

Exhibit No.: _____

Issue: Zonal Placement

Witness: John A. Krajewski

Type of Exhibit: Surrebuttal Testimony

Sponsoring Party: MJMEUC

File No.: EA-2022-0099

BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF MISSOURI

FILE NO. EA-2022-0099

SURREBUTTAL TESTIMONY

OF

JOHN A. KRAJEWSKI

ON BEHALF OF

**THE MISSOURI JOINT MUNICIPAL ELECTRIC
UTILITY COMMISSION (MJMEUC)**

April 29, 2022

1 **I. INTRODUCTION AND QUALIFICATIONS**

2 **Q. Please state your name, occupation and business address.**

3 A. My name is John A. Krajewski. I am the president and sole owner of JK Energy
4 Consulting, LLC, a Nebraska limited liability corporation, formed in 2009. My office is
5 located at 74408 Road 433, Smithfield, Nebraska 68976.

6 **Q. Please describe your qualifications and experience.**

7 A. I earned a Bachelor of Science in Mechanical Engineering from the University of
8 Nebraska-Lincoln and am a professional engineer licensed in the states of Nebraska, Iowa
9 and Kansas. I have 30 years of experience in the electric utility industry, working for a
10 joint action agency and three consulting firms. My areas of expertise include power supply
11 resource planning, power supply and transmission contract negotiations, transmission
12 access, regulatory affairs, cost of service and rate design for wholesale, retail and
13 transmission service, distribution planning; and long-term financial and rate projections.
14 A copy of my resume is attached to this document (See Schedule JAK-1).

15 **Q. Have you testified in regulatory proceedings in the past?**

16 A. Yes. I have testified before the Federal Energy Regulatory Commission in multiple
17 transmission formula rate proceedings. I have also filed written testimony before the
18 Kansas Corporation Commission, the Nebraska Power Review Board, and the Hawaii
19 Public Utilities Commission on various issues related to transmission access, power supply
20 planning, application for construction of new power supply resources, and retail rate issues.
21 A full list of proceedings in which I have participated is attached (See Schedule JAK-2).

22 **II. PURPOSE AND SCOPE OF TESTIMONY**

23 **Q. What is the purpose of your testimony?**

1 A. I have been engaged as an outside expert by the Missouri Joint Municipal Electric Utility
2 Commission to provide information about transmission rate-setting and rules for
3 establishment of a new pricing zone under the Midcontinent Independent System Operator,
4 Inc. (“MISO”) Open Access Transmission Tariff (“OATT”) and the standard Transmission
5 Owner Agreement executed by every transmission owner in MISO. This testimony relates
6 to a request for a Certificate of Convenience and Necessity (“CCN”) for a transmission line
7 and associated improvements located near the City of Sikeston, MO (Project).

8 **Q. What is the relevance of the MISO OATT and Transmission Owners Agreement to**
9 **this proceeding?**

10 A. ATXI, the applicant in this proceeding, is already a signatory to the Transmission Owners
11 Agreement with MISO. In addition, MJMEUC intends to become a transmission owner in
12 MISO in the fourth quarter of 2022 when the Hannibal project (EM-2022-0292) reaches
13 commercial operations. This Project will be placed under the functional control of MISO
14 pursuant to the terms of the Transmission Owners Agreement between ATXI and MISO,
15 as well as a planned Transmission Owners Agreement that will likely be executed between
16 MJMEUC and MISO in late 2022.

17 MoPSC Staff witness Michael Stahlman testified in his rebuttal that the Project
18 should be placed in its own zone under the MISO OATT. As I will explain, this proposal
19 is inconsistent with the MISO OATT and Transmission Owners Agreement and would
20 place a condition on the Applicant that would almost certainly be rejected by MISO and
21 FERC.

22 **III. MISO RULES FOR ESTABLISHING A NEW ZONE**

23 **Q. What is the MISO Transmission Owner Agreement?**

1 A. The MISO Transmission Owners Agreement¹ is an agreement executed by every
2 transmission-owning member of MISO. It establishes the terms and conditions of the
3 relationship between MISO and the entities who have committed their transmission
4 facilities to the functional control of MISO.

5 **Q. Has ATXI executed a Transmission Owners Agreement with MISO?**

6 A. Yes.

7 **Q. Does the Transmission Owner's Agreement address issues related to pricing and
8 zones under the MISO OATT?**

9 A. Yes. Section II includes procedures for Pricing, both during the period February 1, 2002
10 through January 31, 2008 ("Transition Period") and in the period after the Transition
11 Period. Some of the procedures apply during the Transition Period and after the Transition
12 Period, while some procedures only apply after the Transition Period.

13 **Q. What criteria must be met for MISO to change existing zones or establish a new zone?**

14 A. Section II, Paragraph A.1 and Paragraph B.1.a of the Transmission Owners Agreement
15 specify that, under the MISO OATT can only be changed if one of the following criteria is
16 met:

- 17 1. To reflect the effectuation of a merger
- 18 2. To add a new owner that operates a balancing authority area in existence on or
19 before the date of the initial filing of the MISO OATT (which was in 2002)
- 20 3. To reflect the withdrawal from MISO of an Owner or Owners

21 **Q. Do any of the joint owners of the project operate a balancing authority area?**

¹ *Midcontinent Independent System Operator, Open Access Transmission Tariff, Rate Schedule 01*. Retrieved from https://docs.misoenergy.org/legalcontent/Rate_Schedule_01_-_Transmission_Owners_Agreement.pdf on April 27, 2022. This document is also sometimes referred to as Appendix C of the ISO Agreement.

1 A. No.

2 **Q. Is the merger criterion or the withdrawal criterion applicable to the project?**

3 A. No.

4 **Q. Since none of the joint owners operate a balancing authority area, would MISO**
5 **establish a new pricing zone specifically for the transmission facility that is the subject**
6 **of this proceeding?**

7 A. No. Establishment of a new pricing zone for the Project would not be permitted under the
8 Transmission Owners Agreement.

9 **Q. Would MISO establish a new zone if Sikeston committed their other transmission**
10 **facilities to MISO and executed the MISO Transmission Owner's Agreement?**

11 A. No. Because Sikeston did not operate a balancing authority in 2002,² establishing a
12 separate pricing zone for the Project would be inconsistent with the MISO OATT and the
13 Transmission Owner Agreement. MISO would place the Project into an existing zone.

14 **Q. Commission Staff witness Michael Stahlmann claims that this project could be placed**
15 **in its own zone.³ Is this correct?**

16 A. No. While he correctly quotes the language in the MISO OATT, he fails to consider the
17 conditions noted in Section II, Paragraph A.1 the Transmission Owner Agreement, which
18 he cites.⁴ Section II, Paragraph A.1 is the section where the language with the three criteria
19 for changing MISO zones is located.⁵ The fact that none of the joint owners of the Project
20 meet the conditions listed in Section II, Paragraph A.1. means that MISO would not place
21 the Project in its own zone.

² See Surrebuttal Testimony of John Grotzinger, Schedule JG-2, ¶1.

³ Rebuttal Testimony of Michael Stahlman at 5:4.

⁴ Id. (n 12) at 5.

⁵ See *supra* at 4:21 through 5:9.

1 **Q. Should the commission agree to witness Michael Stahlman's request to condition**
2 **issuance of the CCN on the project being placed in its own zone?**⁶

3 A. No. The requested condition is inconsistent with the MISO OATT and with the
4 Transmission Owners Agreement. Any attempt by ATXI or any of the other participants
5 in this project to fulfill the condition requested by Staff witness Mr. Stahlman would almost
6 certainly be rejected by MISO and the Federal Energy Regulatory Commission.

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

8 A. Yes, it does.

⁶ Stahlman at 5:10-15.

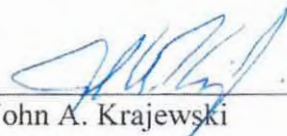
**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI**

In the Matter of the Application of Ameren)
Transmission Company of Illinois for a Certificate) Case No.: EA-2022-0099
of Convenience and Necessity Under Section 393.170.1)
RSMo. Relating to Transmission Investments in)
Southeast Missouri)

AFFIDAVIT OF JOHN A. KRAJEWSKI

STATE OF NEBRASKA)
) SS
COUNTY OF LANCASTER)

COMES NOW JOHN A. KRAJEWSKI and on his oath declares that he is of sound mind and lawful age; that he contributed to the foregoing *Surrebuttal Testimony of John A. Krajewski*, and that the same is true and correct according to his best knowledge and belief.

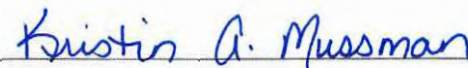


John A. Krajewski

On this 29th day of April, 2022, before me, the undersigned notary, appeared remotely John A. Krajewski, personally known to me, and acknowledged to me that he signed the foregoing instrument voluntarily for its stated purpose and acknowledged that he executed the same for the purposes therein contained.

In witness whereof, I hereunto set my signature and official seal.

KRISTIN A. MUSSMAN
General Notary - State of Nebraska
My Commission Expires Apr 23, 2024



Notary Public

My commission expires: April 23, 2024