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Witness:	Shawn E. Schukar
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MISSOURI PUBLIC SERVICE COMMISSION

FILE NO. EA-2024-0302

DIRECT TESTIMONY

OF

SHAWN E. SCHUKAR

ON

BEHALF OF

AMEREN TRANSMISSION COMPANY OF ILLINOIS

St. Louis, Missouri
July, 2024

TABLE OF CONTENTS

DIRECT TESTIMONY

OF

SHAWN E. SCHUKAR

FILE NO. EA-2024-0302

I. INTRODUCTION AND BACKGROUND

Q. Please state your name and business address.

A. My name is Shawn E. Schukar. My business address is 1901 Chouteau Avenue, St. Louis, Missouri 63103.

Q. By whom are you employed and in what capacity?

A. I am Chairman and President of Ameren Transmission Company of Illinois (ATXI). I am also Senior Vice President, Transmission for Ameren Services Company (Ameren Services). Ameren Services provides professional services to Ameren Corporation's (Ameren) transmission-owning subsidiaries, including ATXI.

Q. Please describe ATXI.

A. ATXI is dedicated to electric transmission infrastructure investment. Today, ATXI owns and operates approximately 560 miles of high voltage electric transmission lines and related facilities in Illinois and Missouri for the purpose of reliably and economically moving electricity across the grid for public consumption. ATXI is a wholly owned subsidiary of Ameren. It is also a transmission-owning member of the Midcontinent Independent System Operator, Inc. (MISO), a member-based, not-for-profit Regional Transmission Organization (RTO) that manages the electric transmission grid within a region that includes portions of Missouri. As relevant to projects in Missouri, ATXI's transmission business is regulated in a comprehensive and complimentary

manner by both the Missouri Public Service Commission (Commission) at the state level and the Federal Energy Regulatory Commission (FERC) at the federal level.

Q. Please describe Ameren Services.

A. Ameren Services is also a wholly owned subsidiary of Ameren. Ameren Services operates as a centralized services company, and was created to provide shared business and corporate services to Ameren's operating companies, including ATXI.

Q. What are your responsibilities as Chairman and President of ATXI?

A. I manage all aspects of ATXI's business. In this regard, I oversee the development and planning of new transmission for ATXI, including the first phase of the Northern Missouri Grid Transformation Program that is the subject of ATXI's application in this proceeding. I am also ultimately responsible for the operation of ATXI's transmission system and for policymaking related to that system.

Q. What are your responsibilities as Senior Vice President, Transmission for Ameren Services?

A. Among the many shared services that Ameren Services provides Ameren's operating companies, Ameren Services personnel provide Ameren's transmission-owning utilities—ATXI, Ameren Illinois Company d/b/a Ameren Illinois (Ameren Illinois), and Union Electric Company d/b/a Ameren Missouri (Ameren Missouri)—planning, design, construction, engineering, and other transmission-related services. As the Senior Vice President, Transmission for Ameren Services, I oversee those Ameren Services personnel and the transmission services they provide. I am also responsible for transmission policy and regulatory activities related to

transmission on behalf of the Ameren operating companies, including the transmission-owning utilities' participation in the transmission-related aspects of MISO. And I am ultimately responsible for the operation of those utilities' integrated transmission systems, often collectively referred to as the "Ameren Transmission System."

Q. Please describe your professional and educational background.

A. I have more than 40 years' experience in the utility industry. I have worked for the Ameren family of companies since 1984, when I joined Illinois Power Company, a legacy utility of Ameren Illinois. I have held leadership positions overseeing, during that time, marketing, trading, and asset management, transmission, distribution and generation management, engineering, regulatory and risk management, and business and corporate planning functions, among others. Related to electric transmission specifically, my oversight has included regulatory and policy, development, operations, project management construction, engineering and planning functions. I am a member of the Edison Electric Institute (EEI) CEO Business Continuity Task Force, Energy Delivery Public Policy Executive Advisory Committee, and EEI Unmanned Aircraft Systems Working Group. I have past served on the SERC Reliability Corporation Board. I have a master's degree in business administration from the University of Illinois at Urbana-Champaign, where I also earned a Bachelor of Science in engineering.

Q. Have you previously testified before the Commission?

A. Yes. I provided testimony on behalf of ATXI in Commission Dockets EA-2018-0327 and EA-2017-0345 (related to the Mark Twain Transmission Project) and Ameren Missouri in Commission Dockets ER-2008-0318 and ER-2007-0002. I have also provided testimony before the Illinois Commerce Commission and FERC.

II. PURPOSE OF TESTIMONY AND SCHEDULES

Q. What is the purpose of your direct testimony in this proceeding?

A. ATXI, the Missouri Joint Municipal Electric Utility Commission (MJMEUC), and Ameren Missouri are working together to build a more reliable and resilient energy grid for the future through the Northern Missouri Grid Transformation Program (the Program). The Program represents the Missouri jurisdictional portion of the first wave, or "Tranche," of MISO's ongoing long term transmission planning effort. This proceeding addresses the first phase of the Program (Phase 1), which includes approximately 53 miles of new transmission lines across northern Missouri, as well as a new substation and upgrades to an existing substation. Phase 1 includes two projects: the Fairport-Denny-Iowa/Missouri border (FDIM) Project in Worth, Gentry, and DeKalb counties, and the Maywood-Mississippi River Crossing (MMRX) Project in Marion County (collectively, the Projects or Phase 1 Projects).[1][2]

The FDIM Project represents the Missouri portion of one of the Multi-Value Projects (MVPs) approved by MISO as part of its LRTP Tranche 1 Portfolio for inclusion in the 2021 MISO Transmission Expansion Plan (MTEP21), and was eligible for MISO's Competitive Developer Selection Process. MISO issued a Request for Proposals (RFP) for FDIM in December, 2022. On October 27, 2023, MISO chose ATXI to be the Selected Developer for the FDIM Project and recognized MJMEUC as a project partner. ATXI partnered with MJMEUC on the FDIM Project

[1] The FDIM and MMRX Projects are the Missouri portions of 2 of the 18 MVPs included in the Long Range Transmission Planning (LRTP) Tranche 1 Portfolio approved by MISO, as discussed in the direct testimony of ATXI witness Mr. Jeff Dodd. The FDIM Project is part of MISO's Orient–Denny–Fairport MVP and the MMRX Project is part of MISO's Maywood-Meredosia MVP.

[2] Phase 2 of the Program is the Denny – Zachary – Thomas Hill – Maywood (DZTM) Project, which was awarded by MISO on April 2, 2024, to ATXI with MJMEUC as a project partner. In general, that Phase includes constructing a new 345 kV transmission line that will connect the FDIM Project and the MMRX Project and also includes constructing a 345 kV circuit between the Zachary and Thomas Hill Substations. ATXI will be filing a separate application for approval of a certificate of convenience and necessity for the DZTM Project.

and will transfer to MJMEUC a 49% interest in the Project (excluding the land for the Denny Substation) shortly before the project is placed into service.

The FDIM Project includes the construction of approximately 44 miles of 345 kV transmission line, in two segments, and a new 345 kV substation named Denny in northwest Missouri, as depicted in the figure below. The first new 345 kV transmission line segment will be approximately 1 mile long and connect Associated Electric Cooperative Incorporated's (AECI) existing Fairport Substation in DeKalb County to ATXI's new Denny Substation approximately one mile away, also in DeKalb County. The second new 345 kV transmission line segment will run from the new Denny Substation approximately 43 miles north to the Iowa/Missouri border, where it will interconnect to a 345 kV transmission line that will terminate at MidAmerican Electric Company's (MEC) existing Orient Substation in Iowa.

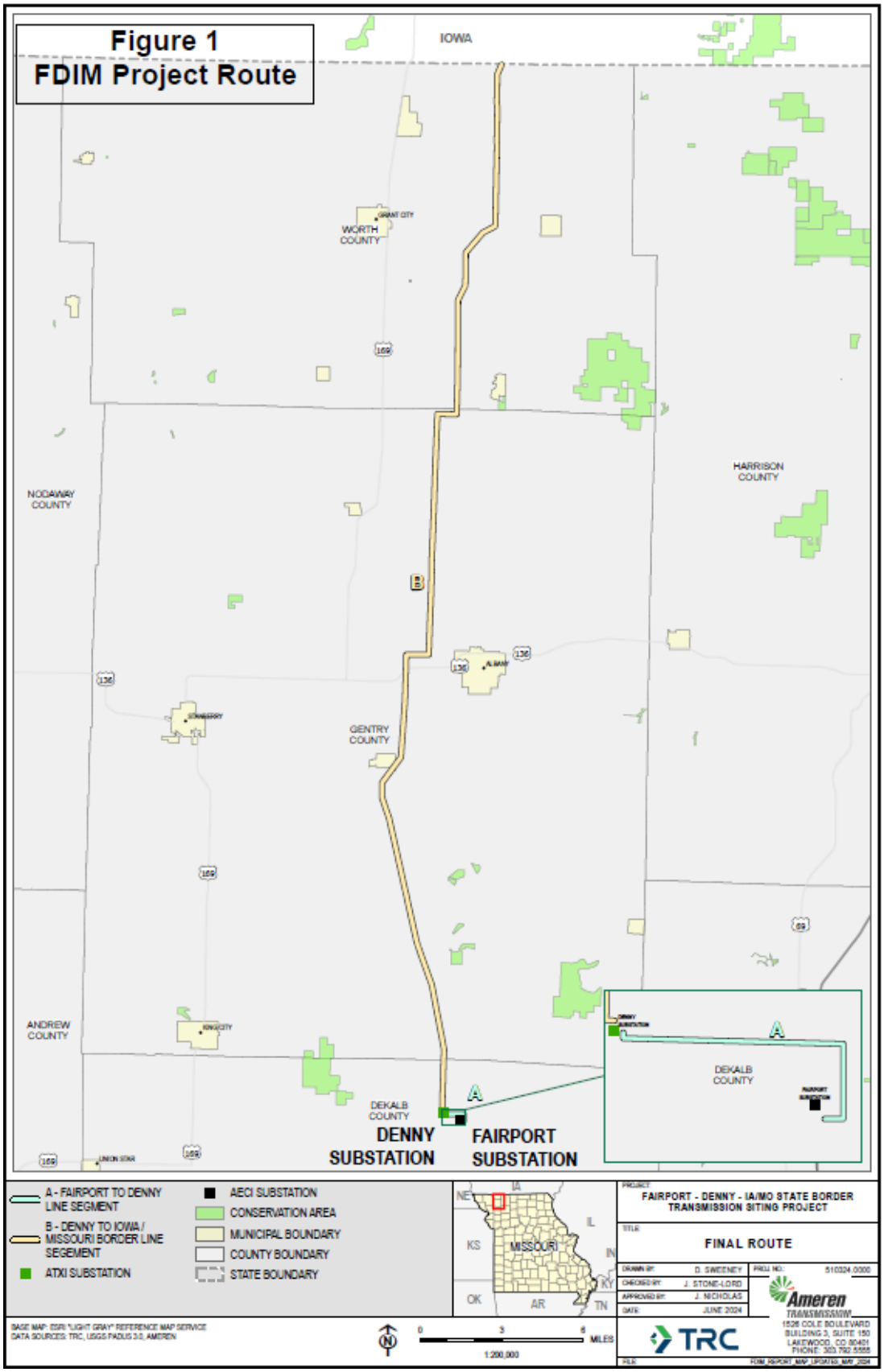
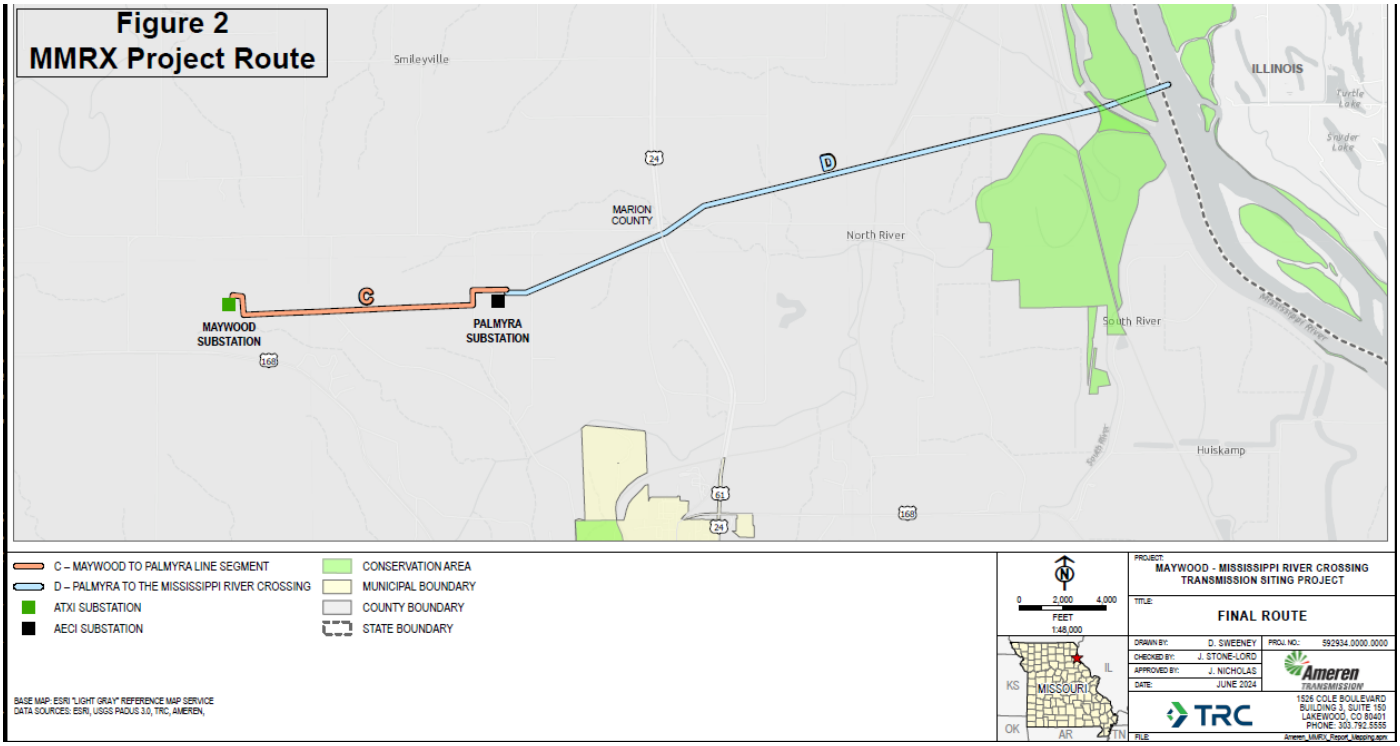


Figure 1
FDIM Project Route
IOWA
WORTH COUNTY
NODAWAY COUNTY
HARRISON COUNTY
GENTRY COUNTY
ANDREW COUNTY
DEKALB COUNTY
DENNY SUBSTATION
FAIRPORT SUBSTATION
A - FAIRPORT TO DENNY LINE SEGMENT
B - DENNY TO IOWA / MISSOURI BORDER LINE SEGEMENT
ATXI SUBSTATION
AECI SUBSTATION
CONSERVATION AREA
MUNICIPAL BOUNDARY
COUNTY BOUNDARY
STATE BOUNDARY
MISSOURI
FAIRPORT - DENNY - IA/MO STATE BORDER TRANSMISSION SITING PROJECT
FINAL ROUTE
Ameren TRANSMISSION
TRC

91

The MMRX Project represents the Missouri portion of another one of the MVP projects approved by MISO as part of its LRTP Tranche 1 Portfolio. The MMRX Project includes the construction of approximately 9 miles of new 345 kV transmission circuit from ATXI's existing Maywood Substation near Palmyra, Missouri, to the Mississippi River Illinois/Missouri border, as depicted in the figure below. A portion of the MMRX Project involves coordination between ATXI and Ameren Missouri. The MMRX Project also includes upgrades to the Maywood Substation required to integrate the new 345 kV circuit. ATXI witnesses Mr. Molitor and Ms. Dencker will provide additional detail on the configuration in his/her testimony.

Figure 2
MMRX Project Route



Among other benefits, the Program, including the Phase 1 Projects, will support lower energy supply costs for Missouri customers, improve energy reliability for local communities and the surrounding region, promote access to diverse energy resources, and support the growth of economic development opportunities by adding needed transmission capacity in the State. This

will help ensure continued energy reliability and resiliency for Missouri electricity customers. In this proceeding, ATXI is requesting certain approvals from the Commission to make the Projects a reality and deliver their many benefits to Missouri electricity customers.

The purpose of my direct testimony is to support the Phase 1 Projects and ATXI's requested approvals. Toward that end, my testimony covers four topics. First, I introduce the other witnesses who are providing direct testimony in support of the Phase 1 Projects and ATXI's requests. Second, I provide an overview of the Program and the Phase 1 Projects, including an overview of the need for the Projects and their many benefits to Missouri and the broader Midwest region. Third, I identify the specific Commission approvals ATXI is requesting related to the Phase 1 Projects and I explain, at a high level, why the Commission should grant those approvals. Finally, I address ATXI's other regulatory commitments related to the Phase 1 Projects. I note that ATXI's other witnesses describe the Projects in more detail.

Q. Are you sponsoring any schedules with your direct testimony?

A. No.

Q. Are you offering any legal opinions in your direct testimony?

A. No. Although I refer to and offer my lay understanding of several Missouri statutes and regulations, I am not an attorney and none of my direct testimony is intended to offer any legal opinions.

III. INTRODUCTION OF OTHER WITNESSES

Q. Who are the other witnesses providing direct testimony in support of ATXI's application in this proceeding?

A. The other witnesses and the topics of their testimony are:

- **Jeff L. Dodd, Vice President, Transmission Strategy, Policy, and Stakeholder Relations, Ameren Services.** Mr. Dodd explains how and why the Program, including the Phase 1 Projects, came to be. Specifically, he describes MISO's commitment to reliability and its various transmission planning initiatives. That commitment and certain of those initiatives drove MISO, in collaboration with ATXI and other stakeholders, to identify a regional transmission expansion plan—an updated transmission "backbone" within MISO known as the LRTP Tranche 1 Portfolio (the Missouri jurisdictional portion of which is the Program)—needed to address the reliability implications of the Midwest region's changing energy fleet and the increasing and changing nature of customer demands. The Projects comprise a part of the Missouri portion of that Tranche 1 transmission expansion plan. Mr. Dodd also explains the obligation to construct the Projects. And he explains, at a high level, the regional benefits of the LRTP Tranche 1 Portfolio and how the costs of the portfolio are shared across customers in MISO's Midwest Subregion.
- **Dr. Todd Schatzki, Principal, Analysis Group, Inc..** Dr. Schatzki explains how the Program, including the Phase 1 Projects, meets the Tartan criteria related to need, economic feasibility, and public interest. He explains the Program would be expected to provide the state of Missouri with many positive economic benefits in excess of its costs, thus demonstrating that the Program is necessary, in the public interest, and

economically feasible. Dr. Schatzki also explains how the Program will serve to advance the State's environmental goals with respect to lower air emissions for Missouri.

- **Justin Davies, Director of Transmission Planning, Ameren Services.** Mr. Davies generally explains how the Ameren Services Transmission Planning group, on behalf of Ameren's transmission-owning utilities, including ATXI, studies and plans for the Ameren Transmission System in Missouri. His testimony provides additional support regarding how the Projects meet the Tartan criteria related to need and public interest from an Ameren Transmission System perspective. Mr. Davies also explains Ameren Services Transmission Planning's role in MISO's planning processes and its role in the MISO processes that drove the LRTP Tranche 1 Portfolio and the Projects specifically. Additionally, Mr. Davies explains how, as a result of those processes, MISO and the Ameren Services Transmission Planning group determined that the Projects are necessary. Mr. Davies also generally addresses additional reliability and system performance benefits of the Projects.
- **Tracy Dencker, Senior Project Manager, Ameren Services.** Ms. Dencker is the Project Manager for the Projects, and she addresses aspects of the Projects' construction. She generally explains the scope of the construction work for the Projects, the expected construction cost, and the division of work and cost between ATXI, MJMEUC, and Ameren Missouri as memorialized in a Joint Ownership Agreement with MJMEUC for the FDIM Project and a Joint Use Agreement with Ameren Missouri for the MMRX Project. Ms. Dencker also explains where the Projects' construction will occur relative to the right-of-way for the Projects. She also explains how ATXI,

and specifically Ameren Services, who will construct the Projects on ATXI's behalf, are capable of and will effectively manage and supervise construction of the Projects, and the actions that ATXI will undertake to ensure adequate and efficient construction and supervision of the Projects. Finally, Ms. Dencker explains the Projects' construction schedule and in-service dates.

- **Adam Molitor, Transmission Line Engineer, Ameren Services.** Mr. Molitor explains the design specifications for the Projects' transmission lines and support structures. He also explains the right-of-way width that will be needed to accommodate the Projects' transmission lines, including the easements that will be needed during construction of the Projects. Mr. Molitor also explains the specific line work that will be undertaken to construct the line segments that collectively comprise the Projects.
- **Gregory Eddings, Supervising Engineer, Ameren Services.** Mr. Eddings describes the substation work for Phase 1 and explains in detail the Projects' one new substation project, including the substation construction schedule.
- **Greg Gudeman, Director of Transmission Financial & Regulatory Services, Ameren Services.** Mr. Gudeman explains the financing required for the Projects, and the overall Program, and ATXI's ability to finance without adverse financial consequences. His testimony explains how ATXI meets the Tartan criteria related to financial ability and economic feasibility. Mr. Gudeman also explains how costs will be shared across MISO's Midwest Subregion and recovered via ATXI's FERC-regulated transmission rates from customers in that subregion, including customers in Missouri. He also explains the estimated level of costs that will be borne by all Missouri customers, including Ameren Missouri electric residential customers.

- **Tara Green, Real Estate Specialist, Ameren Services.** Ms. Green addresses real estate matters concerning the Projects. Specifically, she explains the miles and width of the right-of-way required for the Projects' transmission lines and describes the area traversed by the lines. She also generally explains the land rights that ATXI will need to construct the Projects. And she explains the potential effect that construction of the Projects may have on landowners, and how Ameren Services, on behalf of ATXI, will mitigate that effect.
- **Leah Dettmers, Manager of Stakeholder Relations and Training, Ameren Services.** Ms. Dettmers explains ATXI's compliance with certain pre-filing public meetings and notice requirements related to the Projects. Ms. Dettmers also describes ATXI's Public Engagement Team's extensive, multi-phased, multi-faceted, and deductive public outreach process for the Projects, including how that process informed the routes analyzed by, and the proposed route ultimately chosen by, the Routing Team for the Projects' transmission lines. Ms. Dettmers also identifies ATXI's outreach efforts to consult with the pertinent federal, state, and local agencies for other, non-Commission regulatory approvals that may be required for the Projects.
- **James Nicholas, Vice President, National Energy Siting and Permitting Practice, TRC Companies, Inc.** Mr. Nicholas explains how ATXI's Routing Team selected the route that ATXI is proposing for the Projects' transmission lines, which it refers to in its application as the "Proposed Route." Related, Mr. Nicholas sponsors Routing Studies, which describe in detail the processes, criteria, data, and other information that the Routing Team used to analyze potential routes for the Projects' line segments and ultimately select the Proposed Route. Additionally, Mr. Nicholas identifies certain

criteria along the Proposed Route that may implicate other state and federal requirements related to the Projects' construction along the Proposed Route.

IV. THE NORTHERN MISSOURI GRID TRANSFORMATION PROGRAM

A. Benefits and Need

Q. You testified that Phase 1 of the Program includes the FDIM and MMRX Projects, described those Projects and the Program, and further explained that the Projects are part of MISO's LRTP Tranche 1 Portfolio. Can you further describe the relationship and purpose of the Projects, the Program, and MISO's long range transmission plan?

A. Yes. Although the entire Program must be approved and constructed for its benefits to be realized, the facilities included in this filing comprise Phase 1 of the Program. The Phase 1 Projects specifically comprise parts of the Missouri portion of a regionally beneficial transmission expansion plan known as the LRTP Tranche 1 Portfolio. The LRTP Tranche 1 Portfolio was identified by MISO, working with other stakeholders, as necessary to address the challenges to the transmission grid in its footprint, which includes a portion of the grid in Missouri, posed by a changing energy landscape. The LRTP Tranche 1 Portfolio, including the Missouri portion, starts to accomplish this by adding needed transmission capacity to the grid. The added capacity ensures grid reliability and resiliency and promotes access across the region to and by a diversifying energy resource mix, in turn reducing costs both for generators and the electric consuming public in Missouri. Notably, the LRTP Tranche 1 Portfolio is the first of several tranches of regionally beneficial MISO transmission expansion plans that address system constraints and will likely be needed to respond to and ready the grid for the changing energy landscape.

Q. What do you mean by the changing energy landscape?

A. I mean the significant transformation that the electric industry is experiencing, including in Missouri. Across MISO, state policies, utility resource plans, general environmental awareness, and consumer preferences are driving a cleaner, reduced carbon future. Within this broad footprint the availability of wind, solar, and other distributed and renewable generation resources is therefore expanding, while certain conventional generation resources, like coal generating stations, are winding down or retiring altogether. At the same time, customer demand for electricity as a primary energy source is growing. In addition to increased reliance on electricity generally, we are also seeing evolving types of use cases, such as consumption associated with beneficial electrification programs and electronic data storage. So too must the grid evolve to meets these demands and react to changing conditions and customer expectations.

Q. Why does the transmission grid need to be readied for that change?

A. Just as roads need to be built or expanded over time in response to the demands of our traveling society, so must the electric transmission grid that moves the energy that we all rely on every minute of every day be adapted to meet society's changing needs. The energy industry shift poses complex and urgent reliability challenges for the transmission grid that customers rely on for electricity. Therefore, MISO, Transmission Owners (TOs), states, and other stakeholders responsible for ensuring the reliable and cost-effective delivery of electricity to the public need to work together to respond to the shift if they are to continue to meet their reliability commitments.

Q. Why does the grid need to be readied *now* for the future of energy?

A. Because the industry shift is happening now. Thus, MISO, TOs, states, and other stakeholders must plan today for the future of energy. A transitioning generation fleet and

increasing customer demand for electricity is a present reality, so we must plan accordingly. That planning cannot be delayed, since transmission expansion plans like MISO's LRTP Tranche 1 Portfolio can take upwards of ten years to complete, from planning to in-service date.

Q. How did the Program come to be?

A. The Program, including the Phase 1 Projects, is the culmination of several multi-faceted, iterative, stakeholder-informed MISO initiatives to study and address the complex and urgent challenges to the grid posed by the changing energy fleet. Perhaps most notable of these initiatives is MISO's LRTP study, which is the most complex transmission study in MISO's history. MISO undertook the LRTP study beginning in 2019 to identify an updated regional transmission backbone that would ensure a reliable, resilient, and cost-effective transmission system as the resource mix in MISO changes over the next 20 years in response to utility, state, and federal goals and policies toward a reduced carbon future. The LRTP Tranche 1 Portfolio transmission expansion plan, including the Missouri portion that includes the Projects, was specifically borne of the LRTP study. ATXI witness Mr. Dodd explains MISO's transmission planning processes in more detail, including the specific initiatives that precipitated the LRTP Tranche 1 Portfolio and, within it, the Projects.

Q. Do you have any other comments in this regard?

A. Yes. The LRTP Tranche 1 Portfolio is notable because it is just the beginning of the next wave of regional transmission planning. As I mentioned, the LRTP Tranche 1 Portfolio is the first of several anticipated tranches of transmission expansion that will be needed to respond to and ready the grid for the changing energy fleet and increasing customer reliance on electricity. The LRTP Tranche 1 Portfolio is also notable, I believe, for yet another reason. It reflects

substantial collaboration among MISO, TOs, including ATXI and Ameren Missouri, states, and other stakeholders toward collectively addressing regional grid challenges, which collaboration benefits customers insofar as it supports the continued development of an economically-efficient, reliable, and resilient transmission grid across the MISO Midwest Subregion.

Q. How, specifically, does the Program, including the Phase 1 Projects, ready the grid in Missouri?

A. The Program will add needed capacity to the Ameren Transmission System in Missouri. This will help facilitate the clean energy transition by promoting Missouri customer access to energy from more diverse resources and permitting generators in Missouri, and beyond, to more efficiently and effectively bring their product to market. It will also ensure sustained and foster improved reliability for Missouri communities as well as support lower energy supply costs into, out of, and within Missouri. As ATXI witness Mr. Davies explains, the Program is designed to accommodate the changing nature of the future grid and addresses identified thermal and voltage-instability issues in Missouri. He also explains that the Program will also enable new generation and facilitate transfers into and out of Missouri, reducing the overall Adjusted Production Cost (APC) for customers. Finally, he explains that MISO found the Program will improve the overall voltage profile of the state, reducing the need to add reactive power resources.

Q. Did MISO quantify any of these benefits?

A. Yes. As explained by Mr. Dodd, MISO quantified the LRTP Tranche 1 Portfolio's benefits on both a Midwest Subregion basis and by MISO local resource zone, including Zone 5, which encompasses the MISO-jurisdictional portion of Missouri, including much of Northern

Missouri. MISO specifically quantified minimum and maximum net benefits[3] from regional congestion and fuel savings, avoided capital costs of local resources, avoided transmission investment, resource adequacy savings, avoided risk of load shedding, and decarbonization to the Midwest Subregion totaling $23.2-52.2 billion and to Zone 5 totaling $2.2-4.7 billion. MISO further found that these benefits far exceed MISO's estimated cost to implement the LRTP Tranche 1 Portfolio transmission expansion plan. MISO identified a benefit-to-cost ratio of the LRTP Tranche 1 Portfolio to the MISO Midwest Subregion of 2.6 to 3.8 times, and to MISO Zone 5 of 3.0 to 4.2 times.[4]

Q. Are there other benefits of the Program, including the Phase 1 Projects, to Missouri specifically?

A. Yes, many. As ATXI witness Dr. Schatzki explains, the Program, including the Phase 1 Projects, will provide certain economic and market benefits to Missouri, including lower wholesale electric energy prices and wholesale energy market payments, and reduced air pollutant emissions. As ATXI witness Mr. Davies explains, the Phase 1 Projects will provide additional reliability and system performance benefits to the Ameren Transmission System that customers rely on for electricity service in Missouri, including resiliency in the face of extreme weather events, through enhanced operational flexibility of the grid and resource sharing across the areas.

Additionally, although ATXI has not quantified the related dollars, I would expect the Phase 1 Projects to generally provide two other benefits to Missouri. First, transmission projects of this

[3] The minimum values reflect 2022 net present values over a 20-year time period using a 6.9% discount rate. The maximum values reflect 2022 net present values over a 40-year time period using a 6.9% discount rate.

[4] The benefit-to-cost ratios are based on MISO's calculation of 2022 net present values over a 20-year time period using a 6.9% discount rate.

size can reasonably be expected to create jobs and otherwise promote economic development opportunities in Missouri. Second, the Projects will also provide a source of additional revenues for Missouri in the form of property, sales, and income taxes.

B. Cost

Q. What will the Program and the Phase 1 Projects cost to construct?

A. ATXI estimates that the total cost to construct the Program, including the Phase 1 Projects, is $611.1 million.[5] ATXI estimates that its total cost to construct just the Phase 1 Projects is $120.5 million. These estimates include, respectively, all Program or Phase 1 Projects construction, both transmission line and substation work, as well as needed real estate rights. It should also be noted that the estimated Program cost include higher level estimates for certain costs related to the Phase 2 DZTM Project since the specific route for that project has not yet been finalized. ATXI witness Ms. Dencker explains the estimated costs, including how they were derived.

Q. Who will pay for the Projects?

A. ATXI will initially fund the FDIM Project's cost. ATXI partnered with MJMEUC on the FDIM Project and will transfer a 49% ownership interest in the FDIM Project to MJMEUC (except substation land for which ATXI will retain 100% ownership and provide MJMEUC an easement) shortly before the FDIM Project is placed into service. For the MMRX Project, ATXI will be ultimately responsible for that Project's cost. Payment responsibility is further explained

[5] Program costs, as used in this filing, differ slightly from the total cost of LRTP Tranche 1 Portfolio scope located in Missouri, due to the fact that there is a relatively small amount of work and costs that ATXI is not responsible for constructing or funding (approximately $15.5 million in upgrades to AECI facilities, based on MISO cost estimates).

in the direct testimony of ATXI witness Ms. Dencker. ATXI will later recover its investment via transmission rates approved by FERC. MJMEUC will flow its FDIM Project costs through its own formula rate. Because the Phase 1 Projects are part of a regionally beneficial transmission plan, they are eligible for regional cost sharing, and MISO divided the LRTP Tranche 1 Portfolio into eighteen integrated MVPs for that purpose. In 2022, FERC approved a cost allocation approach for the LRTP MVPs. Consistent with that approach, Missouri customers in the AMMO Pricing Zone will pay for only a portion of the Phase 1 Projects—approximately 7.25% of their total cost—with the remainder to be paid for across MISO's Midwest Subregion. To put these charges into context, the Program's year one cost per electric residential customer will be approximately 16 cents per month. ATXI witnesses Messrs. Dodd and Gudeman explain further how the total cost of the Projects are allocated and recovered across the MISO Midwest Subregion, including from customers in Missouri.

C. Route, Siting, and Public Input

Q. Where will the Phase 1 Projects be sited in Missouri?

A. The overview map attached to ATXI's Application as **Appendix E** shows ATXI's Proposed Route for Phase 1. As shown on that map, the FDIM Project will be located in a new single greenfield corridor, though much of the line will parallel other existing linear infrastructure. That corridor will be generally routed south to north across the northwest portion of the State, beginning at the Fairport Substation and crossing through portions of DeKalb, Gentry, and Worth Counties to the Iowa/Missouri border. The MMRX Project will be located in northeast Missouri on and along the northern side of the existing ATXI double-circuit 345/345 kV Mark Twain line from Maywood to a point north of the Palmyra Substation, and along the existing Ameren Missouri

161 kV line (which will be rebuilt as a double circuit 345/161 kV line) from the point north of the Palmyra Substation to the Mississippi River Illinois/Missouri border. ATXI witness Mr. Nicholas describes the Projects' Proposed Route in more detail.

Q. Was the Proposed Route informed by public input?

A. Yes. As explained by ATXI witnesses Mr. Nicholas and Ms. Dettmers, in April 2024 – following selection of ATXI's FDIM Project proposal by MISO – ATXI conducted its public engagement campaign, including an in-person public meeting in each county where the Phase1 Projects are located. Based on the information collected at the meetings, which included several landowner suggested re-routes, the ATXI Routing Team re-evaluated the initial routes it had identified and made changes to the FDIM section of the Proposed Route. ATXI witness Ms. Dettmers explains ATXI's public outreach process in depth and attaches to her direct testimony an Engagement Summary detailing ATXI's public engagement efforts and the public input it solicited as a result.

Q. Generally, how will the Projects affect the land traversed by the transmission lines?

A. As explained by ATXI witness Mr. Nicholas, the goal of ATXI's route selection process was to identify and compare transmission line routes that achieve the aims of the project while minimizing the overall impacts on land use, ecological, and cultural features, including attempting to utilize corridors for the route along or adjacent to existing linear infrastructure, to the extent practical, while also considering economic and technical feasibility. The typical, permanent right-of-way required for the Projects will be 150 feet in width, which is the standard needed to accommodate 345 kV transmission line per National Electric Safety Code (NESC)

clearances and ATXI's vegetation management requirements. Accordingly, easements of that width will be needed for most of the Proposed Route for ATXI to safely construct, own, operate, and maintain the Projects. ATXI witnesses Mr. Molitor and Ms. Green explain further the real estate needs for the Projects and the impact of the Projects on the land they traverse.

D. Construction Work Scope

Q. Generally, what is the scope of work for the Projects within their right-of-way?

A. The transmission line work consists of greenfield (new) construction and brownfield (rebuild or repurposing) construction.

The FDIM Project is greenfield, and entails the construction of approximately 44 miles of new 345 kV transmission line, using steel monopole structures, from AECI's Fairport Substation to ATXI's proposed Denny Substation to the Iowa/Missouri border. It also includes construction of the new 345 kV Denny Substation.

The MMRX Project involves greenfield and brownfield construction. For approximately 3 miles, ATXI will construct a new single-circuit transmission line adjacent to its existing transmission line. For approximately 6 miles, ATXI will rebuild an existing Ameren Missouri 161 kV transmission line within the existing corridor, to a double-circuit with the new 345 kV circuit. There will also be some upgrades to ATXI's Maywood Substation to incorporate the new 345 kV line being constructed for the MMRX Project. ATXI witnesses Ms. Dencker, Mr. Molitor, and Mr. Eddings explain this in more detail.

Q. Who, specifically, will build the Projects?

A. Ameren Services transmission personnel will manage and supervise construction of the entirety of the Phase 1 Projects on behalf of ATXI and its Program partners. As it does

regularly for large transmission construction projects, Ameren Services will employ independent contractors and consultants to construct the Phase 1 Projects. Ameren Services intends to use primarily union contractors. Further, Ameren Services' goal, on behalf of ATXI, is to use subcontractors and material suppliers local to the Project areas, such as local lumber yards, concrete suppliers, and suppliers for miscellaneous items needed during construction of the Projects, to the extent practicable. Ameren Services will also seek to provide opportunities for meaningful participation in the Projects' construction by Minority Business Enterprises (MBE) and minority and women tradespersons, including via programs established by primary contractors. Once the Projects are in service, Ameren Services transmission personnel will also operate and maintain the Projects' facilities. ATXI witness Ms. Dencker explains this further.

Q. You stated that the Phase 1 Projects' 345 kV transmission lines will require new 150-foot-wide rights-of-way. Is ATXI seeking new easements of that width?

A. The FDIM Project will require 150-foot-wide right-of-way for the 345 kV circuit to comply with NESC clearances. ATXI plans to acquire new, 150-foot-wide easements for the entire length of the FDIM section of its Proposed Route, including all necessary and appurtenant land rights, such as rights of ingress and egress and access for vegetation management.

The MMRX Project will also require 150 feet of right-of-way ultimately, but much of or all of the easements required for the new 345 kV circuit will overlap with existing transmission corridor easements. The MMRX Project Maywood to Palmyra section of the Proposed Route will require new 100-foot wide easements, taking advantage of ATXI's existing easements to overlap the new 345 kV corridor to attain the required 150-foot wide right-of-way. Despite overlapping with existing Ameren Missouri easements on the Palmyra to Mississippi River line segment of the

MMRX Project, like on the FDIM Project described above, ATXI plans to acquire its own new, 150-foot-wide easements for the entire length of the Palmyra to Mississippi River section of its Proposed Route, including all necessary and appurtenant land rights, such as rights of ingress and egress and access for vegetation management.

ATXI witness Ms. Green explains further the approach to obtaining new easements for the Projects in her direct testimony.

Q. Which utility, specifically, will seek the new easements?

A. Ameren Services real estate personnel will, on behalf of ATXI, seek new easements naming ATXI as grantee. ATXI witness Ms. Green also explains this.

Q. Do you have any other comments in this regard?

A. Yes. As ATXI witness Ms. Green explains, ATXI hopes to acquire all necessary land rights for the Projects by negotiation. And it is committed to working with landowners toward that end, to the extent feasible, and to mitigate the impact of the Projects on property interests.

Q. When will the Projects be constructed?

A. MISO's completion date for its LRTP Tranche 1 Portfolio transmission expansion plan is June 2030. To accommodate that in-service date and any contingencies, both Phase 1 Projects are scheduled to be in service by June 2028. Ameren Services has developed preliminary construction schedules and milestones for each of the Phase 1 Projects which provide reasonable flexibility to accommodate any contingencies. ATXI witness Ms. Dencker describes these activities and the Phase 1 Projects' construction schedule in more detail. ATXI witness Mr. Eddings also discusses the in service date for the FDIM Project's substation project.

E. MJMEUC Partnership

Q. You explained that ATXI partnered with MJMEUC on the FDIM Project. Can you describe the nature and purpose of that partnership?

A. MJMEUC is a municipal joint action energy agency formed under the Joint Municipal Utility Commission Act to obtain sufficient, economical electrical power supply, energy management, and transmission services for the benefit of member municipal utilities. ATXI's and MJMEUC's partnership pertains to all facilities within the FDIM Project. In general, ATXI will construct, operate, and maintain these facilities, but will transfer an undivided 49% interest to MJMUEC, with ATXI retaining an undivided 51% interest. ATXI and MJMEUC memorialized their respective commitments in a Joint Ownership Agreement (JOA). In simple terms, the JOA establishes that MJMEUC will contribute 49% of the costs to construct the FDIM Project, as well as 49% of the costs to operate and maintain the FDIM facilities jointly owned with ATXI, with ATXI being responsible for 51% of such costs.

The collaboration is mutually beneficial to MJMEUC and ATXI. For example, involving MJMEUC enables them to bring the benefits of the FDIM Project to the members/municipalities they serve. MJMEUC also benefits from ATXI's expertise in construction, operation, and maintenance of transmission projects. ATXI and, in turn Missouri customers, benefit from MJMEUC's lower cost of debt and preferable tax treatment. Thus, the partnership with MJMEUC enables MJMEUC and ATXI to collaborate to provide reliability benefits and economic value for their transmission systems/members/customers, and to use Ameren Services' transmission expertise to construct, operate and maintain those projects, at lower overall costs to each partner (and to the customers who are served by these projects), relative to pursuing such projects on a standalone basis. In fact, the partnership with MJMEUC and its resulting cost benefits was

identified by MISO as one of the reasons for its decision to choose ATXI as the transmission developer on the FDIM Project. I also note that ATXI and MJMEUC will also partner on the DZTM Project (Phase 2 of the Program) in the same or similar manner as the FDIM Project.

ATXI's partnership with MJMEUC on the FDIM Project is explained in greater detail in the direct testimony of ATXI witness Ms. Dencker.

V. COMMISSION APPROVALS AND WAIVERS

Q. What approvals is ATXI requesting from the Commission related to the Phase 1 Projects?

A. ATXI is requesting approval for the Phase 1 Projects under two specific sections of the Revised Statutes of Missouri, Sections 393.170.1 and 393.190, and two sections of the Code of State Regulations, 20 CSR 4240.20.045 and 20 CSR 4240-10.105. ATXI is also requesting the Commission to waive several requirements of its rules for good cause. I address the approvals and waiver requests below.

A. <u>Section 393.170.1, RSMo and 20 CSR 4240-20.045</u>

Q. Why is ATXI requesting approvals under Section 393.170.1, RSMo, and 20 CSR 4240-20.045?

A. It is my understanding that an electric utility without a certificated service area must generally have a line Certificate of Convenience and Necessity (CCN) from the Commission under Section 393.170.1, RSMo, authorizing the utility to construct, own, operate, and maintain electric transmission infrastructure in Missouri. ATXI currently does not serve retail customers or have a CCN that would cover the portions of the Phase 1 Projects' transmission lines and new substation that ATXI will construct, own, operate, and maintain. Accordingly, ATXI is requesting a CCN and

493 authorization under Section 393.170.1, RSMo, for its Phase 1 Projects facilities. It is my
494 understanding that 20 CSR 4240-20.045 is a rule adopted by the Commission that outlines the
495 requirements for applications to the Commission for a CCN pursuant to Section 393.170.1, RSMo.

496 **Q. What does Section 393.170, RSMo, require for issuance of a CCN?**

497 A. I am not an attorney; however, it is my understanding that, among other things,
498 Section 393.170 requires an applicant for a CCN to demonstrate that the proposed construction is
499 "necessary or convenient for the public service." It is also my understanding that the Commission
500 has stated that it will apply five criteria in CCN cases to determine whether the proposed service
501 is necessary or convenient for the public service, commonly referred to as the Tartan factors:
502 (1) There must be a need for the service the applicant proposes to provide; (2) The applicant's
503 proposal must be economically feasible; (3) The applicant must have the financial ability to
504 provide the service; (4) The applicant must be qualified to provide the proposed service; and
505 (5) The proposed service must be in the public interest.[6]

506 **Q. Is ATXI providing the required Section 393.170 information?**

507 A. Yes. The collective testimony of the ATXI witnesses that I introduced above
508 provide information demonstrating that the Projects meet the requirements of Section 393.170,
509 RSMo, and the Tartan factors. In sum, as explained throughout that testimony, the Projects are
510 necessary to provide continued adequate, reliable, and efficient electric transmission service to
511 customers in Missouri and the MISO Midwest Subregion. Additionally, Ameren Services
512 transmission personnel, who will construct, operate, and maintain the Projects on behalf of ATXI

[6] *In re Tartan Energy Co.*, Report and Order, Case No. GA-94-127, 1994 WL 762882 (Sept. 16, 1994).

have demonstrated construction supervisory and managerial experience and expertise, including related to transmission expansion projects of similar magnitude. Finally, ATXI has the financial wherewithal to construct, own, operate, and maintain the Projects.

B. Section 393.190, RSMo and 20 CSR 4240-10.105

Q. Why is ATXI requesting approval under Section 393.190, RSMo, and 20 CSR 4240-10.105?

A. As I previously explained, ATXI partnered with MJMEUC on the FDIM Project and, per the JOA, will transfer a 49% interest in that project to MJMEUC (excluding the land for the Denny Substation) shortly before the project is placed into service. It is my understanding that Section 393.190, RSMo, requires Commission approval prior to an electric utility transferring electric transmission infrastructure assets to another entity. Accordingly, ATXI is requesting approval of the proposed transfer to MJMEUC for the FDIM Project facilities. It is my understanding that 20 CSR 4240-10.105 is a rule adopted by the Commission that outlines the requirements for applications to the Commission for the authority to sell, assign, lease, or transfer assets.

C. Waiver of Certain Commission Rule Requirements

Q. Is ATXI requesting other relief in connection with its request for a CCN for the Phase 1 Projects?

A. Yes. It is my understanding that the Commission may grant a variance from or waive a requirement of its rules for good cause pursuant to 20 CSR 4240-2.205. Because ATXI will not provide retail service to end-use customers in Missouri and will not be rate-regulated by the Commission, certain requirements in the Commission's rules are neither applicable nor needed

for ATXI and it requests that the Commission waive the depreciation study requirement of 20 CSR 4240-3.175, the reporting requirements of 20 CSR 4240-3.190(1), (2) and 3(A)-(D), the annual reporting requirement of 20 CSR 4240-10.145, and the rate schedule filing requirement of 20 CSR 4240-20.105, for good cause. ATXI will continue to file with the Commission the annual report it files with FERC.

VI. OTHER REGULATORY COMMITMENTS

Q. Will ATXI comply with all applicable rules and requirements of the Commission regarding construction of the Projects?

A. Yes. As with any transmission project, ATXI and Ameren Services personnel on behalf of ATXI will comply with all applicable rules and requirements of the Commission regarding construction of the Projects, including, specifically, 20 CSR 4240-18.010 governing Safety Standards for Electrical Corporations and adopting certain Parts of the NESC for the construction of electric power lines. ATXI witness Mr. Molitor addresses these requirement in his direct testimony.

Q. What notice has ATXI provided landowners who are directly affected by the Proposed Route and the new substation for the Phase 1 Projects?

A. ATXI has included with its Application, as **Appendix D,** the verification of that landowner notice required by Commission Rule 4240-20.045(6)(K)(1). A list of the directly affected landowners to whom the notice was sent is provided as a confidential attachment to that appendix. And a copy of the letter that ATXI sent to each directly affected landowner as notice of its application is provided as **Schedule LD-D2** to the direct testimony of ATXI witness Ms. Leah Dettmers.

Q. Has the ATXI considered the potential impact of its Proposed Route on historical sites and environmentally delicate areas?

A. Yes. Ameren Services on behalf of ATXI assessed the Projects' areas as it concerns the potential impact on historical, environmental, and other similarly sensitive land uses as part of its routing analysis in an effort to minimize any such impact, as discussed in greater detail by ATXI witnesses Ms. Dettmers and Mr. Nicholas. That said, again, taking advantage of an existing Ameren Missouri transmission corridor for a majority of the MMRX section of the Proposed Route and largely paralleling existing infrastructure for the FDIM section has allowed ATXI to mitigate the Projects' potential impact on sensitive land uses.

Q. Will ATXI obtain all necessary permits, including environmental permits and river, stream, and lake crossing permits, prior to any construction requiring those permits?

A. Yes. Ameren Services on behalf of ATXI will obtain all required environmental permits, including permits to cross navigable waters from the U.S. Army Corps of Engineers, prior to engaging in construction activities requiring those permits, as discussed by ATXI witnesses Ms. Dettmers and Mr. Nicholas.

Q. Will ATXI obtain all necessary highway and railroad crossing permits prior to any construction requiring those permits?

A. Yes. Again, Ameren Services on behalf of ATXI will obtain all required permits, including any permits required by the Missouri Department of Transportation prior to engaging in construction activities requiring those permits, as discussed by ATXI witnesses Ms. Dettmers and Mr. Nicholas.

Q. Will ATXI also obtain required local approvals applicable to the Projects before any construction requiring those approvals?

A. Yes. ATXI intends to obtain all required approvals, including for example the county assents required by Section 229.100, RSMo, prior to engaging in construction activities requiring those approvals.

VII. CONCLUSION

Q. What do you conclude regarding the Phase 1 Projects and ATXI's requested Commission approvals for the Projects?

A. The Commission should approve ATXI's application and grant ATXI the CCN and relief that ATXI requests related to the Phase 1 Projects, which are necessary or convenient for the public service. For the reasons I've explained, the LRTP Tranche 1 Portfolio transmission expansion plan, including the Missouri portion containing the Phase 1 Projects, is critical and will improve reliability in Missouri and the MISO Midwest Subregion, bolster resilience and save customers money.

Q. Does this conclude your direct testimony?

A. Yes.

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 393.170.1, RSMo and Approval to Transfer an Interest in Transmission Assets Under 393.190.1, RSMo relating to Transmission Investments in Northwest and Northeast Missouri.	))))))))	File No. EA-2024-0302

AFFIDAVIT

1. My name is Shawn E. Schukar. I am Chairman and President of Ameren Transmission Company of Illinois, the Applicant in the above-captioned proceeding.

2. I have read the above and foregoing Direct Testimony and the statements contained therein are true and correct to the best of my information, knowledge, and belief.

3. I am authorized to make this statement on behalf of Ameren Transmission Company of Illinois.

4. Under penalty of perjury, I declare that the foregoing is true and correct to the best of my knowledge and belief.

/s/ Shawn E. Schukar
Shawn E. Schukar
Chairman and President of
Ameren Transmission Company of Illinois

Date: *July 16, 2024*