

**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI**

In the Matter of the Application of Union)
Electric Company d/b/a Ameren Missouri for) File No. EM-2022-0292
Permission to Transfer an Interest in)
Transmission Assets under Section 393.190.1.)

**AMEREN MISSOURI’S RESPONSE TO
STAFF SUGGESTION TO JOIN PARTIES**

COMES NOW Union Electric Company d/b/a Ameren Missouri (“Company” or “Ameren Missouri”), and for its response to Staff’s May 23, 2022 Suggestion to Join City of Hannibal, Associated Electric Cooperative, Inc., and Ameren Illinois Company as Parties (“Staff’s Suggestion”), states as follows:

1. This case arises from the fact that Ameren Missouri proposes to transfer an undivided minority (49%) interest in a small part of its franchise, works, and system necessary or useful in providing electric service to its customers to the Missouri Joint Municipal Electric Utility Commission (“MJMEUC”). Under Section 393.190.1, the Commission must give its permission for such a transfer. Such a case presents only one issue for the Commission’s determination: has the utility (the Company here) shown that the *transfer at issue*¹ is not detrimental to the public interest. *State ex rel. Fee Fee Trunk Sewer, Inc. v. Litz*, 596 S.W.2d 466, 468 (Mo. App. E.D. 1980). As discussed below, the Commission lacks the authority to join any of the parties named in Staff’s Suggestion, nor is their status as a party to the case needed for the Commission to discharge its duties here. Before addressing the Commission’s lack of authority to grant the relief sought by Staff’s Suggestion, the Company will provide some additional context, virtually all of which is outlined in the Company’s Verified Application.

¹ As distinguished from the construction of the project itself.

2. As outlined in detail in the Company's Application, approval of the Company's request in this case would allow it to transfer a 49% undivided interest in a new substation and a rebuilt 161-kV transmission line circuit. The Company is not asking for, nor does it require, Commission permission to construct any part of the project at issue.² Indeed, the assets at issue are being constructed as part of a larger transmission infrastructure replacement and improvement project in northeast Missouri that is already underway and is expected to be completed this fall.

3. The estimated cost of constructing the assets in which MJMEUC would acquire a 49% undivided interest is approximately \$15.47 million, of which MJMEUC would pay approximately \$7.58 million. The Company will retain full operational control of the subject assets, with MJMEUC essentially acting as a passive investor. MJMEUC's involvement in the project arises from the fact that its member, the City of Hannibal, operates a municipal utility whose system is interconnected with Ameren Missouri's system. By strengthening Ameren Missouri's northeast Missouri transmission system, Hannibal, together with Ameren Missouri's customers, will benefit. Hence MJMEUC's interest. As also outlined in the Company's Application, MJMEUC's involvement will reduce the overall revenue requirement impact of the project on Ameren Missouri's customers. If for some reason the Commission were to deny the Company's Application in this case, the benefit of MJMEUC's investment to Ameren Missouri's customers would not be realized, but the project would nonetheless be built and (subject of course to the Commission's authority with respect to the prudence of all Ameren Missouri projects)

² As indicated in the Company's Application, all construction is within Ameren Missouri's existing certificated service territory in Ralls or Marion Counties or, for parts of the rebuilt line that is outside Ameren Missouri's territory, is a rebuild of a line for which a prior line certificate under Section 393.170.1 was issued.

reflected in Ameren Missouri's revenue requirement used to set its customers' rates.³

4. The overall project, beyond the components in which MJMEUC would own a minority interest include construction by Ameren Missouri, at the sole cost and expense of the City of Hannibal, of a short (0.9 mile) transmission line to be owned by the City of Hannibal and co-located on Ameren Missouri's structures. Ameren Missouri will have no interest in or responsibility for this short transmission line but agreed to construct it, at Hannibal's cost, at the same time it was reconstructing its existing Peno Creek to Spalding line. The existing Peno Creek to Spalding line is interconnected with the Associated Electric Cooperative, Inc. ("AECI") Spalding Substation, as will be the rebuilt Peno Creek to Spalding Line and the rebuilt line that formerly ran from the AECI Spalding Substation to Ameren Missouri's Marion substation and that will not run from the AECI Spalding Substation to the new Ameren Missouri Finn Substation and then from the Finn Substation to the Marion Substation. The Ameren Missouri connection to this AECI substation is not unlike the many similar interconnections between the Ameren Missouri and AECI transmission systems across the state. AECI will have no interest in any Ameren Missouri assets but is simply accommodating what is a routine interconnection with a neighboring utility's system. The overall project will also connect Ameren Missouri's transmission system with the transmission system owned by Ameren Illinois Company ("AIC"). All work being performed on the AIC system in Illinois is being paid for by AIC, but the connection of Ameren Missouri's

³ The Company's Application erroneously suggests that MJMEUC would bear a portion of operations and maintenance costs associated with the assets in which it will have an interest and that this would also benefit Ameren Missouri's customers. Generally, there will be no operations and maintenance cost benefit to Ameren Missouri's other customers arising from MJMEUC's minority interest in those assets since those costs, while charged to MJMEUC under the agreement by which it will acquire its interest, will ultimately be reflected in transmission charges assessed to load-serving entities in the Ameren Missouri Transmission Pricing Zone within MISO (i.e., ultimately in the same amount that would have applied if MJMEUC did not hold an interest in any of the project). The undersigned counsel apologizes for the error in the Application. The remaining benefit of MJMEUC's minority interest to Ameren Missouri's customers described in the Application will be realized if the transfer for which permission is requested in this case is approved.

system to the AIC system will enhance the benefits of Ameren Missouri's project for Ameren Missouri and its customers. AIC will have no interest in any Ameren Missouri asset, nor will Ameren Missouri have an interest in any AIC asset.

5. As noted above, the Commission cannot grant the relief Staff seeks. Neither AECI nor the City of Hannibal nor AIC are electrical corporations or public utilities subject to the Commission's authority.⁴ Moreover, for several reasons it is unnecessary for these companies to be parties to this case in order for the Commission to obtain the information it needs to discharge its duties.

6. First, both the proposed transferor (Ameren Missouri) and transferee (MJMEUC) involved in the transfer request that is before the Commission are parties to this case. Those parties believe they can provide whatever relevant information is needed. Indeed, the Company made several of its personnel available to the Staff about three weeks ago to answer Staff questions and is in the process of responding to Staff data requests. Second, if warranted, discovery can be conducted as to MJMEUC. Third, if there are questions about dealings or communications with AECI, Hannibal, or AIC about the project, either Ameren Missouri or MJMEUC, or both, would have necessarily been involved in such dealings or communications and can answer relevant questions about them. Fourth, as the Staff Suggestion acknowledges, while the General Assembly did not give the Commission authority to compel non-public utilities to become parties to cases before it, it did delegate the power to compel appearances and information from such entities or persons. While the Company finds it difficult to imagine a need for such power to be exercised in this case, it does exist. Finally, and the Company would submit most

⁴ The Commission has limited safety-related jurisdiction over AECI, but nothing more. *See* Section 394.160, RS Mo. There are also limited situations involving territorial agreements, switch of suppliers, or annexations where a cooperative or a municipal utility can properly be before the Commission as a party, but none of those situations is at issue in this case.

importantly, the Company is willing to facilitate reasonable requests by Staff to gain relevant information Staff may believe it needs from AECl, Hannibal, or AIC. Indeed, the Company suspects that AECl, Hannibal, and AIC would be willing to communicate to respond to reasonable, relevant requests from Staff without the need for a subpoena.

7. In summary, the Company has no desire to impede Staff's ability to develop its recommendation in this case and is doing what it can to get the Staff the information Staff believes it needs.⁵ However, the Company does not believe it should sanction situations where another party urges the Commission to act beyond its authority in one of the Company's cases. The Company firmly believes that either it or MJMEUC can provide or facilitate whatever relevant information Staff needs.

WHEREFORE, Ameren Missouri respectfully requests that the Commission deny the relief sought by the Staff Suggestion.

/s/ James B. Lowery

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⁵ That recommendation should be focused on the sole issue in this case: whether there is a lack of detriment to the public interest from the proposed transfer.

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a true and correct copy of the foregoing was served on all parties of record via electronic mail (e-mail) on this 13th day of June, 2022.

/s/ James B. Lowery

James B. Lowery