

**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 of Convenience and Necessity)
under Section 393.170, RSMo relating to) File No. EA-2022-0099
Transmission Investments in Southeast)
Missouri.)

STIPULATION AND AGREEMENT

COMES NOW Ameren Transmission Company of Illinois (“ATXI”), on behalf of itself, the Staff of the Missouri Public Service Commission (“Staff”) and the Missouri Joint Municipal Electric Utility Commission (“MJMEUC”) (collectively, the “Parties”¹), by and through undersigned counsel, and for this Stipulation and Agreement (“Stipulation”), respectfully state as follows to the Missouri Public Service Commission (the “Commission”):

STIPULATION OF FACTS AND PARTY REPRESENTATIONS

1. ATXI, pursuant to section 393.170 RSMo., 20 CSR 4240-2.060, and 20 CSR 4240-20.045, made this application to the Commission for a certificate of convenience and necessity (CCN) and related approvals authorizing ATXI to construct, acquire, own, operate and maintain certain components of transmission facilities in, around, and between the Cities of New Madrid and Sikeston, Missouri (the cumulative development being referred to as the “Project”).
2. The Project is a collaborative effort between ATXI, Sikeston Board of Municipal Utilities (“SBMU”), the City of New Madrid (“New Madrid”) and MJMEUC.

¹ The Office of the Public Counsel (“OPC”), while not a signatory to this Stipulation, has indicated that it does not oppose it.

3. In pre-filed testimony, the Parties described the scope and components of the Project and addressed the Project economics. In addition to the pre-filed testimony, the Parties stipulate and agree to the following facts and representations.

4. The components of the Project which are subject to the Commission's jurisdiction are:

- a. Construction of those portions of the Comstock Substation² in which ATXI will retain an interest, at an estimated cost of \$5.4 million;
- b. Construction and modification of those transmission lines³ adjacent to the new Comstock substation in which ATXI will retain an interest, at an estimated cost of approximately \$123,000;
- c. Construction of an approximately 1.2-mile long single circuit 161 kV transmission line,⁴ at an estimated cost of approximately \$700,000; and
- d. Acquisition of an interest in the existing 28-mile 161 kV line owned by SBMU,⁵ at a cost of \$510,000.

² The Comstock substation. ATXI will construct a new eight-position, 161 kV breaker substation on a parcel owned by Sikeston. This new substation will be owned jointly by ATXI, SBMU and MJMEUC. Once constructed, SBMU will acquire from ATXI discrete assets within the substation as well as 64% of the common substation assets. SBMU will use those assets to continue serving its retail customers' load located outside of MISO, as well as exporting power to wholesale customers in the SPP, MISO and AECI regions. ATXI and MJMEUC will jointly own the remaining breakers, which MISO will functionally control, as well as the remaining 36% of substation common assets.

³ The Area Connections. To connect the Comstock substation to the existing system, ATXI will need to construct or modify six transmission lines adjacent to the new Comstock substation to connect the new substation to the grid. At the conclusion of the Project, ATXI and MJMEUC will have a cumulative 25% interest in the individual Area Connection that will connect the Existing Line (defined below) with the Comstock substation. SBMU will own and maintain the Area Connections that will connect the Comstock substation with the Southwestern Power Administration ("SWPA") substation and with SBMU's other facilities. Ameren Missouri will continue to own the line connections that will be re-terminated into the Comstock substation.

⁴ The New Line. ATXI will construct an approximately 1.2 mile-long single circuit 161kV transmission line extending east from the Existing Line to the existing New Madrid substation just outside of New Madrid. ATXI and MJMEUC will own the New Line, and SBMU will operate and maintain the New Line. The New Line will be under MISO's functional control.

⁵ The Existing Line. SBMU owns an approximately 28-mile, 161 kV transmission line that extends south from SWPA's Sikeston substation and terminates at AECI's existing New Madrid substation. ATXI will

5. SBMU and New Madrid's retail rates and siting authority are regulated by their respective governing bodies (Relevant Electric Retail Regulatory Authorities ("RERRA")). MJMEUC represents that the RERRAs for both SBMU and New Madrid are expected to approve the Project, with ATXI as a participant, once ATXI receives authority from the Commission.

6. MJMEUC's wholesale transmission rates are regulated by the Federal Energy Regulatory Commission ("FERC"). MJMEUC intervened in the present case to provide additional information for the Commission's consideration of ATXI's CCN application. Prior to the operation date of the Project, MJMEUC will apply at FERC for a MISO transmission formula rate, which will be beneficial to the Ameren Missouri Transmission Pricing Zone given MJMEUC's tax exempt status.⁶

7. With respect to North American Electric Reliability Corporation ("NERC") compliance obligations, ATXI will be the Transmission Owner ("TO") for the New Line and for the Comstock substation and will be the Project Transmission Operator ("TOP") and Project Transmission Planner ("TP") for all Project components. This means ATXI will be responsible for the provision of operation services for the Project and will have NERC compliance responsibilities for most of the Project components. ATXI is already a TO, TP and TOP.

8. MJMEUC will own a passive, undivided interest in the Project and will submit its formula rate for FERC approval, but will not be responsible for day-to-day operations nor NERC compliance for this Project. Sikeston will be the TO for the Sikeston Owned Area Connections

acquire a 12.75% undivided interest in the Existing Line. MJMEUC will acquire a 12.25% undivided interest in the Existing Line. In total, ATXI and MJMEUC will acquire a 25% interest in the Existing Line. SBMU will continue to operate and manage the Existing Line.

⁶ That case will be similar to FERC docket ER22-709, which reflects MJMEUC's SPP formula rate, and to which the Commission is a party.

and the Existing Line and will thus have some responsibility for NERC compliance for these components. In general, compliance costs and obligations are substantial for entities like Sikeston and MJMEUC who do not have the scale in this area, and ATXI's willingness to bear such burden is a significant benefit of ATXI's participation in the Project.

9. MJMEUC represents that a benefit of ATXI involvement in the Project is that ATXI's role as a TOP enables MJMEUC, SBMU, and New Madrid from taking on the additional administrative costs and risks that are attendant to TOP status.

10. MJMEUC represents that the relevant portions of the Project will allow SBMU to facilitate direct service to its own load with its own generation and avoid incurring costs in excess of \$7,000,000 annually in new transmission charges associated with SWPA and Southwest Power Pool ("SPP").

11. MJMEUC represents that New Madrid is currently served by two (2) 69kV lines owned by New Madrid that are connected to a SWPA substation. MJMEUC represents that that SWPA substation connection is at a 161/69kV transformer that serves both New Madrid's 69 kV lines and the local cooperative system and since the substation serves both New Madrid and the local cooperative distribution system, that substation is already at the limits of its capacity to serve New Madrid. MJMEUC represents that this limitation on capacity to serve New Madrid load limits both the load growth and reliability of New Madrid for serving current loads, and extremely limits the ability to add additional industrial load. MJMEUC represents that the addition of the relevant components of the Project, including the direct 161 kV connection to MISO facilities, enhances New Madrid's reliability and access to MISO.

12. MJMEUC represents that the Project will allow New Madrid more lower costs options for supply and other services and planning options that will allow New Madrid flexibility in the future to pursue economic development.

AGREEMENTS

13. Contingent upon Commission approval of this Stipulation without modification, the Parties hereby agree as follows.

14. The Parties agree that, to settle the CCN Application, ATXI will agree to the following conditions for issuance of the CCN, as follows:

- a. Throughout the right-of-way acquisition process, ATXI will use all reasonable efforts to follow the route depicted in Schedule SB-D7. But ATXI will be allowed to deviate from the depicted route in two scenarios:
 - i. First, if surveys or testing do not necessitate a deviation, ATXI may deviate from the Final Proposed Route on a particular parcel if ATXI and the landowner on which the deviation will run agree. Either ATXI or landowner may initiate such a request to deviate.
 - ii. Second, if ATXI determines that surveys or testing require a deviation, ATXI will negotiate in good faith with the affected landowner and if agreement can be reached, ATXI may deviate from the depicted route on that parcel, as agreed with the affected landowner.
- b. With respect to any parcel other than the identified parcels on the Final Proposed Route where ATXI desires to locate the line, whether because testing or surveys necessitate acquisition of an easement on that parcel or for other reasons (e.g., a request from adjacent landowners), ATXI will negotiate

in good faith with the landowner of the affected parcel over which ATXI has determined an easement is needed or desired and, if agreement is reached, may deviate from the Final Proposed Route by locating the line on the affected parcel but will notify the Commission of the deviation and parcels affected prior to construction on that parcel. If testing or surveys necessitate acquisition of an easement on such other parcel and agreement is not reached, despite good faith negotiations, ATXI will file a request with the Commission to allow it to deviate from the Final Proposed Route onto the affected parcel and shall, concurrently with the filing of its request with the Commission, send a copy of its request to the owner(s) of record of the affected parcel via U.S. Mail, postage prepaid, as shown by the County Assessor's records in the county where the affected parcel is located, or at such other address that has been provided to ATXI by the owner(s). ATXI shall fully explain in that request why ATXI determined the change in route is needed and file supporting testimony with its request and the name(s) and addresses of the owner(s) to whom it provided a copy of its request. After Commission notice of the opportunity for a hearing on the issue of whether the change in route should be approved is given to the owner, Staff, and OPC, as well as an opportunity to respond, the Commission will grant or deny the request.

- c. Absent a voluntary agreement for the purchase of the property rights, the transmission line shall not be located so that a residential structure currently occupied by the property owners will be removed or located in the easement

requiring, for electrical code compliance purposes, the owners to move or relocate from the property.

- d. Prior to the commencement of construction on a parcel, ATXI will secure an easement that will include a surveyed legal description showing the precise dimension, including the length and width, for the permanent transmission line easement area for each affected parcel. In addition, ATXI will track each easement grant by way of a spreadsheet that identifies each parcel by Grantor and County, and which contains the recording information for each parcel. Upon securing all necessary easements for the Project, ATXI will file a copy of the spreadsheet with the Commission, to which a map will be attached. For each parcel, the map and the spreadsheet will include a unique indicator that allows the Commission to see where on the map that parcel is located.
- e. ATXI shall file with the Commission and follow standard construction, clearing, maintenance, repair, and right-of-way practices.
- f. ATXI shall file with the Commission in this case all required government approvals and permits—e.g., any applicable land disturbance permits, Missouri State Highway Commission permits, or US Army Corps of Engineers permits—before beginning construction on that part of the project where the approvals and permits are required.
- g. ATXI shall file with the Commission the annual report it files with the Federal Energy Regulatory Commission.
- h. ATXI shall file with the Commission in this case the final Operations and Maintenance Plan.

15. Based on the information contained in the pre-filed testimony, the information provided in this Stipulation, and ATXI's agreement to the conditions above, Staff recommends the Commission grant ATXI a CCN authorizing ATXI to construct, acquire, own, operate and the components of the Project which are subject to the Commission's jurisdiction:

- a. Construction of those portions of the Comstock Substation in which ATXI will retain an interest, at an estimated cost of \$5.4 million;
- b. Construction and modification of those transmission lines adjacent to the new Comstock substation in which ATXI will retain an interest, at an estimated cost of approximately \$123,000;
- c. Construction of an approximately 1.2-mile long single circuit 161 kV transmission line, at an estimated cost of approximately \$700,000; and
- d. Acquisition of an interest in the existing 28-mile 161 kV line owned by SBMU, at a cost of \$510,000.

16. Based on their knowledge of the facts and circumstances, review and analysis of the applicable law, and consideration of all relevant interests and the risk of litigation, the Parties hereby recommend to the Commission that this Stipulation be approved by the Commission without modification.

17. The Parties further agree and recommend that the Commission approve ATXI's Application, subject to the terms of this Stipulation.

GENERAL TERMS

18. This Stipulation has resulted from negotiations among the Parties and the terms hereof are interdependent. In the event the Commission does not approve this Stipulation, or approves it with modifications or conditions to which a Party objects, then this Stipulation shall be null and void, and no Party shall be bound by any of its provisions.

19. Except as specifically provided herein, no Party shall be prejudiced or bound in any manner by the terms of this Stipulation in any other proceeding, regardless of whether this Stipulation is approved.

20. The Parties agree that this Stipulation resolves all issues in this case. The Parties therefore consent to the admission of all written testimony that has been filed in this current Commission Action and request that the Commission admit all such written testimony into the record in this proceeding, without the need for witnesses sponsoring pre-filed testimony to take the stand. Each party waives their right to cross-examine such witnesses.

21. If the Commission accepts and approves the specific terms of this Stipulation without condition or modification, the Parties waive their respective rights to present oral argument and written briefs pursuant to RSMo. § 536.080.1, their respective rights to the reading of the transcript by the Commission pursuant to § 536.080.2, their respective rights to seek rehearing pursuant to § 386.500, and their respective rights to judicial review pursuant to § 386.510. This waiver applies only to a Commission order approving this Stipulation without condition or modification issued in this proceeding and only to the issues that are resolved hereby. It does not apply to any matters raised in any prior orders, to subsequent Commission proceedings, or to any matters not explicitly addressed by this Stipulation.

WHEREFORE, the Parties respectfully request that the Commission issue an order in this case approving the Stipulation subject to the specific terms and conditions contained herein.

IN WITNESS WHEREOF, the Parties have executed and approve the terms of this Stipulation, effective as of June 22, 2022, by subscribing their signatures below.

Respectfully Submitted,

By: /s/ Albert D. Sturtevant

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CERTIFICATE OF SERVICE

I hereby certify that on the 22nd day of June 2022, a copy of the foregoing **Stipulation and Agreement** has been served on all parties on the official service list for this matter via filing in the Commission's EFIS system and/or email.

/s/ Albert D. Sturtevant
Albert D. Sturtevant