

*Exhibit No.:*  
*Issue(s):* *Economic Feasibility*  
*Witness:* *Sarah L.K. Lange*  
*Sponsoring Party:* *MoPSC Staff*  
*Type of Exhibit:* *Rebuttal Testimony*  
*Case No.:* *EA-2022-0099*  
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**MISSOURI PUBLIC SERVICE COMMISSION**

**INDUSTRY ANALYSIS DIVISION**

**TARIFF/RATE DESIGN DEPARTMENT**

**REBUTTAL TESTIMONY**

**OF**

**SARAH L.K. LANGE**

**AMEREN TRANSMISSION COMPANY OF ILLINOIS**

**CASE NO. EA-2022-0099**

*Jefferson City, Missouri*  
*April 2022*

**\*\* Denotes Confidential Information \*\***

1 **REBUTTAL TESTIMONY**

2 **OF**

3 **SARAH L.K. LANGE**

4 **AMEREN TRANSMISSION COMPANY OF ILLINOIS**

5 **CASE NO. EA-2022-0099**

6 Q. Please state your name and business address.

7 A. My name is Sarah L.K. Lange and my business address is Missouri Public  
8 Service Commission, P. O. Box 360, Jefferson City, Missouri 65102.

9 Q. Who is your employer and what is your present position?

10 A. I am employed by the Missouri Public Service Commission (“Commission”)  
11 and my title is Economist, Tariff/Rate Design Department, Industry Analysis Division.

12 Q. What is your educational background and work experience?

13 A. A copy of my credentials and case experience is attached as Schedule SLKL-r1.

14 **Summary of Recommendation**

15 Q. Have you reviewed the Ameren Transmission Company of Illinois (“ATXI”)  
16 application (“Application”) to the Missouri Public Service Commission for a certificate of  
17 convenience and necessity (“CCN”) construct, acquire, own, operate and maintain certain  
18 transmission facilities in, around, and between the Cities of New Madrid and Sikeston, Missouri  
19 (“the Project”) and the direct testimonies included with that Application concerning the Project  
20 meets the criteria related to whether the Application is in the public interest?

21 A. Yes. I have reviewed these documents, as well as ATXI and Missouri Joint  
22 Municipal Electric Utility Commission (“MJMEUC”) responses to Staff data requests.

1 Q. Is the Application economically feasible?

2 A. ATXI is anticipated to be fully compensated for its investment, and the Project  
3 is therefore economically feasible in that the expected benefits of the investment justify the cost  
4 of the investment from the perspective of the Applicant, ATXI; however the request includes  
5 elements and transactions that do not appear to be subject to the Commission's jurisdiction.  
6 The Commission should approve only Project components a-d in which ownership will be  
7 retained by ATXI, and not consider the associated agreements, or those components necessary  
8 to achieve certain benefits described in the Application, but not requested pursuant to the  
9 Application.<sup>1</sup>

10 Q. What is the purpose of your testimony?

11 A. I will address the economic feasibility of the Project as it pertains to the  
12 Applicant, ATXI, and the financial ability of ATXI to undertake the Project.

13 Q. What are the components of the Project?

14 A. The Project, as described in the Supplemental Direct Testimony of ATXI  
15 witness Sean Black differs from that initially proposed by ATXI, and consists of both  
16 construction of new infrastructure, some of which will be partially or fully owned by entities  
17 other than ATXI, and acquisition of existing infrastructure by ATXI.

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<sup>1</sup> In *In the Matter of the Application of Tartan Energy Company, LLC, d/b/a Southern Missouri Gas Company*, 3 Mo P.S.C.3d 173, 177 (1994), the Commission's Order listed five criteria to include in the consideration when making a determination on whether a utility's proposal meets the standard of being "necessary or convenient for the public service." Those factors are:

- Is the service needed?
- Is the applicant qualified to provide the service?
- Does the applicant have the financial ability to provide the service?
- Is the applicant's proposal economically feasible? and
- Does the service promote the public interest?

1 (a) Construction of the Comstock Substation, at an estimated cost of  
2 \$5.4 million to ATXI, \$5.4 million to the Missouri Joint Municipal  
3 Electric Utility Commission, (“MJMEUC”), and \$8.3 million to  
4 Sikeston Board of Municipal Utilities (“SBMU”), for a total of  
5 approximately \$18.8 million with approximately \$10.6 million to be  
6 allocated to the Ameren Missouri MISO Pricing Zone.<sup>2</sup> ATXI will retain  
7 a partial interest in this component;

8 (b) Construction and modification of the six transmission lines adjacent  
9 to the new Comstock substation, at an estimated cost of approximately  
10 \$124,000 to ATXI, \$124,000 to MJMEUC, and \$2 million to SMBU, for  
11 a total of approximately \$2.2 million, with approximately \$242,000 to  
12 be allocated to the Ameren Missouri MISO Pricing Zone. ATXI will  
13 retain interest in certain lines, but not each;

14 (c) Construction of an approximately 1.2 mile long single circuit 161 kV  
15 transmission line, at an estimated cost of approximately \$700,000 to  
16 ATXI, and \$673,000 to MJMEUC, for a total of \$1.4 million, fully  
17 allocable to the Ameren Missouri MISO Pricing Zone. ATXI will retain  
18 a partial interest in this component.

19 (d) Acquisition of an interest in the existing 28 mile 161 kV line owned  
20 by SBMU, at a cost of \$510,000 to ATXI, \$490,000 to MJMEUC, fully  
21 allocable to the Ameren Missouri MISO Pricing Zone, with proceeds to  
22 SBMU. ATXI will acquire a partial interest in this existing component;

23 Additional potential components discussed in the testimonies, but for which authority  
24 is not sought at this time include:

25 (e) A distribution line, which would be owned by SMBU, which is  
26 necessary to fully facilitate the connection of SBMU’s system with the  
27 Comstock substation, as described by ATXI witness Black at page 8,  
28 footnote 3,<sup>3</sup> in order to achieve the benefits for SBMU described by

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<sup>2</sup> ATXI did not include information concerning on-going operational costs for the Project in its Application or testimonies. These values were presumably included in the analysis performed by Sean Black, however Staff is unable to verify that the gross amounts are accurately reflected in ATXI’s analysis at this time, or to identify the level of expense by component.

<sup>3</sup> Sean Black, page 8, footnote 3 states, “As described by Ms. Timmermann in ATXI Exhibit 3.0, in addition to the Area Connections that have currently been identified, ATXI may also help facilitate the connection, to the Comstock substation, of a SBMU-owned distribution line. That connection has been omitted from the diagram embedded below and from the costs presented by Ms. Thomson ATXI Exhibit 2.0, as it is uncertain at this time whether the connection will be required. Should it be required, ATXI and SBMU will coordinate regarding the connection of that line, which will ultimately be paid for by SBMU.”

1 ATXI witness Black at page 8, footnote 2,<sup>4</sup> which describes  
2 circumstances that would factor into an evaluation of the economic  
3 feasibility of the Project with regard to SBMU, however SBMU is not  
4 the Applicant in this proceeding, and the infrastructure and associated  
5 costs described in ATXI witness Black footnote 3 were not included in  
6 the Application, except as described in the Supplemental Direct  
7 Testimony of Sean Black at page 7;

8 (f) Additional infrastructure including but not limited to a second  
9 switching station as discussed by ATXI witness Black at page 12  
10 acknowledging that additional infrastructure would be necessary to  
11 accommodate significant load growth at New Madrid, such as the load  
12 associated with a new steel mill;

13 (g) The infrastructure necessary to provide additional transmission from  
14 the extant Ameren Missouri system to Ameren Missouri customers in  
15 Hayti and Portageville, or to establish a North-South MISO tie, as  
16 discussed by ATXI witness Black at pages 32-33; and

17 (h) Transfer of additional interest in the existing 161 kV line from SBMU  
18 to ATXI.

19 Q What other approvals does ATXI request, and does the Commission have  
20 jurisdiction to approve such agreements?

21 A. ATXI requests Commission approval of the following documents:

22 (a) a Joint Ownership Agreement (JOA) among ATXI, MJMEUC,  
23 and Sikeston (including SBMU);

24 (b) a Construction Agreement between ATXI and SBMU; and

25 (c) an Operation and Maintenance Services Agreement (O&M  
26 Agreement) among ATXI, MJMEUC, and SBMU.

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<sup>4</sup> Sean Black page 8, footnote 2 states “The current system configuration does not provide SBMU a direct connection between its own generation and its retail load, or a direct interconnection with the systems of MISO and AECI; their power has to transfer across the SWPA Sikeston bus bar that is under SPP control. When the current Transmission Service Agreement (which is grandfathered in the SPP Tariff) between SBMU and SWPA expires on May 31, 2023, SBMU will have to start paying SPP transmission charges to deliver energy from its own generation to its retail load, and its wholesale customers in MISO and AECI will have to start paying pancaked service charges. The Project will eliminate the institution of pancaked transmission service charges by creating a direct, physical interconnection between SBMU and the systems of SPP, MISO and AECI.”

1 Staff is unaware of the Commission's jurisdiction to review or approve such agreements  
2 within the context of this case, and has not reviewed the economic feasibility of such  
3 arrangements.

4 Q. What are the elements of the Application that are subject to the Commission's  
5 jurisdiction and may be authorized by the Commission based on ATXI's Application?

6 A. The following portions of the components described by ATXI may be authorized  
7 by the Commission based on ATXI's Application:

8 (a) Construction of those portions of the Comstock Substation in  
9 which ATXI will retain an interest, an estimated cost of \$3.7 million;

10 (b) Construction and modification of those transmission lines  
11 adjacent to the new Comstock substation in which ATXI will retain  
12 an interest, at an estimated cost of approximately \$350,000;

13 (c) Construction of an approximately 1.2 mile long single circuit 161  
14 kV transmission line, at an estimated cost of approximately \$923,000;  
15 and

16 (d) Acquisition of an interest in the existing 28 mile 161 kV line  
17 owned by SBMU, at a cost of \$510,000.

18 The Commission has jurisdiction over owners of any property to be used as electric  
19 plant, of which ATXI is one. However, the Commission's jurisdiction is limited to entities that  
20 have not been excluded from its jurisdiction by statute, such as MJMECU, SBMU, and  
21 NMMLP.<sup>5</sup> The Commission does not have jurisdiction over MISO, SPP, or SWPA. The  
22 Commission's jurisdiction over ATXI is limited to electric plant which is necessary or

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<sup>5</sup> The Commission's jurisdiction is also limited to the extent that an entity that has submitted to its jurisdiction does not take actions that remove the Commission's jurisdiction. Under *STATE of Missouri ex rel. MISSOURI PUBLIC SERVICE COMMISSION, Appellant, v. MISSOURI GAS COMPANY, LLC, et al., Respondents*, 266 S.W.3d 881 (Mo.App.2008), once an entity has successfully exceeded the jurisdiction of the Commission, the Commission has no authority to enforce prior commitments of that entity, including a commitment that the entity would not take actions to exceed the Commission's jurisdiction.

1 convenient for the public service. ATXI acknowledges the limitations in the Commission's  
2 jurisdiction over the transaction and its various components.<sup>6</sup>

3 **Financial Ability**

4 Q. Does Staff have any concerns with the financial ability of ATXI to undertake  
5 the Project?

6 A. No. Staff has no reason to be concerned with the financial ability of ATXI to  
7 undertake the Project. Staff makes no representations as to the financial ability of other entities  
8 discussed in this testimony or the Application.

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<sup>6</sup> Staff DR No. 0004 to ATXI requested "Please identify whether ATXI believes the Missouri Commission has jurisdiction over each of the following components of the project (a) construction of the Comstock Substation, (b) construction and modification of the six transmission lines adjacent to the new Comstock substation, (c) construction of an approximately 1.2 mile long single circuit 161 kV transmission line, (d) ATXI's acquisition of a 12.75% interest in the existing 28 mile 161 kV line owned by SBMU."

ATXI's response was "ATXI objects to this request to the extent it calls for legal analysis or conclusion. Further, please note that while Mr. Dearmont is an attorney by trade, he is not providing counsel to ATXI as an attorney in this proceeding and is not offering any legal opinions. Subject to that objection and caveat, and without waiving the objection, ATXI responds as follows:

By "jurisdiction" I assume Staff is asking whether, in my opinion, we need a CCN from the Commission prior to engaging in the various components of the transaction. Subject to that understanding, my responses are as follows: (a) Yes. I believe ATXI needs a CCN from the Commission to construct the Comstock Substation, or at least the portion in which ATXI will have an ownership interest. ATXI is not herein contesting the need to obtain a CCN for the construction of the Comstock Substation under the current Project structure. (b) I believe ATXI needs a CCN from the Commission to construct or modify the six transmission lines adjacent to the Comstock Substation, or at least the line in which ATXI will have an ownership interest. It is unclear to me the extent to which the Commission has jurisdiction over the lines that will be constructed or modified by ATXI, but that will ultimately be owned and 2 operated by SBMU. That said, ATXI is not herein contesting the need to obtain a CCN for the construction related to these six lines. (c) Yes. I believe ATXI needs a CCN from the Commission to construct the 1.2 mile transmission line to New Madrid. (d) Yes. Given that ATXI will serve some operating functions relative to the line, I believe ATXI likely needs a CCN from the Commission. It is unclear to me the extent to which the Commission would have jurisdiction to the extent ATXI acquired an interest in existing assets that were exclusively operated by a non-jurisdictional entity. ATXI has included the ownership interest in the subject line in its Application for transparency and is requesting Commission approval to the extent the Commission deems such approval required. For avoidance of doubt, ATXI is not herein contesting the need to obtain a CCN to acquire the ownership interest in the subject line.

1 **Economic Feasibility**

2 Q. Are the portions of the Project to be retained by ATXI economically feasible, in  
3 that they are expected to be an improvement justifying its cost?

4 A. Yes. The MISO cost recovery process will make ATXI whole and provide a  
5 return to investors for the costs and expenses ATXI will outlay for the Project, as discussed by  
6 Staff Expert Witness Michael L. Stahlman. Because ATXI is the Applicant and the MISO  
7 processes more or less ensure that ATXI will recover the revenue requirement of the Project,  
8 the economic feasibility of the Project can more or less be assumed. However, because ATXI  
9 presents testimony purporting to address the costs and benefits of the Project and potential  
10 future additions to the Project from the perspectives of various entities, Staff will respond to  
11 those assertions and provide greater context here.

12 Q. Did ATXI represent that the Project is economically feasible?

13 A. Yes, In the Supplemental Direct Testimony of Sean Black, at pages 3-4 ATXI  
14 states that an addition of 5-10 MW of new load located in New Madrid Missouri “helps the  
15 overall Project economics. It will create additional revenues, which will flow back to the  
16 Midcontinent Independent Transmission Operator, Inc. (MISO) Ameren Missouri (AMMO)  
17 Pricing Zone and help offset the cost of the Project for the other customers in the transmission  
18 pricing zone. ATXI has revised the Net Present Value (NPV) analysis that I referred to in my  
19 December 21 direct testimony (see ATXI Exhibit 1.0 at 30-31), and that ATXI provided to  
20 Staff in response to data request MPSC 0001, to model the effects of both 5 MW and 10 MW  
21 load additions, at the revised Project cost described below. The revised NPV analysis shows  
22 that the addition of the load will advance the "break even" point of the Project by several years.  
23 Specifically, assuming 5 MW of additional load, Year 6 (2029) will be the first positive year,



1 as opposed to Year 9 (2032) under ATXI's original NPV analysis, and generates net positive  
2 revenues in Year 13 (2036), as opposed to Year 22 (2045) under the original analysis. Assuming  
3 10 MW of additional load, Year 3 (2026) will be the first positive year and generates positive  
4 revenues in Year 6 (2029).” Further, in its Application and the initially-submitted Direct  
5 Testimony of Sean Black, ATXI made conclusory representations of the following:

6 1.That the Project is economically feasible, with the components as  
7 described in the Application, as represented by ATXI witness Black, at  
8 pages 30-31;

9 2.That “The City of New Madrid has been actively exploring  
10 opportunities that would drive economic development to the city and  
11 provide the associated benefits to its residents,” as stated in the verified  
12 Application at page 3, and that “the Project will also help facilitate the  
13 future load growth that New Madrid is pursuing,” as represented by  
14 ATXI witness Black at page 10;

15 3.That the project will be in furtherance of SBMU’s energy export goals,  
16 as represented at page 6 of the testimony of ATXI witness Black;

17 4.That the “Project positions ATXI and/or Ameren Missouri well for  
18 potential future expansions of the existing system, which could improve  
19 system reliability and allow Ameren Missouri to directly serve retail  
20 customers located in the Hayti / Portageville area, as well as improve  
21 system reliability to all customers in the region,” as represented at the  
22 testimony at page 10 of Sean Black’s testimony, and that “the future  
23 expansion of this Project could result in increased contract path between  
24 the MISO North and South regions, which could reduce annual payments  
25 from MISO to SPP and benefit all MISO customers,” as stated by ATXI  
26 witness Black at pages 33-34.

27 Q. Is Mr. Black’s testimony relevant in this regard?

28 A. No. The discussion provided by Mr. Black concerns ATXI’s representations of  
29 the benefits and portions of the costs to entities that are not the Applicant in this matter, and  
30 which are not subject to the Commission’s jurisdiction.

1 Q. Does Mr. Black represent that the Project is economically feasible for entities  
2 other than ATXI?

3 A. Yes. However, the Application and testimonies attached as exhibits there-to  
4 unnecessarily muddy the waters through discussion of some benefits, but not all costs, for  
5 various entities.<sup>7</sup> Mr. Black represents that over time and eventually, the additional MISO  
6 revenues that will proceed from incorporation of the existing New Madrid load into the Ameren  
7 Missouri MISO Pricing Zone will exceed the additional charges to Ameren Missouri that will  
8 result from the additional ATXI and MJMEUC transmission revenue requirement attributable  
9 to the ATXI and MJMEUC portions of the Project.<sup>8</sup> Existing Ameren Missouri's MISO Zone  
10 customers are not the Applicant in this matter, and further, there is no internal logic to whether  
11 Mr. Black includes a given transaction in the silo of "cost" or "benefit" for a given entity. For  
12 example, Mr. Black provides additional MISO revenue associated with existing NMMLP load  
13 as a benefit offsetting the cost of new MISO revenue requirement, but does not discuss the cost  
14 of the MISO charges to NMMLP. Most glaringly, the avoided benefit to customers in SPP of

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<sup>7</sup> Much of the testimony discusses additional New Madrid Municipal Light and Power ("NMMLP") load that was anticipated to materialize to justify certain investments, but is no longer projected to materialize. Throughout the testimony, possible financial and strategic benefits to NMMLP, SMBU, and Ameren Missouri are discussed, however, those entities are not the Applicants seeking approval of the Project. The testimony appears to have been written to address a larger overall project that is not the subject of the Application as the testimony appears to abruptly change course to address a changed scope and more modest load-growth assumptions.

<sup>8</sup> Based on ATXI's modeling and assuming perfect ratemaking, the cumulative benefits to existing load in Ameren Missouri's MISO Pricing Zone will begin to exceed the cumulative detriment in the year \*\* [REDACTED]

[REDACTED] \*\* These projections are too attenuated to suggest that approval of the Project is an economically feasible undertaking for existing load in Ameren Missouri's MISO Pricing Zone. The additional benefits alluded to in the ATXI materials involve additional costs that have not been included in the ATXI analysis or described in its Application, associated testimonies, or responses to data requests.

1 new revenues from SBMU for use of existing infrastructure is ignored from the perspective of  
2 Missouri ratepayers, and stated as a benefit to SBMU.

3 Q. What are the costs and benefits applicable to each entity?

4 A. Based on the Project as-applied-for, as opposed to future expansion of project  
5 scope, Staff understands the rough costs and benefits by entity to be as provided below. Note,  
6 neither ATXI nor MJMEUC responded to Staff's request for quantification of these elements  
7 in data requests.

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<b>ATXI: Project as Applied-for</b>	
<b>Costs</b>	<b>Benefits</b>
Capital Investment in some portion of Comstock	MISO Revenue Requirement Increase Accounting for all Listed Costs except the Option Agreement
Capital Investment in partial interest in some Comstock-adjacent transmission lines	
Capital Investment in partial interest in new 161 kV line	
Payment to SBMU to obtain partial interest in existing 161 kV line	
O&M for Infrastructure	
Option Agreement payments to SBMU	

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<b>MJMEUC: Project as Applied-for</b>	
<b>Costs</b>	<b>Benefits</b>
Capital Investment in some portion of Comstock	MISO Revenue Requirement Increase Accounting for all Listed Costs except the Option Agreement
Capital Investment in partial interest in some Comstock-adjacent transmission lines	
Capital Investment in partial interest in new 161 kV line	
Payment to SBMU to obtain partial interest in existing 161 kV line	
O&M	
Option Agreement payments to SBMU	

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Rebuttal Testimony of  
Sarah L.K. Lange

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<b>Ameren Missouri MISO Pricing Zone: Project as Applied-for</b>	
<b>Costs</b>	<b>Benefits</b>
Increased MISO Charges due to new infrastructure	More customers paying MISO charges for existing infrastructure

<b>Missouri Customers in SPP: Project as Applied-for</b>	
<b>Costs</b>	<b>Benefits</b>
Avoided benefit of SBMU payments for existing infrastructure	

<b>NMMLP: Project as Applied-for</b>	
<b>Costs</b>	<b>Benefits</b>
MISO Charges for existing load	Per MJMEUC response to Staff DR 11, "The addition of the project including the direct 161kV connection to MISO facilities enhances City reliability, and would allow for significant load growth within the city. It will additionally allow more diverse, and lower costs, options for supply."
Additional MISO charges for new MJMEUC and ATXI infrastructure	Per MJMEUC response to Staff DR 11, "The City has entered into supply contracts sourced from MISO resources in addition to existing SWPA resources. This resource mix, along with the addition of the transmission project, will provide lower cost and greater reliability to the City."

<b>SBMU: Project as Applied-for</b>	
<b>Costs</b>	<b>Benefits</b>
Capital Investment in some portion of Comstock	Avoided payments to SPP for use of existing infrastructure
Capital Investment in partial interest in some Comstock-adjacent transmission lines.	Payment for existing 161 kV line interest
Capital Investment in a Comstock-adjacent distribution line and the capital costs of site preparation for adjacent facilities.	Option Agreement payments for additional 161 kV line interest
O&M	Ability to join various RTOs in future or sell to wholesale customers in various RTOs
Value of interests in existing 161 kV line transferring to ATXI and MJMEUC	

1 Q. Did Staff inquire as to the basis of the conclusory statements of benefit contained  
2 in ATXI witness Black's testimony and the Application?

3 A. Yes, however, as discussed below, little if any additional information was  
4 provided in the responses to Staff's data requests, and the materials provided do not improve  
5 the reliability of the conclusory statements referenced above.

6 **ATXI's Modeling of The Ameren Missouri MISO Pricing Zone Cost/Benefit**

7 Q. At page 30-31 of his testimony, ATXI witness Black generally describes that  
8 ATXI conducted a net benefit analysis for an abandoned design of the Project that assumed a  
9 significant increase in NMMLP load that is no longer expected to materialize. The Net Present  
10 Value (NPV) of that analysis indicated that over the life of the form of the Project studied, and  
11 under the load conditions assumed, "the customer savings exceeded the costs." He then states  
12 that the formerly-studied Project design was revised, and load assumptions were updated, and  
13 that the study was updated indicating that the design in the Application under the revised load  
14 assumptions "still addressed New Madrid's and SBMU's energy needs while eventually  
15 producing net benefits for the AMMO Pricing Zone." What level of costs and benefits are  
16 generated under the revised ATXI model?

17 A. ATXI failed to provide this model as a workpaper, however Staff obtained it in  
18 response to Data Request (DR) No. 0001, which was updated with a supplemental response on  
19 3/11/2022 for the model that was described in the Supplemental Direct Testimony of ATXI  
20 witness Black. The inputs to this model were provided in response to Staff DR No. 0001.1.  
21 However, the values provided in that response do not include those values provided in response  
22 to Staff DR No. 0013, which requested, "Please provide the assumed annual expenses, by type,

1 and by responsible entity, for the life of the Project, by Project component. RESPONSE  
2 “ATXI's annual expenses for the proposed Comstock substation are projected to be  
3 approximately \$23,000 per year. This includes the cost to inspect, operate, and maintain the site  
4 and all substation equipment and for routine switching. Under the O&M Agreement, SBMU is  
5 responsible for inspection, operation, and maintenance of the Area Connections, Existing Line,  
6 and New Line. ATXI has been unable to obtain from SBMU an estimate of annual O&M  
7 expenses for these facilities. A consultant for SBMU has, however, indicated that SBMU's  
8 expenses for these facilities should be similar to expenses incurred by Ameren on other similar  
9 facilities. Using Ameren's experience as a proxy, we would expect annual O&M expenses on  
10 the line facilities to be roughly \$45,000 per year.”

11 Q. Has Staff prepared an updated summary of the content of the Supplemental  
12 Direct Testimony of ATXI witness Black at pages 3-4, which incorporates these additional  
13 revenue requirement components?

14 A. Yes. Modifying Mr. Black’s testimony to incorporate those omitted amounts  
15 results in the following:

16 Specifically, assuming 5 MW of additional load, Year 67 (~~2029~~2030)  
17 will be the first positive year, as opposed to Year 9 (2032) under ATXI's  
18 original NPV analysis, and generates net positive revenues in Year 18  
19 (~~2036~~2041), as opposed to Year 22 (2045) under the original analysis.  
20 Assuming 10 MW of additional load, Year 34 (~~2026~~2027) will be the  
21 first positive year and generates positive revenues in Year 68  
22 (~~2029~~2031).

23 The adjusted revised ATXI model projects \*\* [REDACTED] \*\* in additional revenue  
24 requirement to the Ameren Missouri Miso Zone through 2052, with a projected increase in  
25 revenues from existing and new New Madrid load of \*\* [REDACTED] \*\* during that time.

1 These projections are too attenuated to suggest that approval of the Project is an  
2 economically feasible undertaking for Ameren Missouri's MISO Zone. Further, the 25 year  
3 NPV under ATXI's most optimistic estimate is \*\* [REDACTED] \*\*, with only a 25 year NPV of  
4 \*\* [REDACTED] \*\* resulting from the less speculative of the scenarios, adjusted to include  
5 ATXI's projected operating cost estimates.<sup>9</sup>

6 Q. Did Staff inquire as to the potential economic benefits and costs to the other  
7 entities discussed, and for the individual project components?

8 A. Yes. Staff DR No. 0009 requested,

9 Please reference the testimony at page 12 of Sean Black's testimony that  
10 'the Project that the parties ultimately selected was the most  
11 cost-effective and efficient way to address all of the stakeholders  
12 interests,' and provide the cost benefit analysis of each aspect of  
13 the Project in isolation, and in combination with Project components  
14 eliminated [ie (a) construction of the Comstock Substation,  
15 (b) construction and modification of the six transmission lines adjacent  
16 to the new Comstock substation, (c) construction of an approximately  
17 1.2 mile long single circuit 161 kV transmission line, (d) ATXI's  
18 acquisition of a 12.75% interest in the existing 28 mile 161 kV line  
19 owned by SBMU].

20 ATXI's response was that,

21 ATXI objects to this request to the extent it calls for new analyses or  
22 assumes the existence of analyses not created or maintained by ATXI in  
23 the regular course of its business. Subject to and without waiving that

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<sup>9</sup> Under the first model, assuming perfect ratemaking, a cumulative detriment is experienced until \*\* [REDACTED] \*\*. Based on ATXI's modeling, while the Project is projected to introduce \*\* [REDACTED] \*\* total additional revenues to Ameren Missouri's MISO Zone over the next \*\* [REDACTED] \*\* years, it will increase the revenue requirement of Ameren Missouri's MISO Zone by \*\* [REDACTED] \*\* over the next \*\* [REDACTED] \*\*. Assuming perfect ratemaking and the reasonableness and accuracy of the underlying assumptions, the cumulative benefits to existing load in Ameren Missouri's MISO Pricing Zone will begin to exceed the cumulative detriment in the year \*\* [REDACTED] \*\*; however, considering the Net Present Value of the cumulative detriments/benefits, and perfect ratemaking, no net benefit is projected to be experienced by existing load in Ameren Missouri's MISO Pricing Zone until the year \*\* [REDACTED] \*\*.

1 objection, ATXI responds as follows. As indicated in ATXI's response  
2 to MPSC 0007, although ATXI broke out the various components of the  
3 Project in its Application in order to describe them better and more  
4 clearly, the Project is one holistic proposal. As such, no specific cost  
5 benefit analysis of each aspect of the Project in isolation exists, as ATXI  
6 understands this request. With respect to the Project as a whole, however,  
7 the alternate solution that ATXI could have pursued (without Sikeston's  
8 participation) to provide transmission service to the City of New Madrid  
9 would have been to construct a greenfield Comstock Substation (but  
10 having a smaller configuration) in close proximity to the existing  
11 Sikeston-SPA Substation and construction of a new, greenfield 161 kV  
12 transmission line running from the Comstock Substation to the New  
13 Madrid North Primary Substation. While ATXI did not develop an  
14 estimated cost for this option, a new substation and transmission line of  
15 that size and length would have cost far more than the proposed solution.

16 Staff DR No. 0007 requested that ATXI “Please describe how the acquisition and  
17 retention of ownership interests in the Project by ATXI of assets that are currently in existence  
18 is in the public interest, is needed, and is economically feasible.”

19 ATXI's response was,

20 ATXI understands this data request to refer the existing line component  
21 of the proposed Project. Specifically, ATXI will acquire a 12.75%  
22 undivided interest in an existing approximately 28-mile 161 kV  
23 transmission line that extends south from SWPA’s Sikeston substation  
24 and terminates at AECI’s New Madrid substation and that is currently  
25 owned by SBMU. (Please see, e.g., Application, Para. 11.d.) ATXI’s  
26 acquisition and retention of that ownership interest is in the public  
27 interest and is needed because the acquisition is an integral and  
28 interdependent component of the overall Project. Although ATXI broke  
29 out the various components of the Project in its Application in order to  
30 better and more clearly describe them, the Project is one holistic  
31 proposal. ATXI’s interest in the line, along with the other Project  
32 components, will provide New Madrid the direct connection to MISO  
33 that New Madrid desires to ensure an adequate and economic energy  
34 supply and transmission pathway to meet the City’s needs and attract  
35 economic development to the City. SBMU retaining the majority interest



1 in the line promotes continued interconnectivity with AECl, in  
2 furtherance of SBMU's goals (see ATXI's response to MPSC 0006).  
3 Additionally, ATXI's retention of a partial ownership interest in the  
4 existing southern-extending line will promote both system and regional  
5 benefits. It makes possible future expansion of Ameren's existing  
6 system, which could improve system reliability in the region; allow  
7 Ameren to directly serve customers in Hayti/Portageville; and extend the  
8 MISO border into Missouri, putting Ameren one step closer to direct  
9 interconnection for certain customers in the region. For more  
10 information on these benefits, please see ATXI's responses to MPSC  
11 0008 and 0012 (Confidential). 2 ATXI's acquisition and retention of a  
12 partial ownership interest in the existing line is economically feasible as  
13 that partial acquisition—as an integral component of the overall  
14 Project—is the most cost-effective way to simultaneously address the  
15 various Project parties' energy needs in a manner that will provide net  
16 future benefits to customers in the AMMO Pricing Zone and promote  
17 future system and regional benefits, as explained, all at a cost that ATXI  
18 is capable of financing without negative financial implications for the  
19 Company. (Please see ATXI Ex. 1.0 (Black Direct) at 24-29.)

20 Q. Did these responses include information that reasonably indicates that the  
21 Project is economically feasible from the perspective of any entity?

22 A. No. The models provided in response to the first Staff DR projects benefits so  
23 remote and minimal, and devoid of inputs and context, such that it does not reliably project  
24 economic feasibility. The responses to DR Nos. 0007 and 0009 failed to produce meaningful  
25 information or analysis supporting the economic feasibility of the Project as a whole or by  
26 component, for any particular entity.

27 **Potential New Madrid Load Growth**

28 Q. Did Staff inquire as to the likelihood of load growth in New Madrid that would,  
29 as described by ATXI, improve the economic feasibility of the Project?

1 A. Yes. Staff's DR No. 0003 to ATXI requested,

2 Please reference the representation at page 3 of the Application in this  
3 matter stating that 'The City of New Madrid has been actively exploring  
4 opportunities that would drive economic development to the city and  
5 provide the associated benefits to its residents.' (a) Please describe all  
6 such opportunities currently under exploration. (b) Please describe all  
7 such opportunities that have been explored in the last five years, and  
8 describe the status of each as of first quarter 2022.

9 ATXI's response was,

10 ATXI objects to this request to the extent it asks for information beyond  
11 ATXI's possession, custody, or control. Subject to and without waiving  
12 that objection, ATXI responds as follows. ATXI understands that data  
13 request 0002 to the Missouri Joint Municipal Electric Utility  
14 Commission (MJMEUC) requests similar information from that party.  
15 ATXI respectfully refers Staff to MJMEUC's response to that data  
16 request, which ATXI understands is forthcoming. ATXI lacks  
17 information beyond the statement made in its Application; ATXI is  
18 generally aware that the City of New Madrid is actively exploring  
19 economic development opportunities.

20 MJMEUC's response to the same question in DR No. 0002 was an unconditioned  
21 objection,

22 The Missouri Joint Municipal Electric Utility Commission  
23 ("MJMEUC") does not retain documents or data related to economic  
24 development of its members. To the extent an objection is required in  
25 order to prevent MJMEUC from being compelled to respond to this data  
26 request ("DR") as framed, MJMEUC objects to this DR on the bases that  
27 it: is vague, overly broad, and unduly burdensome; seeks information  
28 that is beyond MJMEUC's possession, custody, and/or control; is not  
29 proportional to the needs of the case considering the totality of the  
30 circumstances; that the requesting party already possesses this  
31 information; and seeks information that is not relevant or reasonably  
32 calculated to lead to the discovery of admissible evidence in this  
33 proceeding. MJMEUC would note that the requesting party (State of  
34 Missouri) likely possesses this information through their Department of  
35 Economic Development.

1 On February 22, 2022, MJMEUC further responded that,

2 MJMEUC's understanding is generally consistent with ATXI's per  
3 ATXI's representation in its Application: the City of New Madrid has  
4 been, and is currently, exploring economic development opportunities.  
5 Beyond that, MJMEUC does not retain documents or data related to the  
6 economic development of its members, but respectfully refers Staff to  
7 the Missouri Department of Economic Development, which office may  
8 have additional, nonpublic information regarding New Madrid's recent  
9 economic pursuits.

10 Staff requested, in Staff DR No. 0005, that ATXI "Please clarify the status of the  
11 anticipated construction of a large steel mill within New Madrid's municipal boundaries as  
12 referenced at page 6 of the testimony of Sean Black."

13 ATXI's response was,

14 ATXI objects to this request to the extent it asks for information beyond  
15 ATXI's possession, custody, or control. Subject to and without waiving  
16 that objection, ATXI responds as follows. ATXI understands that, as a  
17 result of complications due to the COVID-19 pandemic, the developer  
18 of the steel mill lost its financing late in the process. Please see ATXI  
19 Exhibit 1.0 (Black Direct) at 17, ll. 19-20. It is ATXI's understanding  
20 that due to the circumstances of the COVID-19 pandemic, the steel mill  
21 project is indefinitely on hold.

22 Staff also requested, in Staff DR No. 0011, to MJMEUC,

23 Please: 1. Explain, in as much detail as possible, why the City of New  
24 Madrid needs this project. 2. Explain, in a much detail as possible, how  
25 this project affects any contract(s) that the City of New Madrid has  
26 entered into or the City of New Madrid is expected to enter into.

27 MJMEUC's response was a conditioned objection, stating:

28 The Missouri Joint Municipal Electric Utility Commission  
29 ("MJMEUC") does not generally retain documents or data related to the  
30 City of New Madrid or its electrical system. To the extent an objection

1 is required in order to prevent MJMEUC from being compelled to  
2 respond to this data request (“DR”) as framed, MJMEUC objects to this  
3 DR on the bases that it: is vague, overly broad, and unduly burdensome;  
4 seeks information that is beyond MJMEUC’s possession, custody,  
5 and/or control; is not proportional to the needs of the case considering  
6 the totality of the circumstances; that the requesting party already  
7 possesses this information; and seeks information that is not relevant or  
8 reasonably calculated to lead to the discovery of admissible evidence in  
9 this proceeding. Notwithstanding said objection, MJMEUC will attempt  
10 to respond to this DR to the best of its ability.

11 The response received 2/22/2022 stated,

12 1) The City of New Madrid (“City”) is currently served by two (2) 69kV  
13 distribution lines owned by the City that are connected to the  
14 Southwestern Power Administration (SWPA) substation at the City.  
15 That substation connection is at a 161/69kV transformer that serves both  
16 of the City distribution lines and the cooperative system. The limits on  
17 the transformer and the City connections to the SWPA substation limits  
18 both the load growth and reliability of the City for serving both current  
19 and future loads. The addition of the project including the direct 161kV  
20 connection to MISO facilities enhances City reliability, and would allow  
21 for significant load growth within the city. It will additionally allow more  
22 diverse, and lower costs, options for supply. 2) The City has entered into  
23 supply contracts sourced from MISO resources in addition to existing  
24 SWPA resources. This resource mix, along with the addition of  
25 the transmission project, will provide lower cost and greater reliability  
26 to the City.

27 However, on March 1, 2022 ATXI informed Staff that new load was expected in  
28 New Madrid. In the Supplemental testimony of ATXI witness Black at page 2 ATXI relayed  
29 that a “February 18, 2022 Missouri Department of Economic Development release titled  
30 “Circular SynTech to expand in New Madrid, investing more than \$91 million and creating  
31 45 new jobs” indicates that Circular SynTech, LLC (CST) is expanding to New Madrid and  
32 will invest up to \$91.4 million to construct a new, 200-acre campus that will convert municipal

1 solid waste and construction and demolition debris into valuable renewable chemicals.  
2 According to the release, the facility is expected to begin operations before the end of 2022....”

3 Q. Will accommodation of significant additional load in the New Madrid area  
4 require additional infrastructure which may be allocable in whole or in part to Ameren  
5 Missouri’s MISO Zone?

6 A. Yes.

7 **Furtherance of SBMU’s Energy Export Goals**

8 Q. Did Staff inquire as to the nature and economic potential of SBMU’s energy  
9 export goals that would, as described by ATXI, improve the economic feasibility of the Project  
10 if furthered?

11 A. Yes. Staff DR No. 0006 requested that ATXI “Please describe SBMU’s energy  
12 export goals as referenced at page 6 of the testimony of Sean Black.”

13 ATXI's response was,

14 ATXI objects to this request to the extent it asks for information beyond  
15 ATXI's possession, custody, or control. Subject to and without waiving  
16 that objection, ATXI responds as follows. Based upon discussions with  
17 SBMU, ATXI believes that SBMU wishes to remain directly connected  
18 with MISO, SPP and AECI in order to continue providing power to its  
19 current wholesale customers at a competitive price. In addition, SBMU  
20 has indicated that it continues to seek new opportunities in the three  
21 market areas to sell power and energy. These sales of power and energy  
22 from the Sikeston-owned generator helps SBMU keep the cost of service  
23 to its own retail customers at a reasonable level and provides an  
24 additional competitive option to entities within the aforementioned  
25 markets. The Project will help allow SBMU to meet these goals.

1 Staff also requested, in Staff DR No. 0010, to MJMEUC,

2 Please: 1. Explain, in as much detail as possible, why the city of Sikeston  
3 and/or SBMU needs this project. 2. Explain how this project affects the  
4 City of Sikeston and/or SBMU's Transmission Service Agreements.  
5 3. Explain how this project affects the City of Sikeston and/or SBMU's  
6 other Agreements. 4. Explain the City of Sikeston and/or SBMU's  
7 export goals as referenced in Sean Black's direct testimony. 5. Explain  
8 how this project impacts the City of Sikeston and/or SBMU's export  
9 goals.

10 MJMEUC's response was a conditioned objection, stating:

11 The Missouri Joint Municipal Electric Utility Commission  
12 ("MJMEUC") does not retain documents or data related to the City of  
13 Sikeston's and/or SBMU's system planning. To the extent an objection is  
14 required in order to prevent MJMEUC from being compelled to respond  
15 to this data request ("DR") as framed, MJMEUC objects to this DR on  
16 the bases that it: is vague, overly broad, and unduly burdensome; seeks  
17 information that is beyond MJMEUC's possession, custody, and/or  
18 control; is not proportional to the needs of the case considering the  
19 totality of the circumstances; that the requesting party already possesses  
20 this information; and seeks information that is not relevant or reasonably  
21 calculated to lead to the discovery of admissible evidence in this  
22 proceeding. Notwithstanding said objection, MJMEUC will attempt to  
23 respond to this DR to the best of its ability.

24 On 2/22/2022, MJMEUC responded,

25 1) Based on discussions with SBMU it is MJMEUC's understanding that  
26 SBMU currently serves its retail and wholesale customers through a  
27 Grandfathered Agreement with Southwest Power Administration  
28 (SWPA). This grandfathered agreement terminates in 2023 and cannot  
29 be extended. **Once the agreement terminates SBMU will be required**  
30 **to take transmission service through SPP to serve its retail load from**  
31 **its own generation even though it is only using a short piece of bus**  
32 **work in the SWPA Sikeston substation.** This would force SBMU to  
33 increase the rates to its retail customers. In addition, SBMU's wholesale  
34 customers in MISO and Associated Electric Cooperative (AECI) would

1 see an increase in the delivery of their energy for the same reason. **The**  
2 **project will provide SBMU with its own facilities which connect its**  
3 **generation to its own retail load allowing it to serve this load without**  
4 **incurring an external transmission service charge.** The project  
5 provides SBMU with direct interconnections to MISO, SPP and AECI  
6 allowing it to continue to receive its allocation of federal power from  
7 SWPA and to deliver wholesale power from its generator to its wholesale  
8 customers without the customer incurring pancaked rates. Since the  
9 project maintains SBMU's connections to MISO, SPP and AECI, it also  
10 preserves SBMU's ability to join the RTO of its choice in the future.  
11 2) As explained above, MJMEUC understands that SBMU's current  
12 transmission Service Agreement terminates in 2023 and this project  
13 allows it to maintain a status quo by re-establishing a direct connection  
14 between its owned generation and its retail load. SBMU's federal  
15 allocation will continue to be delivered through its interconnection with  
16 SWPA. 3) Please see above answers. 4) Based upon discussions with  
17 SBMU, MJMEUC understands that SBMU must remain directly  
18 connected with MISO, SPP and AECI in order to continue providing  
19 power to its current wholesale customers at a competitive price. In  
20 addition, SBMU has indicated that it continues to seek new opportunities  
21 in the three market areas to sell power and energy. MJMEUC believes  
22 these sales of power and energy from the Sikeston owned generator helps  
23 SBMU keep the cost of service to its own retail customers at a reasonable  
24 cost and provides an additional competitive option to entities within the  
25 markets. The Project will allow SBMU to meet these goals. 5) See  
26 answer '4' above. [Emphasis added.]

27 Q. Did these responses include information that reasonably indicates that the extant  
28 modeled economic feasibility of the Project is likely to improve due to furtherance of the  
29 "business goals" of SBMU?

30 A. No. Based on these responses, Staff has no reason to conclude that SBMU's  
31 business goals might improve the modeled economic feasibility of the Project. Note that  
32 attainment of the benefits described in ATXI's response to Staff DR No. 0006 will require  
33 additional infrastructure, as described by ATXI witness Black in footnote 3 of his initially-filed

1 testimony, and further discussed in the Supplemental Direct Testimony of ATXI witness Black  
2 at page 7.

3 Q. Do certain economic benefits relied upon to support this Application  
4 undercut the theories of economic feasibility relied upon by ATXI in the testimony of ATXI  
5 witness Black.

6 A. Yes. ATXI witness Black's evidence of economic feasibility for the Project is  
7 that additional investment will enable additional participation in the Ameren Missouri MISO  
8 Pricing Zone cost share, which may produce a net decrease, eventually in the net Ameren  
9 Missouri MISO Pricing Zone revenue requirement for existing zonal load. However, as alluded  
10 to in ATXI witness Black's footnote 3, and stated explicitly in MJMEUC's response to Staff  
11 DR No. 0010, one of the goals of the Project is the opportunity to avoid payments to the SPP,  
12 which would reduce the net revenue requirement for Missouri utilities that participate in the  
13 SPP, associated with infrastructure that already exists. Thus, absent the Project, customers  
14 served by SPP load-serving entities would experience a benefit, with no cost increases.

15 **Potential Benefits for Ameren Missouri Hayti and Portageville Customers and the**  
16 **MISO System**

17 Q. Did Staff inquire as to how the Project, as described by ATXI, would improve  
18 the economic feasibility of the Project by improving service to Ameren Missouri's Hayti and  
19 Portageville customers, or by increasing the contract path between the MISO North and South  
20 Regions?

21 A. Yes. Staff DR No. 0008 requested that ATXI "Please reference the testimony  
22 at page 10 of Sean Black's testimony that 'Project positions ATXI and/or Ameren Missouri  
23 well for potential future expansions of the existing system, which could improve system



1 reliability and allow Ameren Missouri to directly serve retail customers located in the Hayti /  
2 Portageville area, as well as improve system reliability to all customers in the region.’ (a) Please  
3 further describe what system reliability improvement for Ameren Missouri retail customers in  
4 the Hayti/Portageville area is facilitated by each aspect of the Project, [ie (a) construction of the  
5 Comstock Substation, (b) construction and modification of the six transmission lines adjacent  
6 to the new Comstock substation, (c) construction of an approximately 1.2 mile long single  
7 circuit 161 kV transmission line, (d) ATXI’s acquisition of a 12.75% interest in the existing  
8 28 mile 161 kV line owned by SBMU], separately. (b) Please describe what system reliability  
9 improvements for Ameren Missouri retail customers in the Hayti/Portageville areas is necessary  
10 or anticipated to be necessary, including a description of timelines and assumptions. (c) For  
11 each improvement identified in response to part b, please explain how each aspect of the project  
12 better facilitates each potential improvement.”

13 ATXI's response was “(a) – (c) As explained in ATXI's response to MPSC 0007,  
14 although ATXI broke out the various components of the Project in its Application in order to  
15 describe them better and more clearly, the Project is one holistic proposal. With the possible  
16 exception of items (c) and (d) above [construction of an approximately 1.2 mile long single  
17 circuit 161 kV transmission line and ATXI’s acquisition of a 12.75% interest in the existing  
18 28 mile 161 kV line owned by SBMU], the other components in which ATXI will have an  
19 interest – along with the option ATXI obtained from Sikeston to rebuild the existing line in the  
20 future should system needs require it (please see ATXI 2 Ex. 1.0 (Black Direct) at 22, n.6  
21 (Confidential)) – places Ameren-owned transmission lines closer to the customers it serves in  
22 Hayti and Portageville, MO. This pathway could be extended to Hayti and Portageville  
23 customers directly, creating multiple service paths and increasing reliability through

1 redundancy. A direct transmission connection would also allow for the elimination of over  
2 \$2 million of annual transmission service charges paid by Ameren Missouri for using Entergy's  
3 transmission lines to serve those customers. Finally, increased MISO N-S tie capacity could  
4 lower overall energy cost and reduce capacity requirements in the MISO footprint. For further  
5 discussion, please see ATXI's response to MPSC 0012 (Confidential).”

6 Note, that Ameren Missouri usage of an ATXI-owned transmission path would also be  
7 subject to transmission service charges recoverable by ATXI.

8 Staff DR No. 0012 requested,

9 ATXI’s witness Sean Black states in Direct ‘A future expansion could  
10 also create an additional contract path between the North and South  
11 regions of MISO, which could reduce payments under the Joint  
12 Operating Agreement in place between MISO and SPP, in turn  
13 benefitting the retail customers of Ameren Missouri, as well as any other  
14 retail or wholesale customers served by the MISO transmission system.  
15 And, finally, the Project effectively extends the current MISO “border”  
16 further south into Missouri, which may help create further system  
17 and economic benefits in the future, again benefitting the region  
18 generally. In addition to potential benefits to load, an example of these  
19 other system expansion benefits and opportunities includes an expanded  
20 ability to integrate renewable generation into the MISO market.’ (Pg. 11  
21 lines 1-9) 1. Please explain, in detail, what future expansion Mr. Black  
22 referencing. 2. Please explain, in detail, how this project help create  
23 system benefits in the future. Please include any other project that may  
24 be necessary.

25 ATXI's response is confidential in its entirety, and included in the Rebuttal testimony  
26 of Staff Expert Witness Shawn E. Lange, PE.

1 **Conclusion**

2 Q. If significant additional load – beyond that discussed in the Supplemental Direct  
3 testimony of ATXI witness Black - materializes in New Madrid, or if SBMU builds additional  
4 plant, or if Ameren Missouri desires to build additional plant in Southeast Missouri and this  
5 infrastructure is ultimately constructed, could the economic feasibility analysis of the Project  
6 components for which this Application has been submitted change?

7 A. Yes. Project cost/benefit analysis is fluid based on the assumptions and rate  
8 making conditions. The scope of which entities' costs and benefits are considered also impacts  
9 Project results. For example, \$1 million of the increase to the rate base in the Ameren  
10 Missouri's MISO Zone revenue requirement is related to the acquisition of rights to an existing  
11 SBMU facility. That cost to Ameren Missouri's MISO Zone is a benefit to SBMU. Similarly,  
12 the additional Ameren Missouri MISO Zone revenues that create the "benefit" to existing  
13 Ameren Missouri MISO Zone customers is a cost to those new customers. On the balance,  
14 Ameren Missouri's MISO Zone will have a higher revenue requirement, and Ameren  
15 Missouri's MISO Zone customers will pay it - there will simply be more of them, under the  
16 Project as currently configured.

17 Q. Could you summarize the Staff's position on ATXI's financial ability with  
18 regard to the Project?

19 A. Staff has no reason to doubt the financial ability of ATXI to undertake this  
20 project.

21 Q. Could you summarize the Staff's position on the Project's economic feasibility?

22 A. ATXI is anticipated to be fully compensated for its investment, and the Project  
23 is therefore economically feasible in that the expected benefits of the investment justify the cost

1 of the investment from the perspective of the Applicant, ATXI.<sup>10</sup> While it is not clear that the  
2 Commission has the authority in this case to order that Ameren Missouri customers be held  
3 harmless from any negative consequences of the Project, in that ATXI has held out purported  
4 benefits to Ameren Missouri as justification for the Project and as its evidence of the economic  
5 feasibility of the Project, Staff recommends that the Commission in future cases hold  
6 Ameren Missouri customers harmless from any negative impacts of the Project as-applied for,  
7 and as possible with the construction of the additional components referenced in ATXI's  
8 Application and testimonies attached as exhibits there-to. This is consistent with the position  
9 Ameren Missouri would be expected to take were they a party to this case and were this an  
10 arms-length transaction among all parties for whom ATXI has offered testimony indicating a  
11 benefit will accrue.

12 Q Does this conclude your rebuttal testimony?

13 A. Yes.

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<sup>10</sup> ATXI is the sole Applicant in this case, although the Application includes a request for authority for MJMEUC, SBMU, and NMMLP to own and operate plant. Further, the Application does not include all facilities that will be necessary to attain the economic and system benefits discussed in the Application. The testimony provided by ATXI witness Black largely discusses economic and system benefits that may accrue to MJMEUC, SBMU, NMMLP, and Ameren Missouri, although it does not provide the full costs necessary to achieve those benefits. Further, the Application and associated testimonies are largely silent as to the economic harm and/or avoided benefits that the Project may occasion with SWPA and SPP and the customers of those entities. The docket does not reflect the positions of Ameren Missouri, SWPA, or SPP, and the positions of MJMEUC, SBMU, and NMMLP are provided by ATXI witnesses.

**BEFORE THE PUBLIC SERVICE COMMISSION**

**OF THE STATE OF MISSOURI**

In the Matter of the Application of Ameren )  
Transmission Company of Illinois for a ) File No. EA-2022-0099  
Certificate of Convenience and Necessity Under )  
Section 393.170 RSMo Relating to Transmission )  
Investments in Southeast Missouri )

**AFFIDAVIT OF SARAH L.K. LANGE**

STATE OF MISSOURI )  
 ) ss.  
COUNTY OF COLE )

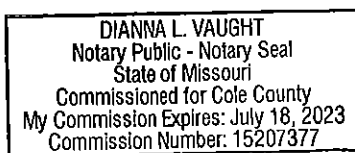
**COMES NOW SARAH L.K. LANGE** and on her oath declares that she is of sound mind and lawful age; that she contributed to the foregoing *Rebuttal Testimony of Sarah L.K. Lange*; and that the same is true and correct according to her best knowledge and belief.

Further the Affiant sayeth not.

Sarah L.K. Lange  
SARAH L.K. LANGE

**JURAT**

Subscribed and sworn before me, a duly constituted and authorized Notary Public, in and for the County of Cole, State of Missouri, at my office in Jefferson City, on this 6th day of April 2022.



Dianna L. Vaught  
Notary Public

**Sarah L.K. Lange**

I received my J.D. from the University of Missouri, Columbia, in 2007, and am licensed to practice law in the State of Missouri. I received my B.S. in Historic Preservation from Southeast Missouri State University, and took courses in architecture and literature at Drury University. Since beginning my employment with the MoPSC I have taken courses in economics through Columbia College and courses in energy transmission through Bismarck State College, and have attended various trainings and seminars, indicated below.

I began my employment with the Commission in May 2006 as an intern in what was then known as the General Counsel's Office. I was hired as a Legal Counsel in September 2007, and was promoted to Associate Counsel in 2009, and Senior Counsel in 2011. During that time my duties consisted of leading major rate case litigation and settlement, and presenting Staff's position to the Commission, and providing legal advice and assistance primarily in the areas of depreciation, cost of service, class cost of service, rate design, tariff issues, resource planning, accounting authority orders, construction audits, rulemakings and workshops, fuel adjustment clauses, document management and retention, and customer complaints.

In July 2013 I was hired as a Regulatory Economist III in what is now known as the Tariff/ Rate Design Department. In this position my duties include providing analysis and recommendations in the areas of RTO and ISO transmission, rate design, class cost of service, tariff compliance and design, and regulatory adjustment mechanisms and tariff design. I also continue to provide legal advice and assistance regarding generating station and environmental control construction audits and electric utility regulatory depreciation. I have also participated before the Commission under the name Sarah L. Kliethermes.

**Presentations**

*Midwest Energy Policy Series – Impact of ToU Rates on Energy Efficiency* (August 14, 2020)

*Billing Determinants Lunch and Learn* (March 27, 2019)

*Support for Low Income and Income Eligible Customers, Cost-Reflective Tariff Training, in cooperation with U.S.A.I.D. and NARUC, Addis Ababa, Ethiopia* (February 23-26, 2016)

*Fundamentals of Ratemaking at the MoPSC* (October 8, 2014)

*Ratemaking Basics* (Sept. 14, 2012)

Participant in Missouri's Comprehensive Statewide Energy Plan working group on Energy Pricing and Rate Setting Processes.

**Relevant Trainings and Seminars**

*Regional Training on Integrated Distribution System Planning for Midwest/MISO Region* (October 13-15, 2020)

*“Fundamentals of Utility Law”* Scott Hempling lecture series (January – April, 2019)

*Today’s U.S. Electric Power Industry, the Smart Grid, ISO Markets & Wholesale Power Transactions* (July 29-30, 2014)

*MISO Markets & Settlements* training for OMS and ERSC Commissioners & Staff (January 27–28, 2014)

*Validating Settlement Charges in New SPP Integrated Marketplace* (July 22, 2013)

PSC Transmission Training (May 14 – 16, 2013)

Grid School (March 4–7, 2013)

Specialized Technical Training - Electric Transmission (April 18–19, 2012)

*The New Energy Markets: Technologies, Differentials and Dependencies* (June 16, 2011)

Mid-American Regulatory Conference Annual Meeting (June 5–8, 2011)

*Renewable Energy Finance Forum* (Sept. 29–Oct 3, 2010)

*Utility Basics* (Oct. 14–19, 2007)

**Testimony and Staff Memoranda**

<u>Company</u>	<u>Case No.</u>
The Empire District Electric Company d/b/a Liberty In the Matter of the Request of The Empire District Electric Company d/b/a Liberty for Authority to File Tariffs Increasing Rates for Electric Service Provided to Customers in its Missouri Service Area	ER-2021-0312
Union Electric Company d/b/a Ameren Missouri In the Matter of Union Electric Company d/b/a Ameren Missouri’s Tariffs to Adjust its Revenues for Electric Service	ER-2021-0240
Ameren Transmission Company of Illinois In the Matter of the Application of Ameren Transmission Company of Illinois for a Certificate of Public Convenience and Necessity to Construct, Install, Own, Operate, Maintain, and Otherwise Control and Manage a 138 kV Transmission Line and associated facilities in Perry and Cape Girardeau Counties, Missouri	EA-2021-0087

<u>Company</u>	<u>Case No.</u>
Evergy Affiliates In the Matter of the Application of Evergy Metro, Inc. d/b/a Evergy Missouri Metro and Evergy Missouri West, Inc. d/b/a Evergy Missouri West for Approval of a Transportation Electrification Portfolio	ET-2021-0151
Spire Missouri, Inc. In the Matter of Spire Missouri Inc.'s d/b/a Spire Request for Authority to Implement a General Rate Increase for Natural Gas Service Provided in the Company's Missouri Service Areas	GR-2021-0108
Union Electric Company d/b/a Ameren Missouri In the Matter of the Request of Union Electric Company d/b/a Ameren for Approval of its Surge Protection Program	ET-2021-0082
Union Electric Company d/b/a Ameren Missouri In the Matter of the Request of Union Electric Company d/b/a Ameren Missouri to Implement the Delivery Charge Adjustment for the 1st Accumulation Period beginning September 1, 2019 and ending August 31, 2020	GT-2021-0055
The Empire District Electric Company In the Matter of The Empire District Electric Company's Tariffs Approval of a Transportation Electrification Portfolio for Electric Customers in its Missouri Service Area	ET-2020-0390
The Empire District Electric Company In the Matter of The Empire District Electric Company's Tariffs to Increase Its Revenues for Electric Service	ER-2019-0374
Union Electric Company d/b/a Ameren Missouri In the Matter of of Union Electric Company d/b/a Ameren Missouri's Tariffs to Decrease Its Revenues for Electric Service	ER-2019-0335
KCP&L Greater Missouri Operations Company In the Matter of KCP&L Greater Missouri Operations Company Request for Authority to Implement Rate Adjustments Required by 4 CSR 240-20.090(8) And the Company's Approved Fuel and Purchased Power Cost Recovery Mechanism	ER-2019-0413
Union Electric Company d/b/a Ameren Missouri In the Matter of of Union Electric Company d/b/a Ameren Missouri's Tariffs to Increase Its Revenues for Natural Gas Service	GR-2019-0077



<u>Company</u>	<u>Case No.</u>
Union Electric Company d/b/a Ameren Missouri In the Matter of the Application of Union Electric Company d/b/a Ameren Missouri Revised Tariff Sheets	ET-2019-0149
The Empire District Electric Company In the Matter of The Empire District Electric Company's Revised Economic Development Rider Tariff Sheets	ET-2019-0029
The Empire District Electric Company In the Matter of a Proceeding Under Section 393.137 (SB 564) to Adjust the Electric Rates of The Empire District Electric Company	ER-2018-0366
Union Electric Company d/b/a Ameren Missouri In the Matter of the Application of Union Electric Company d/b/a Ameren Missouri for Permission and Approval and a Certificate of Public Convenience and Necessity Authorizing it to Construct a Wind Generation Facility	EA-2018-0202
Kansas City Power & Light Company KCP&L Greater Missouri Operations Company In the Matter of Kansas City Power & Light Company's Request for Authority to Implement a General Rate Increase for Electric Service	ER-2018-0145 ER-2018-0146
Union Electric Company d/b/a Ameren Missouri In the Matter of the Application of Union Electric Company d/b/a Ameren Missouri for Approval of Efficient Electrification Program	ET-2018-0132
Union Electric Company d/b/a Ameren Missouri In the Matter of the Application of Union Electric Company d/b/a Ameren Missouri for Approval of 2017 Green Tariff	ET-2018-0063
Laclede Gas Company Laclede Gas Company d/b/a Missouri Gas Energy In the Matter of Laclede Gas Company's Request to Increase Its Revenue for Gas Service, In the Matter of Laclede Gas Company d/b/a Missouri Gas Energy's Request to Increase Its Revenue for Gas Service.	GR-2017-0215 GR-2017-0216
Kansas City Power & Light Company In the Matter of Kansas City Power & Light Company's Demand Side Investment Rider Rate Adjustment And True-Up Required by 4 CSR 240-3.163(8)	ER-2017-0316
Kansas City Power & Light Company In the Matter of Kansas City Power & Light Company's Demand Side Investment Rider Rate Adjustment And True-Up Required by 4 CSR 240-3.163(8)	ER-2017-0167

<u>Company</u>	<u>Case No.</u>
KCP&L Great Missouri Operations Company In the Matter of KCP&L Greater Missouri Operations Company's Annual RESRAM Tariff Filing	ET-2017-0097
Grain Belt Express Clean Line, LLC In the Matter of the Application of Grain Belt Express Clean Line LLC for a Certificate of Convenience and Necessity Authorizing It to Construct, Own, Operate, Control, Manage, and Maintain a High Voltage, Direct Current Transmission Line and an Associated Converter Station Providing an Interconnection on the Maywood - Montgomery 345 kV Transmission Line	EA-2016-0358
Kansas City Power & Light Company In the Matter of Kansas City Power & Light Company's Demand Side Investment Rider Rate Adjustment And True-Up Required by 4 CSR 240-3.163(8)	ER-2016-0325
Kansas City Power & Light Company In the Matter of Kansas City Power & Light Company's Request for Authority to Implement A General Rate Increase for Electric Service	ER-2016-0285
Union Electric Company d/b/a Ameren Missouri In the Matter of Union Electric Company d/b/a Ameren Missouri for Permission and Approval and a Certificate of Public Convenience and Necessity Authorizing it to Offer a Pilot Subscriber Solar Program and File Associated Tariff	EA-2016-0207
Union Electric Company d/b/a Ameren Missouri In the Matter of Union Electric Company d/b/a Ameren Missouri's Tariff to Increase Its Revenues for Electric Service	ER-2016-0179
KCP&L Great Missouri Operations Company In the Matter of KCP&L Greater Missouri Operations Company's Request for Authority to Implement a General Rate Increase for Electric Service	ER-2016-0156
Empire District Electric Company In the Matter of The Empire District Electric Company's Request for Authority to Implement a General Rate Increase for Electric Service	ER-2016-0023
Ameren Transmission Company of Illinois In the Matter of the Application of Ameren Transmission Company of Illinois for Other Relief or, in the Alternative, a Certificate of Public Convenience and Necessity Authorizing it to Construct, Install, Own, Operate, Maintain and Otherwise Control and Manage a 345,000-volt Electric Transmission Line from Palmyra, Missouri to the Iowa Border and an Associated Substation Near Kirksville, Missouri	EA-2015-0146

<u>Company</u>	<u>Case No.</u>
Ameren Transmission Company of Illinois In the Matter of the Application of Ameren Transmission Company of Illinois for Other Relief or, in the Alternative, a Certificate of Public Convenience and Necessity Authorizing it to Construct, Install, Own, Operate, Maintain and Otherwise Control and Manage a 345,000-volt Electric Transmission Line in Marion County, Missouri and an Associated Switching Station Near Palmyra, Missouri	EA-2015-0145
Union Electric Company d/b/a Ameren Missouri In the Matter of Union Electric Company d/b/a Ameren Missouri's 2nd Filing to Implement Regulatory Changes in Furtherance of Energy Efficiency as Allowed by MEEIA	EO-2015-0055
Kansas City Power & Light Company In the Matter of Kansas City Power & Light Company's Request for Authority to Implement a General Rate Increase for Electric Service	ER-2014-0370
Empire District Electric Company In the Matter of The Empire District Electric Company for Authority to File Tariffs Increasing Rates for Electric Service Provided to Customers in the Company's Missouri Service Area	ER-2014-0351
Union Electric Company d/b/a Ameren Missouri City of O'Fallon, Missouri, and City of Ballwin, Missouri, Complainants v. Union Electric Company d/b/a Ameren Missouri, Respondent	EC-2014-0316
Union Electric Company d/b/a Ameren Missouri In the Matter of Union Electric Company d/b/a Ameren Missouri's Tariff to Increase Its Revenues for Electric Service	ER-2014-0258
Union Electric Company d/b/a Ameren Missouri Noranda Aluminum, Inc., et al., Complainants, v. Union Electric Company d/b/a Ameren Missouri, Respondent	EC-2014-0224
Grain Belt Express Clean Line, LLC In the Matter of the Application of Grain Belt Express Clean Line LLC for a Certificate of Convenience and Necessity Authorizing It to Construct, Own, Operate, Control, Manage, and Maintain a High Voltage, Direct Current Transmission Line and an Associated Converter Station Providing an Interconnection on the Maywood - Montgomery 345 kV Transmission Line	EA-2014-0207
KCP&L Great Missouri Operations Company In the Matter of KCP&L Greater Missouri Operations Company's Application for Authority to Establish a Renewable Energy Standard Rate Adjustment Mechanism	EO-2014-0151

<u>Company</u>	<u>Case No.</u>
Kansas City Power & Light Company In the Matter of Kansas City Power & Light Company's Filing for Approval of Demand-Side Programs and for Authority to Establish A Demand-Side Programs Investment Mechanism	EO-2014-0095
Veolia Energy Kansas City, Inc. In the Matter of Veolia Energy Kansas City, Inc. for Authority to File Tariffs to Increase Rates	HR-2014-0066