

**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        )  
Permission to Transfer an Interest in                )  
Transmission Assets under Section 393.190.1.      ) File No. EM-2022-\_\_\_\_\_

**VERIFIED APPLICATION AND REQUEST FOR WAIVER**

**COMES NOW** Union Electric Company d/b/a Ameren Missouri (“Company” or “Ameren Missouri”), pursuant to section 393.190.1 RSMo.,<sup>1</sup> 20 CSR 4240-2.060, 20 CSR 4240-10.105, and 20 CSR 4240-4.017(1), and makes this application to the Missouri Public Service Commission (“Commission”) for permission and authority to transfer an undivided 49% interest in certain transmission facilities in, around, and near the City of Hannibal, Missouri to the Missouri Joint Municipal Electric Utility Commission (“MJMEUC”), and for a waiver of the 60-day notice requirements of 20 CSR 4240-4.017(1). The requested transfer permission and related approvals will enable Ameren Missouri to replace aged infrastructure and improve reliability in the Hannibal area and northeast Missouri at a lower cost than if the permission were not granted because it allows the use of a collaborative effort and cost sharing arrangement among Ameren Missouri, MJMEUC, and the City of Hannibal Municipal Utility (“Hannibal”) (together, the “Project Parties”) to simultaneously address the energy needs of Ameren Missouri and Hannibal customers.

**I. The Applicant**

1. Union Electric Company is a corporation organized under the laws of Missouri doing business under the fictitious name of Ameren Missouri, with its principal office at 1901 Chouteau Avenue, St. Louis, Missouri 63103. The Company is engaged in providing electric and

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<sup>1</sup> All statutory references are to the Revised Statutes of Missouri (2016), unless otherwise noted.

gas utility services in portions of Missouri as a public utility under the jurisdiction of the Commission.

2. The Company previously submitted to the Commission a certified copy of its Articles of Incorporation (See Case No. EA-87-105), as well as its Fictitious Name Registrations as filed with the Missouri Secretary of State's Office (See Case Nos. EA-2019-0181). These documents are incorporated by reference and made a part of this Application for all purposes. A certified copy of Union Electric Company's Certificate of Corporate Good Standing is attached to this Application as **Appendix A**.

3. In addition to the undersigned counsel, correspondence, communications, notices, orders, and decisions of the Commission with respect to this matter should be sent to:

Tom Byrne  
Sr. Director, Regulatory Affairs  
One Ameren Plaza 1901  
Chouteau Avenue  
St. Louis, Missouri 63166  
(314) 809-0360  
[tbyrne@ameren.com](mailto:tbyrne@ameren.com)

4. Ameren Missouri has no final unsatisfied judgments or decisions against it from any state or federal agency or court that involve customer service or rates that have occurred within three years of the date of this Application. By the nature of its business, the Company has, from time-to-time, pending actions in state and federal agencies and courts involving customer service or rates. Company has no annual report or assessment fees overdue to this Commission.

5. An affidavit providing the authorized officer verification required by 20 CSR 4240-2.060(1)(M) and by 20 CSR 4240-4.017(1) is attached as **Appendix B** to this Application.

## **II. The Project**

6. The Project consists of four major transmission components to be constructed by

Ameren Missouri, which are designed to replace aged and deteriorated infrastructure and to improve reliability of electric service in Hannibal and northeast Missouri. Ameren Illinois Company (“AIC”) will also construct, at its own expense, a related transmission project in Illinois that will enhance the benefit of Ameren Missouri’s improvements to the Ameren Missouri system.

7. The first component is the construction of a new Ameren Missouri 161 kV substation (the “Finn Substation”) that will interconnect, either directly or via associated line connections, with the larger Ameren Missouri transmission system, Hannibal’s system, and the Associated Electric Cooperative, Inc. (“AECI”) system in northeast Missouri. This will solve an ongoing, known reliability problem with the present configuration where the Hannibal system interconnects with an existing Ameren Missouri distribution substation (the “Marion Substation”) and is subject to disturbances that negatively impact both service to Hannibal's customers and Ameren Missouri load served from the Marion Substation. Specifically, the Marion Substation is currently fed by two radial lines with no tie on the transmission side of the station. By relocating Hannibal's connection from the Marion Substation to the Finn Substation, this will help eliminate exposure to Ameren Missouri load from Hannibal's system, and vice-versa.

8. The second component of the Project is the reconstruction of approximately 11.7 miles of the Company’s existing Penno Creek-Spalding-2 161 kV transmission line from AECI’s Spalding Substation to the Finn Substation (approximately 8.5 miles) and from the Finn Substation to the Marion Substation (approximately 3.2 miles). This roughly 60-year old line, which consists of wood structures, has suffered from extensive woodpecker damage and needs to be replaced. The existing wood structures will be replaced with steel H-frame structures and steel monopoles on concrete foundations. This rebuilt line, to be named Penno Creek-Spalding/Spalding-Finn and Finn-Marion, will connect to the new Finn Substation and, northeast of Finn, will continue to be

connected to the Marion Substation. As discussed below, with respect to the lines involved in this Project, an ownership interest in only the Spalding to Finn circuit will be transferred to MJMEUC (from AECI's Spalding Substation to the Finn Substation).

9. The third component of the Project is the construction of an approximately 0.7 - mile, 161 kV, double circuit line, interconnecting to Finn. One circuit, Finn-Oakwood, will be owned and operated (and paid for) by Hannibal and one circuit, Finn-Marion, will be owned and operated by Ameren Missouri (Ameren Missouri will construct the line, but the incremental costs will be borne by Hannibal).<sup>2</sup> This is one means by which Hannibal will be connected to Ameren Missouri's system and will replace the current, problematic connection at the Marion Substation.

10. The fourth component involves the installation of a new 161 kV bus and circuit breaker at the Marion Substation, which will create a 161 kV bus tie configuration on the high side of the station, resulting in replacement of the radial configuration and creating a networked transmission path, which will enhance the reliability of Ameren Missouri's service in the area by providing redundancy and improving operational flexibility. Specifically, the Marion Substation will now have two sources of networked supply, from the east via the AIC system and from the west via the Spalding line (along what will become Finn-Marion). The work at Marion will tie these two feeds together, creating a new Missouri-Illinois networked transmission path, providing an additional source of supply from AIC's system to Finn and Ameren Missouri's system in northeast Missouri generally.

11. All construction is within Ameren Missouri's existing certificated service territory

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<sup>2</sup> The 0.7-mile Hannibal line will be co-located (double circuited) on Ameren Missouri structures. With the exception of certain vegetation management work that will be performed in coordination with Ameren Missouri, Hannibal will have sole responsibility for operating and maintaining its circuit. Partial assignments of the easements dividing the rights that can be exercised for the 0.7-mile route where the co-location will occur will be made to Hannibal, but will not diminish the Company's easement rights in any way.

in Ralls or Marion Counties<sup>3</sup> 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.<sup>4</sup>

A schematic diagram of the Project, which also depicts the work by AIC, is attached hereto as **Appendix C**.

12. Upon completion of construction of the Project, but before energization, Ameren Missouri will transfer a 49% undivided interest in the Finn Substation (the first Project component) and the Spalding-Finn circuit (a portion of the second Project component) to MJMEUC, pursuant to the attached Joint Ownership Agreement (**Confidential Appendix D**). Permission for this transfer is the permission sought by this Application. Not only is the agreement with MJMEUC and the transfer of a minority interest called for by said agreement not detrimental to the public interest, but it has the tangible benefit of lowering the Project cost for Ameren Missouri's customers.

13. The transfer lowers the Project's cost because in consideration of the transfer of an undivided 49% interest in the Finn Substation and the Spalding-Finn circuit, which benefit both Ameren Missouri and MJMEUC member Hannibal, MJMEUC will contribute an estimated \$7.6 million of the estimated \$15.476 million cost of the first two Project components,<sup>5</sup> thus reducing the investment that will go into Ameren Missouri's rate base for purposes of setting its retail revenue requirement in Missouri.<sup>6</sup>

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<sup>3</sup> Only 0.6 miles of the Finn to Marion line is located in Marion County, with the remainder of the Project located in Ralls County.

<sup>4</sup> Neither any such rebuild nor the Project as a whole will result in a 10% increase in Ameren Missouri's rate base.

<sup>5</sup> In the case of the second project component, the cost of the Spalding to Finn circuit.

<sup>6</sup> MJMEUC's investment will be reflected in its Federal Energy Regulatory Commission ("FERC") jurisdictional formula rate which will be used to assess transmission charges to load in the Ameren Missouri Transmission Pricing Zone. Because of the manner in which MJMEUC is taxed and its lower municipal debt costs, the combination of removing MJMEUC's investment from Ameren Missouri's rate base and the lower charges arising from MJMEUC's investment will lower Ameren Missouri's overall revenue requirement and result in savings for customers.

The following table summarizes each Project component, its cost, MJMEUC’s contribution, and the net cost of the Project in total:

COMPONENT	AMO \$	MJMEUC \$	HANNIBAL \$	COMPONENT TOTAL
<b>1)</b> a. New Finn Substation <sup>7</sup> b. Land, Finn Communication Equipment, Related Peno Creek Sub Relays <sup>8</sup>	\$3,645,073 \$835,213	\$3,502,129		\$7,147,202 \$835,213
<b>2)</b> a. Spalding to Finn Circuit Reconstruction <sup>9</sup> b. Remaining Reconstruction of Peno Creek-Spalding Line and Finn-Marion Line <sup>10</sup>	\$4,247,690 \$7,682,314	\$4,081,114		\$8,328,805 \$7,682,314
<b>3)</b> Double Circuit .9 mi of Peno Creek-Spalding Line (Finn-Oakwood/Finn-Marion) <sup>11</sup>			\$1,026,267	\$1,026,267
<b>4)</b> Marion Substation Upgrades <sup>12</sup>	\$3,344,051			\$3,344,051
<b>Project Total</b>				\$28,363,852
<b>Net Project Total, after MJMEUC/Hannibal Contributions<sup>13</sup></b>				\$19,754,342

14. While MJMEUC will own an undivided 49% interest in the assets described above, Ameren Missouri will operate them and the remaining Project assets (except for Hannibal’s 0.9 miles of line) just as it does all of its other transmission assets, with MJMEUC acting as essentially a “passive investor” in the assets in which it will have a minority interest, with no day-to-day operational role. In addition to defraying a portion of the Project’s capital costs, MJMEUC

<sup>7</sup> Ameren Missouri 51%/MJMEUC 49%

<sup>8</sup> 100% ownership by Ameren Missouri as sole benefit is to Ameren Missouri.

<sup>9</sup> Ameren Missouri 51%/MJMEUC 49%.

<sup>10</sup> 100% ownership by Ameren Missouri as sole benefit is to Ameren Missouri.

<sup>11</sup> 100% ownership by Hannibal as sole benefit is to Hannibal.

<sup>12</sup> 100% ownership by Ameren Missouri as sole benefit is to Ameren Missouri.

<sup>13</sup> This is the estimated gross addition to Ameren Missouri’s plant-in-service.

will also bear 49% of the ongoing operations and maintenance costs associated with assets in which it has an interest, which will further reduce costs to Ameren Missouri retail customers. MJMEUC's only role, aside from bearing its share of the costs, will be as a member of Project Committee, which only has authority over major decisions (e.g., whether to expand it at a cost of more than 25% of its original cost). See Section 6.1.1 of Confidential Appendix D hereto. The transfer of this interest will not prevent or hinder the continuation of safe and adequate service to Ameren Missouri's customers.

### III. Filing Requirements under 20 CSR 4240-10.105

15. Section (1):

- (A) Ameren Missouri will transfer an undivided 49% interest in the assets comprising the new Finn Substation and the rebuilt Spalding-Finn circuit, together with a partial assignment of an undivided 49% interest in the easements. See Schedule A to Confidential Exhibit D for details regarding these assets.
- (B) See Confidential Appendix D.
- (C) See Appendix B.
- (D) The proposed transfer is not detrimental to the public interest for the reasons outlined in ¶¶ 8 to 14 above. The Project addresses existing reliability problems historically experienced by Ameren Missouri load, improves the overall reliability of the transmission system in the area, and replaces aged infrastructure in need of replacement, while also enabling Hannibal to improve reliability to its customers. The transfer itself lowers the Project cost to Ameren Missouri customers, while allowing Ameren Missouri to retain day-to-day control of all of the subject transmission assets. And while not a benefit of the transfer *per se*, the Project's completion will result in significant annual reductions in Ameren Missouri operations and maintenance expenses. While none of these affirmative benefits are required in order to sustain the Company's burden to show that the transfer for which permission is sought is *not* detrimental to the public interest,<sup>14</sup> the existence of the benefit of lowering the Project's cost via the transfer removes any doubt with respect to that question.
- (E) MJMEUC is not subject to the jurisdiction of the Commission.

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<sup>14</sup> State ex rel. Fee Fee Trunk Sewer, Inc. v. Litz, 596 S.W.2d 466, 468 (Mo. App. E.D. 1980).

- (F) Had Ameren Missouri remained the owner of a 100% interest in all Project assets, the increase in the property taxes Ralls County would have received would have been approximately \$800 annually. That figure is approximately \$500 annually with the transfer of an undivided interest in certain Project assets to MJMEUC, which is exempt from property taxes.

16. Sections (2) and (3) of the subject rule are not applicable.

#### **IV. Timing Requested.**

17. It is expected that construction of the Project will be completed by December 1, 2022, and it is to be energized by December 31, 2022. Under the terms of Confidential Appendix D, the transfer of the undivided 49% interest in certain Project components as described herein is to occur prior to December 1, 2022. Consequently, Ameren Missouri requests that the Commission issue its order approving the transfer by November 1, 2022.

#### **V. Accompanying Request for Waiver**

18. 20 CSR 4240-4.017(1) generally requires that a notice be filed with the Commission at least 60-days prior to the filing of a case. The subject rule also provides for, and contemplates, that the Commission may waive the 60-day notice requirement for good cause shown and expressly provides that good cause is established if the filing party provides “a verified declaration . . . that it has had no communication with the office of the commission within the prior one hundred fifty (150) days regarding any substantive issued likely to be in the case . . .” Such a declaration is included with this Application, below. Consequently, good cause exists to waive the 60-day notice requirement.

**WHEREFORE**, Ameren Missouri respectfully requests that the Commission, by November 1, 2022, (1) grant it permission and authority to transfer an undivided 49% interest in and to the Finn Substation and the Spalding to Finn 161 kV transmission circuit to MJMEUC, in



accordance with the terms of Confidential Exhibit D, (b) grant a waiver of the 60-day notice requirements of 20 CSR 4-240-4.017(1) for good cause shown, and (c) grant such other and further relief as the Commission deems just and reasonable.

Respectfully Submitted,

*/s/ James B. Lowery*

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**ATTORNEYS FOR UNION ELECTRIC  
COMPANY d/b/a AMEREN MISSOURI**

## CERTIFICATE OF SERVICE

The undersigned hereby certifies that a true and correct copy of the foregoing was served on the following via electronic mail (e-mail) on the Staff of the Commission and the Office of the Public Counsel on this 19th day of April, 2022.

*James B. Lowery*

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James B. Lowery

# STATE OF MISSOURI



**John R. Ashcroft**  
**Secretary of State**

**CORPORATION DIVISION**  
**CERTIFICATE OF GOOD STANDING**

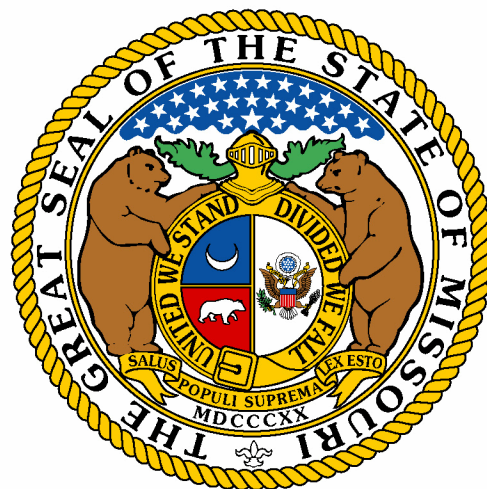
I, JOHN R. ASHCROFT, Secretary of State of the State of Missouri, do hereby certify that the records in my office and in my care and custody reveal that

***UNION ELECTRIC COMPANY***  
***00040441***

was created under the laws of this State on the 21st day of November, 1922, and is in good standing, having fully complied with all requirements of this office.

IN TESTIMONY WHEREOF, I hereunto set my hand and cause to be affixed the GREAT SEAL of the State of Missouri. Done at the City of Jefferson, this 18th day of April, 2022.

  
Secretary of State



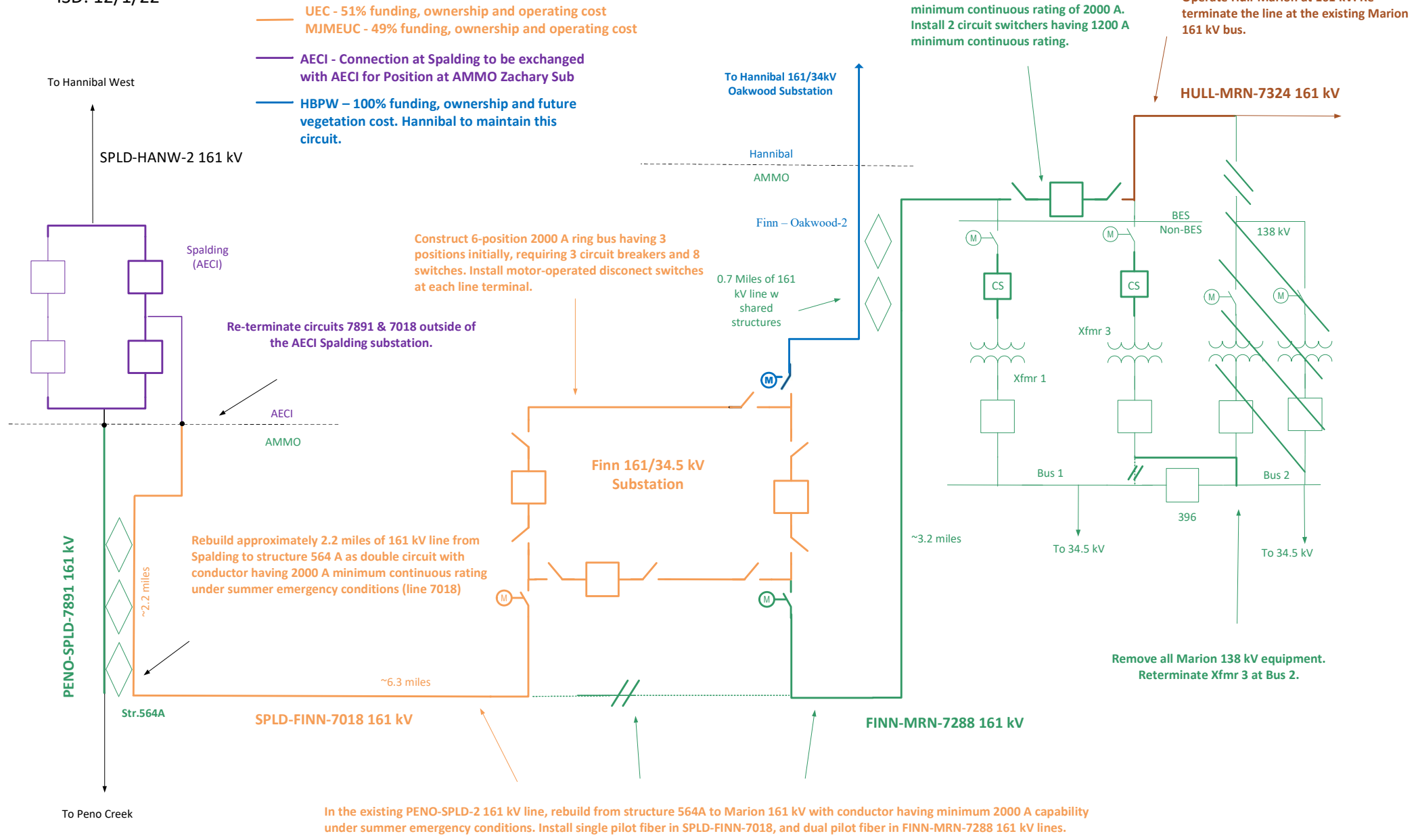
Certification Number: CERT-04182022-0092



# New Finn Substation

PENO-SPLD-2 161 kV rebuild, Finn 161 kV ring bus, Marion 161 kV additions

ISD: 12/1/22



**EM-2022-XXXX**

**Appendix D is**

**CONFIDENTIAL in**

**its entirety**