

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

In the Matter of the Application of Ameren	)	
Transmission Company of Illinois for Authority	)	
To Acquire Electric Transmission Facilities from	)	
Rolla Municipal Utilities and for a Certificate of	)	File No. EA-2018-0327
Public Convenience and Necessity to Own,	)	
Operate, Maintain, and Otherwise Control	)	
And Manage those Facilities	)	

**UNANIMOUS STIPULATION AND AGREEMENT**

Under authority of and in accordance with 4 CSR 240-2.115, Ameren Transmission Company of Illinois (ATXI or Company), the Staff of the Missouri Public Service Commission (Staff), the Office of the Public Counsel (OPC), and the Missouri Department of Economic Development - Division of Energy (DE) (collectively, the Signatories) file this Unanimous Stipulation and Agreement (Stipulation) regarding ATXI's application for (i) authority to acquire electric transmission facilities currently owned and operated by the City of Rolla, Missouri, acting through Rolla Municipal Utilities, and (ii) a certificate of public convenience and necessity to own, operate, and maintain those and related transmission facilities the Company proposes to construct as part of a network transmission solution. If approved by the Missouri Public Service Commission (Commission), the Stipulation would resolve all issues related to ATXI's Application. In support of the Stipulation, the Signatories state:

**Background**

1. ATXI filed its verified *Application and Motion for Expedited Treatment* (Application) on August 23, 2018. The Application seeks a certificate of convenience of necessity and any other Commission approvals necessary to authorize ATXI to acquire certain

electric facilities owned by the City of Rolla, Missouri, acting through Rolla Municipal Utilities (RMU), and to own, operate, maintain, and control those and adjacent facilities the Company plans to construct as part of a proposed network transmission project (Project). As explained more fully below, if approved the Project is expected to provide benefits not only to ATXI but also to RMU, Union Electric Company d/b/a Ameren Missouri (Ameren Missouri), Sho-Me Power Electric Cooperative (Sho-Me) and retail electric customers served by each of those entities. Simultaneous with its Application, ATXI filed testimony and exhibits of five witnesses – Shawn Schukar, Sean Black, Ross Hohlt, Luke Wollin, and Greg Gudeman – explaining and supporting the Application and the proposed Project.

2. ATXI proposes to acquire two 138kV radial electric lines, each of which emanates from RMU's Alfermann Substation, and various substation assets related to those lines. One line (the West Line) is approximately 2.83 miles long and currently connects to Ameren Missouri's 138kV transmission line running between its Osage and Clark Substations. The other line (the East Line) is approximately 4.75 miles long and connects to Ameren Missouri's 138kV transmission line running between its Maries and Rivermines Substations.

3. ATXI asserts that because RMU is not an "electrical corporation" as that phrase is defined in Section 386.020(12), RSMo, ATXI's acquisition of RMU's assets does not require Commission approval under Section 393.190, RSMo. Should the Commission decide to approve the Stipulation, ATXI requests the order approving the Stipulation confirm no approval under Section 393.190, RSMo, or compliance with 4 CSR 240-3.110, is necessary for ATXI to complete the RMU acquisition.

4. In addition to lines and other assets to be acquired from RMU, ATXI proposes to construct, own, and operate a new 138kV substation – the Dillon Substation – at the point where

the West Line connects to Ameren Missouri's Osage-Clark transmission line. ATXI proposes to construct the Dillon Substation as an initial five breaker 138kV ring bus with five 138kV line positions and one 138kV breaker. The substation also would include a position for a 28MVAR 138kV capacitor bank for voltage support. Twelve breaker disconnect switches also would be installed on standard steel switch stands for breaker isolation. Five motor-operated line disconnect switches with local and remote operation also would be installed to allow isolation of the bus ring line terminals from incoming transmission lines. Instrument transformers would be installed on all ring bus line terminals for voltage indication and sensing for relay metering and protection. The substation also would include two 138kV power potential transformers to provide station power, and a relay control enclosure to house all substation protective relaying and control, supervisory remote terminal, relay communications, and a 125V DC battery system and service panel. All substation structures would be constructed using ATXI's standard tubular steel design.

5. The proposed Dillon Substation would connect adjacent Ameren Missouri transmission lines via circuit breakers. These circuit breakers would provide additional segmentation to those facilities thereby improving their reliability. The new substation also would increase operational flexibility by allowing ATXI to switch lines for maintenance and other forced outages. This line-switching capability would reduce impacts of forced outages on transmission and distribution facilities and customers receiving service from those facilities. Construction of the Dillon Substation also would allow direct connection of RMU's Alfermann Substation and Sho-Me's Macedonia Substation to a dedicated bus ring, which would maintain transmission supply to RMU in the event of multiple forced outages on Ameren Missouri's 138kV transmission lines. The addition of a bus tie breaker at the Alfermann Substation would

allow ATXI and RMU greater operational flexibility during maintenance or other forced outages of RMU's 138/34kV transformers and ATXI's transmission lines.

6. Total cost of the proposed Project is estimated to be \$27.6 million, which includes the cost to acquire lines and related assets from RMU, construction costs of the Dillon Substation, and an allowance for construction contingencies. ATXI plans to finance those costs either through available cash on hand or short-term borrowing under Ameren Corporation's Money Pool Arrangement. Any short-term borrowings will be replaced with capital from permanent financing sources that include a balanced blend of long-term debt and common equity.

7. In accordance with the Commission's October 3, 2018, *Order Adopting Procedural Schedule*, Staff filed its rebuttal report on October 25, 2018. OPC and DE are also parties to this case, but neither chose to file rebuttal testimony.

8. Based on the Application, supporting testimony filed by ATXI, and Staff's rebuttal report, the Signatories have engaged in discussions aimed at resolving issues raised by the Application. As a result of those discussions, the Signatories have reached an agreement to settle the case in accordance with recommendations made by Staff in its rebuttal report. The following stipulations reflect the terms of that agreement.

#### **Stipulations**

9. The Signatories agree ATXI's application satisfies the Commission's criteria for granting a certificate of convenience and necessity established in *In the Matter of the Application of Tartan Energy Company, LLC*, 3 Mo P.S.C. 3d 173 (1994), and that sufficient evidence has been filed to allow the Commission lawfully to conclude the Project is necessary or convenient for the public service. Therefore, the Signatories recommend the Commission grant ATXI a

certificate of convenience and necessity to own, acquire, construct, operate, control, manage, and maintain the facilities described in the Application, subject to the following conditions:

a. If file-size limitations permit,<sup>1</sup> ATXI must file in the Commission's Electronic Filing Information System ("EFIS") final or otherwise provide engineering drawings of the Dillon Substation and all connections between ATXI, Ameren Missouri, Show-Me, and RMU when such drawings are available;

b. If file-size limitations permit, ATXI must file in EFIS or otherwise provide copies of all county and city permits necessary to complete the proposed Project as soon as those permits are issued and available;

c. If file-size limitations permit, ATXI must file in EFIS or otherwise provide within 30 days of execution all finalized and amended agreements and contracts between ATXI, Ameren Missouri, Sho-Me, the Association of Electric Cooperatives, and RMU regarding the proposed Project; and

d. ATXI must implement standards and procedures for construction, repair, and maintenance of right-of-way, as more specifically described in **Appendix A** to this Stipulation, which is attached and incorporated by reference.

10. As discussed in paragraph 2S of the Commission's May 17, 2012, *Order Granting Ameren Missouri's Motion to Clarify Report and Order in File No. EO-2011-0128*, Ameren Missouri may be required to make adjustments to regionally-allocated costs to account for FERC Transmission Rate Incentives. However, those adjustments, if applicable, are not required to grant ATXI's Application. Therefore, issues related to those adjustments are deferred to an appropriate future proceeding where Ameren Missouri is a party.

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<sup>1</sup> If file-size limitations do not permit any of the information in subsections a, b, and c to be filed in EFIS, ATXI will file a notice to the Commission that the information has been provided.

11. ATXI's Application requests waivers of certain Commission filing requirements, and states the following as rationale for the waiver:

Because [ATXI] will not provide retail service to end-use customers and will not be rate-regulated by the Commission, for good cause, ATXI requests that the Commission waive the rate schedule filing requirement of 4 CSR 240-3.145, and the annual reporting requirement of 4 CSR 240-3.165, the depreciation study requirement of 4 CSR 240-3.190(1), (2), and 3(A)-(D). ATXI would continue to file with the Commission the annual report ATXI files with the Federal Energy Regulatory Commission.

In that the request is consistent with other waivers granted to electric corporations that have facilities in Missouri but do not directly serve retail electric customers, the Signatories support the Commission's grant of the requested waivers.

12. The Signatories also support ATXI's request for expedited treatment of its Application to allow construction-related activities to commence no later than February 1, 2019. Therefore, the Signatories stipulate and recommend a Commission order approving this Stipulation be issued as soon as practicable, but under no circumstances later than February 1, 2019.

13. This Stipulation is the product of extensive negotiations among the Signatories and its terms are interdependent. If the Commission does not approve this Stipulation unconditionally and without modification, then this Stipulation is void and no Signatory will be bound by any of the Stipulation's agreements or provisions. In that event, neither this Stipulation nor any matters associated with its consideration by the Commission will be considered to be a waiver of any Signatory's rights for a decision in accordance with §536.080, RSMO, or Article V, Section 18 of the Missouri Constitution, and each of the Signatories will retain all procedural and due process rights as fully as though the Stipulation had not been presented for approval. Any suggestions, memoranda, testimony, or exhibits offered or received in support of this

Stipulation will become privileged and not be considered as part of the administrative or evidentiary record before the Commission for any purpose whatsoever.

14. In the event the Commission unconditionally accepts the specific terms of this Stipulation without modification, the Signatories waive the following rights: a) their respective rights to present oral argument and written briefs, as authorized by §536.080.1, RSMO; b) their respective rights to seek rehearing in accordance with §536.500, RSMO; and c) their respective rights to judicial review under §386.510, RSMO. These waivers apply only to a final Commission order issued in this proceeding unconditionally approving this Stipulation that is not appealed and not to any matters raised in any prior or subsequent Commission proceeding or any matters not explicitly addressed by this Stipulation.

15. This Stipulation does not constitute a contract with the Commission, and the Commission's acceptance of this Stipulation does not constitute an agreement by the Commission to forego the use of discovery or any of the Commission's investigative or other powers. Therefore, nothing in this Stipulation is intended to impinge or restrict, in any manner, the Commission's exercise of any statutory right, including the right to access information, or any statutory obligation.

16. The Signatories also agree that, subject to the rules governing practice before the Commission and without waiving the confidentiality of the facts and positions disclosed in the course of settlement, Staff has the right to provide an oral explanation to support its entering into this Stipulation if the Commission requests one at any agenda meeting where this case is noticed to be considered by the Commission. To the extent reasonably practicable, Staff will provide the Signatories advance notice of any such agenda meeting so the other Signatories may have the opportunity to be present and/or represented at the meeting.

WHEREFORE, for the foregoing reasons, the Signatories respectfully request the Commission issue its order approving this Stipulation and granting ATXI a certificate of public convenience and necessity and any other approval necessary to authorize the Company to acquire certain electric facilities owned by the City of Rolla, Missouri, and operated by RMU, and to own, operate, and maintain both those facilities and adjacent facilities ATXI plans to construct as part of the Project described in the Application. The Signatories further respectfully request the Commission reaffirm its conclusion in File No. EA-2015-0345 that ATXI is an electrical corporation and public utility.

Dated: November 12, 2018

Respectfully submitted,

/s/ L. Russell Mitten

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**CERTIFICATE OF SERVICE**

The undersigned certifies that true and correct copies of the foregoing have been sent to counsel of record in this docket via electronic mail this 12<sup>th</sup> day of November 2018.

/s/ L. Russell Mitten