLC is developing the Rock Island Clean Line, an approximately 500-mile-long HVDC transmission line, which will deliver up to 3,500 MW of electric power from wind generation facilities in western Iowa, to Illinois and points farther east.
13 14 15 16		 Western Spirit Clean Line LLC is developing the Western Spirit Clean Line, an approximately 200-mile-long transmission line that will deliver up to 1,500 MW of renewable power from east-central New Mexico to load centers in the Western United States.
17		III. PLAINS & EASTERN PROJECT'S PURPOSE, BENEFITS AND TIMING
18	Q.	Why is Plains and Eastern proposing to develop and construct the Plains & Eastern
19		Clean Line?
20	A.	We are developing the Plains & Eastern Clean Line for several reasons, which I will
21		summarize here, and which are described in more detail in the testimony of the other
22		Plains and Eastern witnesses.
23		(1) There has and will continue to be a demand for affordable and reliable
24		renewable energy in Tennessee, the larger TVA service footprint, and throughout the
25		Mid-South and Southeast.
26		(2) Onshore wind energy produced in the Great Plains constitutes some of the
27		lowest-cost renewable energy in the United States, but there is a lack of adequate
28		transmission infrastructure to deliver the wind energy where it can be produced most cost
29		effectively to meet the demand of load serving entities in Tennessee, the Mid-South, and

1		Southeast. The Project will allow TVA and other utilities in the South to reliably and
2		consistently access the country's most cost-effective wind energy resources.
3		(3) There are abundant wind resources available in the Oklahoma Panhandle
4		region and many wind developers that desire to further develop those resources but that
5		cannot construct their projects due to the lack of available electric transmission
6		infrastructure to transmit the wind energy to load.
7		(4) Due to improvements in technology and market competition, electricity from
8		wind has become one of the lowest cost sources of new generation. The cost of new
9		wind generation that is produced from the best wind resources is lower than other new
10		generation sources.
11	Q:	Please describe the benefits that the Project will provide.
12	A:	The Plains & Eastern Project will bring numerous and substantial public benefits,
13		including:
14 15		• Low-cost, clean energy to Tennessee and other areas in the Mid-South and Southeast, saving customers money on their electric bills.
16 17		• Cleaner air and water for Tennessee and the region by reducing the use of fossil fuel generation.
18 19		• Over \$300 million of direct investment in infrastructure in Shelby County and Tipton County, Tennessee.
20 21		• Thousands of new construction and operations jobs in Tennessee, Arkansas, and Oklahoma.
22		• Billions of dollars of investments in new renewable energy projects.
23 24		• Increased opportunities in the manufacturing sector for wind turbines, components, and related facilities that will be constructed as a result of the Project.
25		 Property tax revenue for local communities and schools.
26 27		• Payments to landowners for the easements needed to construct and operate the Project.

David Berry will describe the benefits in more detail in his testimony. These benefits
will accrue to the public without imposing costs broadly on ratepayers. The Project will
be funded by specific shippers, either wind generators that want to move the power to
market or utilities that want to purchase low-cost wind power from the Oklahoma
Panhandle.

Q. Why has Plains and Eastern selected western Tennessee, and TVA's Shelby Substation in particular, as the eastern delivery point for the Plains & Eastern Project?

Plains and Eastern views Tennessee as an attractive market for low-cost, reliable renewable energy. Moreover, we view Tennessee as a natural distribution hub for low-cost renewable energy throughout the region. As I described above, the State of Tennessee can realize substantial public benefits by serving in this role.

In developing the initial geographic scope for the Project, Plains and Eastern sought to connect the abundant, cost-effective wind resources of the Oklahoma Panhandle region with the Mid-South and Southeast, areas of the country with a growing economy and an increasing demand for low-cost renewable energy. In particular TVA has been a leader in realizing the benefits of wind energy in the Southeast. In its most recent Integrated Resource Plan, TVA called for 2,500 MW of renewable energy purchases by 2020.² Wind energy from economical locations such as the Oklahoma Panhandle can provide a consistent, long-term, low-cost energy supply to TVA and other load-serving utilities in the Mid-South and Southeast.

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² Available at http://www.tva.com/environment/reports/irp/archive/pdf/Final_IRP_complete.pdf ("2011 TVA IRP"), p 153-154. (last accessed on April 3, 2014).

1	After a thorough technical analysis, TVA's Shelby Substation in western									
2	Tennessee emerged as the optimal location to deliver 3,500 MW of power. This Shelby									
3	Substation can act as a hub, from which TVA's robust electric grid can deliver power									
4	from the Plains & Eastern Project to consumers in Tennessee, the Mid-South and									
5	Southeast. Tennessee's unique geographic position means that it borders eight different									
6	states, and TVA's 500 kV transmission system allows for the connections to many of the									
7	major utilities in the Southeast.									
8	TVA's Shelby Substation was selected as the ideal interconnection point for									
9	several reasons including:									
10	1) Proximity to existing transmission facilities capable of reliable interconnection									
11	and delivery of up to 3,500 MW of power to points throughout Tennessee, the Mid-South									
12	and Southeast.									
13	2) The level of potential upgrades required to accommodate the Project. Other									
14	delivery points would have resulted in more substantial upgrades to the system, which									
15	would raise the cost of delivered energy to consumers.									
16	3) Historical congestion and market access – given the robustness of the TVA									
17	grid and the geographic location of the Shelby Substation, this delivery point will provide									
18	access for the energy delivered by the Project to be made available to customers									
19	throughout Tennessee, the Mid-South, and Southeast.									
20	4) Land use and environmental siting considerations - meaning a reasonable route									
21	for the transmission line can be identified that will provide access to the Shelby									
22	Substation.									

How long has Plains and Eastern been developing the Project?

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1	A.	We have been developing the Project since 2009. Since that time we have made
2		substantial progress in many areas of the Project's development, including routing, right-
3		of-way acquisition, interconnection studies, and engineering. For example, in addition to
4		identifying the Proposed Right-of-Way that we have submitted in this case, we have
5		already acquired a majority of the right-of-way needed for the Project in Tennessee. My
6		colleague, Mr. Mario Hurtado, describes these project development efforts in detail in his
7		testimony.

8 Q. Why is now the appropriate time for Plains and Eastern to apply to the Authority?

The Project's development has advanced to the point that Clean Line has identified a Proposed Right-of-Way that can be considered by the Authority. Further, the Project schedule plans for commencement of construction in 2016 and reaching commercial operation in 2018. Prior to filing with the Authority, we wanted to allow ample time to develop a Proposed Route that took extensive stakeholder feedback into account. We also wanted to allow time to reach out to each landowner along the Proposed Right-of-Way in Tennessee to provide information about the Project and to discuss the easements needed to construct and operate the Project. Four years of such development efforts have reached the point where Clean Line can now provide the information necessary for the Authority's consideration and action on the request for relief described earlier in my testimony.

Q. Does Plains and Eastern plan to provide any retail electric utility services in Tennessee?

A. No. Plains and Eastern will provide only wholesale-level transmission services; it will not provide any retail electric utility services in Tennessee or elsewhere, and its

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application does not seek authority to do so. More specifically, Plains and Eastern's transmission service will be subject to the jurisdiction of FERC under the FPA and FERC's regulations. Plains and Eastern expects that its customers will consist principally of (1) wind energy producers located in the wind-rich resource area at the western end of the Project, and (2) wholesale buyers of electricity, such as utilities, that are seeking to purchase electricity generated from renewable resources. These wholesale buyers may include TVA as well as other utilities inside and outside of Tennessee that seek to purchase low-cost electricity generated in the Oklahoma Panhandle region. Because Plains and Eastern will be engaged in the provision of interstate wholesale transmission services, it is considered a public utility pursuant to the FPA and the allocation of transmission capacity over the Plains & Eastern line and rates for its wholesale transmission services are subject to the jurisdiction of FERC. In an Order dated September 7, 2012, FERC granted Plains and Eastern's application for authorization to sell wholesale transmission services at negotiated rates and for related relief. That Order is attached as **Exhibit DB-8** to Mr. David Berry's testimony.

IV. MANAGERIAL, TECHNICAL AND FINANCIAL CAPABILITIES

- Q. Does Plains and Eastern have the managerial, financial and technical expertise to operate as a public utility in Tennessee and to construct and operate the Project and provide transmission services as proposed?
- A. Yes. Clean Line, as Plains and Eastern's parent company, has assembled an experienced and knowledgeable team to manage the development, construction and operation of the Project and the other transmission projects under development by other Clean Line subsidiaries. Clean Line's team has a combination of experience and diverse

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skill sets. Our team includes substantial expertise in electrical engineering, environmental
studies, finance and other disciplines. In assembling the team, we look for people who
work well together and have the ability to work with the many stakeholders involved in a
major infrastructure project. This includes people who understand the local environment,
who can work with the local authorities to obtain the necessary permits, and who have the
right technical talents and experience in developing, constructing and operating energy
and transmission facilities efficiently and within the applicable reliability and safety
guidelines. Clean Line's team members have managed the development, construction
and operation of many large-scale energy infrastructure projects around the United States,
including transmission lines, wind farms and fossil fuel power plants. Exhibit MS-2
provides detailed statements of the qualifications and experience of key members of the
Clean Line/Plains and Eastern team.

Additionally, National Grid, one of Clean Line's principal investors, is one of the largest investor-owned utilities in the world and has extensive experience in developing, constructing, owning and operating transmission networks, including HVDC transmission facilities. Our management team consults regularly with the construction management and technical teams of National Grid, who implemented the BassLink HVDC transmission project between Australia and Tasmania and the BritNed HVDC transmission project between the United Kingdom and the Netherlands. National Grid's construction management team provides support to Clean Line and its project companies on development activities, engineering, development and procurement, and project management for HVDC transmission projects. Clean Line also has a direct line of communication with National Grid's global procurement team, who can provide

benchmark pricing and procurement assistance on structures, conductors and labor costs.
National Grid has made, and has committed that it will continue to make, its construction
management resources available to aid Clean Line and its project companies whenever
necessary. This is one of the synergies provided by National Grid's investment in Clean
Line. National Grid's resources are available to advise Clean Line on construction and
technical issues or otherwise in the management of its projects, including the Plains &
Eastern Project.

Finally, Plains and Eastern will hire industry-leading, experienced, contractors and consultants to assist in the design and construction of the Project. For example, Plains and Eastern has already contracted with Fluor Enterprises, Inc. ("Fluor") to provide engineering, procurement and construction ("EPC") services during the development phase of the Project. Fluor is a Fortune 500 company with more than 41,000 employees operating globally. Fluor has extensive project experience in the Southeast U.S., including large-scale linear projects such as the Conway Bypass Design-Build and the Carolinas and SCG Pipeline Projects. The agreement with Fluor contemplates that Plains and Eastern and Fluor will enter into an EPC contract for Fluor to construct the Project.

Fluor has partnered with Pike Electric, Inc. ("Pike") to assist in providing EPC services for the Plains & Eastern Project. Pike has been providing transmission and distribution services in the Southeast since 1945. Pike provided EPC services for SC Electric & Gas, V.C. Summer Nuclear Station Infrastructure Expansion.

Q. Are Clean Line and Plains and Eastern capable of financing the Project in Tennessee?

Yes. Clean Line's investors are providing capital to enable Clean Line to undertake the development and permitting work for its transmission line projects, including the Plains & Eastern Project. The funding provided by these equity investors will enable Clean Line and its subsidiaries to bring the Project, and the other transmission projects being developed by other subsidiaries of Clean Line, to a point of development at which long-term transmission service agreements can be signed with transmission customers and, on the basis of these agreements, project-specific financing arrangements can be entered into with lenders and with equity investors and/or other partners.

In the electric utility industry, the development of innovative and competitive projects requires experienced investors focused on long-term results that recognize that interstate transmission projects take many years. Clean Line's investors meet these criteria. As described previously, Clean Line's principal equity owners, ZAM Ventures, National Grid, and Mr. Michael Zilkha have deep experience in the energy field, including electric power and renewable energy. ZAM Ventures is concerned with long-term results and the growth of the renewable energy industry and therefore is an ideal private equity investor for Clean Line. National Grid's parent, National Grid plc, is one of the largest investor-owned utilities in the world and has \$75 billion in assets and over \$22 billion in annual revenues. National Grid's participation as an equity investor in Clean Line provides additional standing in the capital markets for Clean Line's projects, financing plans, and financial capabilities. Furthermore, National Grid is experienced in financing energy infrastructure projects, including transmission lines and HVDC facilities. Clean Line and its subsidiaries, including Plains and Eastern, can draw on this

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expertise	when	necessary	in	connection	with	the	financing	of	their	electric	transmi	ission
projects.												

With the backing of these investors, Clean Line has secured capital to perform the work to obtain the necessary permits and approvals for its proposed projects, including the Plains & Eastern Clean Line, to acquire appropriate land options, to conduct extensive public outreach, to initiate acquisition of easements in selected areas, and to otherwise responsibly conduct development activities for the Plains & Eastern Project and Clean Line's other transmission projects up to the point that specific project financing agreements can be negotiated and executed. Clean Line's equity investors are excellent partners for the current stage in this process, and as our projects move forward, they may be joined by additional investors who are well-suited for this undertaking.

Further, experience shows that significant amounts of liquidity exist in the capital markets for transmission projects that have reached an advanced stage of development. As Mr. David Berry discusses in his testimony, capital markets have a substantial history of supporting transmission projects, including merchant transmission projects, through debt and equity financings. Mr. Berry provides additional information on Clean Line's and Plains and Eastern's financial capabilities and resources and financing plans for construction of the Plains & Eastern Clean Line.

- Have any other state regulatory commissions determined that Clean Line or its subsidiaries have the technical, managerial or financial capability to construct, own and operate the Clean Line projects?
- 22 A. Yes. On October 28, 2011, the Oklahoma Corporation Commission ("OCC") granted the 23 application of Plains and Eastern Clean Line Oklahoma LLC for authority to operate as

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an electric transmission public utility in Oklahoma (Cause No. PUD 201000075). The
OCC affirmed the Administrative Law Judge's recommendation that Plains and Eastern
Clean Line Oklahoma LLC "possesses the financial, managerial, and technical
experience to build, own, and operate transmission in Oklahoma." Plains and Eastern
Clean Line Oklahoma LLC, which has the same resources, investors, and business model
as applicant, will own and operate the portion of the Project in Oklahoma.

On May 22, 2013, the Indiana Utility Regulatory Commission ("IURC") granted Grain Belt Express Clean Line LLC the authority to operate as a transmission-only public utility in the State of Indiana (Cause No. 44264). Among other things, the IURC found that "Petitioner submitted extensive evidence of its technical, managerial, and financial capability to construct, own and operate the Project." ⁴

On December 7, 2011, the Kansas Corporation Commission ("KCC") granted the application of Grain Belt Express Clean Line LLC to operate as a public utility in the State of Kansas (Docket No. 11-GBEE-624-COC). The KCC found that "...there is sufficient competent evidence demonstrating that Clean Line has the managerial,

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³ Order No. 590530, Cause No. PUD 201000075, In the Matter of the Application of Plains and Eastern Clean Line LLC, to Conduct Business as an Electric Utility in the State of Oklahoma, Exhibit A, p. 2.

⁴ Order of the Commission, Cause No. 444264, Petition of Grain Belt Express Clean Line LLC for: (1) a Determination of its Status as a "Public Utility" under Indiana Law; (2) a Determination that it has the Technical, Managerial, and Financial Capability to Operate as a Public Utility in Indiana; (3) Authority to Operate as a Public Utility in Indiana, including Authority to Exercise all Rights and Privileges of a Public Utility Accorded by Indiana Law; (4) Authority to Transfer Functional Control of Operation of its Transmission Facilities to be Constructed in Indiana to a Fully Functioning Regional Transmission Organization; (5) a Determination that the Commission should Decline to Exercise Certain Aspects of its Jurisdiction over Petitioner Clean Line LLC; (6) Authority to Locate its Books and Records Outside the State of Indiana; (7) Consent by the Commission to Boards of County Commissioners for Petitioner Clean Line LLC to Occupy Public Rights of Way, to the Extent it may be Necessary; and (8) all other Appropriate Relief, pp. 18-19.

financial, and technical experience to construct, operate, and maintain the line."⁵ Further, on November 07, 2013, the KCC granted the application of Grain Belt Express for a siting permit, conferring on Grain Belt Express the right to construct the Kansas portion of the Grain Belt Express project. In issuing this siting permit, the KCC found that the line is necessary and that the line provides a "benefit to both consumers in Kansas and consumers outside the state and economic development benefits in Kansas."⁶

Q. Please summarize Plains and Eastern's capability to develop, construct, own and
 operate the Plains & Eastern Project in Tennessee.

The team responsible for developing, constructing, owning and operating the Project has extensive experience in performing similar functions in the energy and transmission industry. The Project is backed by investors with deep knowledge of electric transmission infrastructure, including HVDC transmission, and will lend this knowledge to the Project when needed. The vendors selected to assist with executing the Project will also have substantial experience in the relevant areas. Further, several other states have determined that Plains and Eastern's affiliates, using a similar approach to Plains and Eastern, have the capability to construct, own and operate electric transmission infrastructure and to serve as a public utility.

Q. Does this conclude your prepared direct testimony in this proceeding?

19 A. Yes, it does.

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MICHAEL SKELLY

⁵ Order Approving Stipulation & Agreement And Granting Certificate, Docket No: 11-GBEE-624-COC, *In the Matter of the Application of Grain Belt Express Clean Line LLC for a Limited Certificate of Public Convenience to Transact the Business of a Public Utility in the State of Kansas*, p. 25.

⁶ K.S.A. 66-1,180.

I swear that the foregoing testimony is true and correct to the best of my knowledge, information and belief.

Michael Skelly

President and Chief Executive Officer

Clean Line Energy Partners LLC

STATE OF TEXAS

THE OF TEXAS

COUNTY OF HARRIS :

Votary Public

My Commission Expires:

7-22-2015

JUDY BLANKENSHIP Notary Public, State of Texas My Commission Expires July 22, 2015 **EXHIBIT MS-1**: Clean Line Energy Partners LLC Organizational Structure

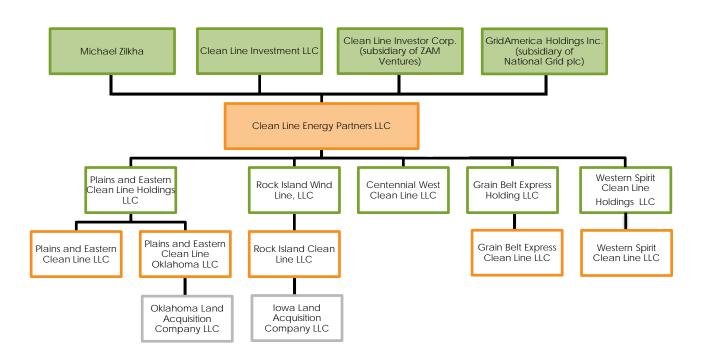


EXHIBIT MS-2: Qualifications and Experience of Selected Clean Line Management Team Members and Employees

Plains and Eastern Clean Line Additional Information on Qualifications and Experience of Selected Clean Line Management Team Members and Employees

Michael Skelly President and CEO

Horizon Wind Energy - Chief Development Officer

- Built and developed over 2,600 MW of electric projects, including: Blue Canyon V Wind Farm and Gen Tie, Pine Tree Wind Farm and Gen Tie, Rail Splitter Wind Farm and Gen Tie, Rattlesnake Road Wind Farm, Twin Groves II Wind Farm and Gen Tie, Meridian Way I & II Wind Farm and Gen Tie, Lone Star II Wind Farm, Pioneer Prairie I & II Wind Farm, Prairie Star Wind Farm and Gen Tie, Twin Groves I Wind Farm and Gen Tie, Lone Star I Wind Farm, Elkhorn Wind Farm, Maple Ridge I & II Wind Farm and Gen Tie, Wild Horse Wind Farm and Gen Tie, Blue Canyon I & II Wind Farm and Gen Tie, Mill Run Wind Farm, Somerset Wind Farm, Top of Iowa Wind Farm, Madison Wind Farm, Tierras Morenas Wind Farm.
- Participated in construction supervision, onsite inspections, the review of quality assurance/quality control procedures, the implementation of safety strategies, and resolving logistical issues of wind farms and generation tie lines.
- Responsible for purchasing equipment from wind turbine manufacturers.
- Responsible for negotiating EPC contracts for both equipment and construction, hiring
 construction supervision teams, negotiating balance of plant contracts for the turbine
 equipment, and performing development activities, including land acquisition,
 permitting, and turbine siting.

Wayne Galli, Ph.D, P.E. Executive Vice President, Transmission and Technical Services

NextEra Energy Resources – Director, Transmission Development

Responsible for routing, siting and engineering for approximately 330 miles of new transmission lines, including HVDC lines for the CREZ Transmission Projects in Texas.

Responsible for vetting potential contractors and letting contract awards to contractors.

Participated in planning and project management for a 229-mile transmission line, including providing a planning and engineering interface with the project's construction management team.

Southwest Power Pool – Supervisor of the Operations Engineering Group

Responsible for providing engineering support for the SPP Reliability Coordinator and Market Operations, including engineering analysis and operational planning activities.

Responsible for coordinated outage planning of transmission across the SPP footprint in conjunction with impacted neighboring electric systems.

Supervised factory acceptance testing of various software systems.

Southern Company Services - Engineer III

Analyzed 500 kV expansion plans for planning and strengthening Southern Company's 500 kV backbone transmission system.

Received training in transmission construction practices through Southern's internal training programs.

Siemens Westinghouse Technical Services – Power Systems Engineer – Senior Engineer

Commercial Power systems experience including performing power quality studies, relay coordination studies, and system design.

Taught customer courses in power quality.

Newport News Shipbuilding - Senior Engineer

Designed shipboard power systems.

Jayshree Desai Executive Vice President

Horizon Wind Energy - Chief Financial Officer

- Financed over 2,400 MW of electric projects, including: Blue Canyon V Wind Farm and Gen Tie, Pine Tree Wind Farm and Gen Tie, Rail Splitter Wind Farm and Gen Tie, Rattlesnake Road Wind Farm, Twin Groves II Wind Farm and Gen Tie, Meridian Way I & II Wind Farm and Gen Tie, Lone Star II Wind Farm, Pioneer Prairie I & II Wind Farm, Prairie Star Wind Farm and Gen Tie, Twin Groves I Wind Farm and Gen Tie, Lone Star I Wind Farm, Elkhorn Wind Farm, Maple Ridge I & II Wind Farm and Gen Tie, Wild Horse Wind Farm and Gen Tie, Blue Canyon I & II Wind Farm and Gen Tie.
- Responsible for raising capital needed for development and construction.
- Oversight responsibilities for project controls, including creating and implementing budget reporting tools and processes to enable the owner to develop the project budget and monitor performance against the budget during the development and construction processes.
- Developed analytics to ensure that the turbine supply and balance of plant contracts and revenue contracts for the projects were priced appropriately and that the allocation of risk among the contracting parties was appropriate.

 Worked closely with the owner's CEO and COO in hiring qualified personnel for the projects and ensuring that each project was staffed appropriately for each stage of project development, construction, and operation.

Mario Hurtado Executive Vice President

Globeleq – Vice President for Operations

- Oversaw the overall operations and performance of the following projects: CEPP
 Thermal Plant, Pacora Thermal Plant, Nejapa Thermal Plant, Fortuna Hydroelectric Plant
- Oversaw implementation of the operations optimization programs.
- Responsible for scheduling major maintenance activities, instituting preventative and predictive maintenance practices, and minimizing downtime during outages.
- Oversaw the institution and implementation of best-in-class safety performance standards for these projects in order to ensure compliance with the relevant OSHA standards.
- Oversaw the negotiation of EPC contracts for the construction of these projects, including
 the development of risk matrices to measure the different components of construction
 risk, the allocation of construction risk components, and the formulation of mitigation
 measures to bracket the owner's risk within acceptable financial and operational limits.
- Negotiated multiple contract structures for these projects, including full competitive EPC bid processes.

Jonathan Abebe Manager of Electrical Engineering

Vestas – Lead Power Systems Engineer

Responsible for investigating solutions for increasing wind integration, which primarily involved investigating different energy storage technologies to mitigate for the intermittent nature of wind. These technologies also allowed wind farms to participate in ancillary service markets. Specific tasks included developing software models to simulate how various energy storage techniques can be applied for various ancillary services.

National Grid USA/National Grid USA Service Co./GridAmerica LLC – Manager of Transmission Reliability Performance

Managed the reliability performance group – responsible for maintaining system reliability, performing detailed analyses of National Grid USA's transmission system reliability performance, and identifying transmission upgrades to National Grid USA's transmission systems.

Senior Engineer in the Asset Management Group – developed asset replacement strategies for HVAC and HVDC transmission equipment; developed spare adequacy strategies for 345/115 kV and 230/115 kV transformers; conducted substation asset

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health reviews and capital work prioritization analyses for National Grid USA's transmission assets.

Engineer in the Transmission Planning Group – responsible for conducting bulk power system planning studies, taking into account reliability, economics and operating flexibility for transmission system expansion as well as interconnection of new generation and load to National Grid USA's transmission system in western Massachusetts.

Operational Planning Engineer – assessed impacts of nearly 600 high-voltage equipment outages for three major transmission owning utilities (Ameren, FirstEnergy and Northern Indiana Public Service Company), to determine and ensure that bulk electric system facilities operated within NERC system operating limits while equipment outages are in progress.

Deral Danis

Manager of Electrical Engineering

Constellation Energy Commodities Group - Manager

Analyzed deliverability and transmission strategy for service to existing and new loads and generation.

Southwest Power Pool – Operations Engineer

Conducted analyses of the reliability impacts of planned transmission and generation outages to ensure compliance with NERC requirements and to accommodate construction and maintenance activities within the SPP footprint; this experience will be relevant to coordinate outages with SPP, MISO and PJM transmission owners to ensure that construction and maintenance activities for the Grain Belt Express Clean Line are properly scheduled.

Assisted with reliability coordination and market operations in SPP daily planning and decision making.

Jason Thomas

Environmental/Permitting Director

More than 18 years experience in environmental studies and permitting experience for projects with the following entities:

NextEra Energy Resources, 2008-2010 – Project Manager

Crouch Environmental Services, 2006-2008 – Principal Consultant

Michael Baker Jr., Inc., 2002-2006 – Project Manager

URS Corporation/Dames & Moore Group, 1998-2002 – Senior Environmental Planner

Harris County, Texas Pollution Control Department, 1995-1998 – Permit Specialist

US Forest Service, two separate temporary assignments, 1993-1994

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Prior experience with these organizations included the following:

Responsible for managing internal personnel and contractors responsible for environmental studies and permitting for over 2,500 MW of wind generation projects, 300 MW of solar energy projects, and over 250 miles of high voltage transmission lines.

Involved in successfully permitting the following high voltage transmission lines: single circuit 345 kV 229-mile transmission line and associated substations and buswork in West Texas; single-circuit 138 kV 20-mile generation tie line for wind generation in North Texas; 500 kV interconnection, substation, and buswork in Arizona; 161 kV 24-mile transmission line in South Texas.

- Responsible for the bid development, competitive selection, procurement, management, and oversight of all environmental contractors and service providers.
- Designed and provided oversight of the environmental compliance program during construction and land restoration, including teams of environmental monitoers.

Involved in successfully permitting the following wind generation projects: Wolf Ridge (TX), Horse Hollow IV and V (TX), Blue Summit I and II (TX), Red Mesa (NM), Limon Wind Energy Center (CO), Perrin Wind (AZ).

Involved in successfully permitting the following solar energy projects: Hatch Solar Energy Center (NM), Paradise Solar Energy Center (NJ), "Solar Under Wind" facilities (various states), San Luis Valley Solar (CO).

John Kuba Environmental Associate

Turner Biological Consulting - Project Manager and Lead Biologist

Managed environmental and conservation activities for client projects, including energy transmission projects and renewable generation projects.

Provided environmental support for the development or construction of over 5,000 MW of renewable energy projects, 250 miles of electric transmission projects, and hundreds of miles of pipeline projects.

Transmission line projects included: NextEra Energy – single circuit 345 kV 229-mile transmission line in West Texas; single-circuit 138 kV 20-mile generation tie line in North Texas.

Renewable energy projects in Texas included: FPL Energy – Horse Hollow I-V, Capricorn Ridge, Wolfe Ridge, Crow's Nest, Coyote Run; AES Seawest – Buffalo Gap I-IV, Pecan Mountain; BP Wind – Silverstar, Sherbino Mesa; TriGlobal Energy – Goodnight, Cone, Hale County, Crosby County, Floyd, Changing Winds, Fluvanna, and Canyon; Eurus Energy – Bull Creek; Invenergy – Turkey Track, Camp Springs I&II, and Stanton; Third Planet Windpower – Loraine Wind Farm; Tessera - Western Ranch Solar Project.

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Pipeline projects in Texas included: Hickory Water Supply Project (63-mile 30-inch water pipeline); Water supply pipeline projects for various county, municipal and rural water development board pipeline projects including: Millersview-Doole Water Supply Corporation, Palo Pinto WSC, Parker County WSC, Coleman County Water District, and Trinity River Authority.

Cary Kottler General Counsel

Clean Line Energy Partners LLC – General Counsel

- Responsible for legal, contractual, regulatory, and compliance matters for the Company. These responsibilities include state regulatory filings, Federal Energy Regulatory Commission filings, right-of-way and other real estate agreements, commercial agreements, general business contracts, and interconnection agreements
- Advises on business development opportunities and corporate strategy.

Clean Line Energy Partners LLC – Director of Development for the Rock Island Project

Oversaw Project schedule and budget.

Managed Project vendors and contractors, including the Project's land and right-of-way acquisition contractors, and the Project's construction management and cost estimating contractor.

Negotiated development services agreement with the construction management contractor.

Oversaw environmental permitting activities for the Project.

Vinson & Elkins – Attorney

Represented clients in merger and acquisition, project development and private equity investment transactions, including transactions in the wind energy, solar energy and geothermal energy sectors.

Representative transactions in the renewable energy sector include:

- Represented a private equity fund in an approximately \$145 million equity investment in a geothermal power development company with one of the largest geothermal property portfolios in the United States.
- Represented a wind power developer in the acquisition of \$50 million of turbines, connection lines and other wind energy producing assets.
- Represented a solar development company in the development of three solar thermal power plants totaling up to 500 MW in the western United States.
- Represented a private equity fund in a convertible debt financing for a bioenergy company.

• Represented a private equity fund in the acquisition of a group of entities involved in wind power generation and transmission.

Drafted and negotiated construction-related agreements including engineering, procurement and construction contracts and construction financing agreements.

Deann Lanz Director of Land Services

BP Wind Energy North America – Vice President of Land

Responsible for land acquisition, title and survey, GIS and mapping support, and property administration activities for numerous wind generation projects and associated transmission encompassing more than 500,000 acres of land, hundreds of miles of transmission lines, and hundreds of MW of renewable energy generation projects.

Responsible for managing teams of company employees, as well as contract right-of-way agents in these activities.

Responsible for notifying and advising construction management on projects concerning construction obligations of BP Wind as reflected in leases, transmission easements and other agreements, as well as other issues raised by landowners.

Acted as liaison between landowners and construction contractors during construction of wind generation projects and transmission facilities.

Responsible for resolving post-construction issues with landowners including crop damage and property damage compensation and settlements.

Representative wind generation and transmission projects included: Cedar Creek II Wind Farm (Weld County, Colorado), Sherbino II Wind Farm (Pecos County, Texas), Trinity Hills Wind Farm (Archer and Young Counties, Texas), Mehoopany Wind Farm (Wyoming County, Pennsylvania) and Flat Ridge 2 Wind Farm (Sumner, Barber, Kingman and Harper Counties, Kansas).

Mayer Brown – Attorney

Represented clients in purchasing, selling and developing billions of dollars of improved and unimproved real estate.

More than 14 years of total experience in commercial land transactions including transactions for renewable energy and transmission projects.

Max Shilstone Director of Business Development

Duke Energy North American – Director, Business Development

- Originated and managed the Greenfield development of a 570 MW, combined cycle gas turbine project in western Arizona. The project connected to the Palo Verde transmission system that serves the southwest.
- Managed the development of a new switchyard, in conjunction with the Salt River Project in Phoenix, Arizona that enabled over 5,000 MW of new gas turbine generation to be connected and serve the southwest.
- Developed a Greenfield 600 MW combined cycle gas turbine project in eastern New Mexico to connect to the PNM transmission system.
- Initiated the development of a 1,500 MW coal fired generation plant in eastern Nevada.
 The project was developed to use water from a closed BHP mining operation and to
 ultimately connect to the western transmission system and provide energy for the city of
 Las Vegas.