Exhibit No.:	
Issue(s):	Project Management; Scope of Work and Project Background; Project Parties Roles and Agreements; Cost; Construction Supervision and Management Ability; Operation and Maintenance; Construction Schedule
Witness:	Tracy Dencker
Type of Exhibit:	Direct Testimony
Sponsoring Party:	Ameren Transmission Company of Illinois
File No.:	EA-2024-0302
Date Testimony Prepared:	July 16, 2024

MISSOURI PUBLIC SERVICE COMMISSION

FILE NO. EA-2024-0302

DIRECT TESTIMONY

OF

TRACY DENCKER

ON

BEHALF OF

AMEREN TRANSMISSION COMPANY OF ILLINOIS

St. Louis, Missouri
July, 2024

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DIRECT TESTIMONY

OF

TRACY DENCKER

FILE NO. EA-2024-0302

I. INTRODUCTION AND BACKGROUND

Q. Please state your name and business address.

A. My name is Tracy Dencker. My business address is 1901 Chouteau Avenue, St. Louis, Missouri 63103.

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

A. I am employed by Ameren Services Company (Ameren Services) as Senior Project Manager in the Transmission Project Management group.

Q. What are your responsibilities as Senior Project Manager?

A. In my current position as Senior Project Manager for Ameren Services, I am responsible for leading complex projects encompassing large project teams, high levels of complexity and risk with strategic significance to Ameren. The role includes defining and managing project scope, budget, schedule, and execution while leading, coaching and guiding the team on project activities.

Q. Please describe your educational and professional background.

A. In 1991 I earned a Bachelor of Science degree in Electrical Engineering from the University of Missouri-Rolla. I started my career in 1992 at Central Illinois Public Service Company, now an Ameren affiliate as a project engineer in Transmission Line Design. I have 20 years of transmission line design engineer experience before transitioning to the role of project

manager in Ameren's Digital department in 2012. I received my Project Management Professional (PMP) certification in Spring of 2013. I returned to the Transmission organization in the Project Management role in 2018, receiving my current title of Senior Project Manager in 2022. The past 12 years I have managed large transmission and network communication projects through all phases of execution, including regulatory approvals, real estate acquisition, permitting, design, construction, commissioning and close-out activities. My notable work includes leading the Intelligrid 4-Wire Replacement Project to create a new cyber-secure, fiber-optic-based communication network by installing OPGW on 1,400 miles of existing Ameren transmission lines and network equipment in 470 substations. I have been an active member on the Project Management Advisory Board at Southern Illinois University at Edwardsville since 2018.

Q. Have you previously testified before the Missouri Public Service Commission?

A. No, I have not testified before the Missouri Public Service Commission (Commission), but I have testified before the Illinois Commerce Commission on behalf of Illinois Power Company and Ameren Transmission Company of Illinois.

II. PURPOSE OF TESTIMONY AND SCHEDULES

Q. Are you familiar with the electric transmission projects that Ameren Transmission Company of Illinois proposes in this proceeding?

A. Yes. Ameren Transmission Company of Illinois (ATXI) is proposing to construct, operate, and maintain the Northern Missouri Grid Transformation Program (Program) in partnership with the Missouri Joint Municipal Electric Utility Commission (MJMEUC) and Ameren Missouri Company (Ameren Missouri), to build a more reliable and resilient energy grid for the future. The facilities included in ATXI's application address the first phase of the overall

Program in Missouri (Phase 1). Phase 1 comprises approximately 53 miles of new 345 kV transmission circuit across northern Missouri, a portion of which includes rebuilding approximately 6 miles along an existing Ameren Missouri transmission corridor and co-locating with existing Ameren Missouri facilities, construction of a new substation, and upgrading an existing substation. Phase 1 of the Program includes two projects: the Fairport-Denny-Iowa/Missouri Border Project (FDIM or FDIM Project) in Worth, Gentry, and DeKalb counties, and the Maywood-Mississippi River Crossing Project (MMRX or MMRX Project) in Marion County (collectively, the Projects or Phase 1 Projects). In its application, ATXI is requesting a Certificate of Convenience and Necessity (Certificate) and related approvals from the Commission for the Phase 1 Projects to make the Northern Missouri Grid Transformation Program a reality and deliver its benefits to Missouri electricity customers.

Although the entire Program must be approved and constructed for its benefits to be realized, Phase 1 is described as two Projects to align with the corresponding Midcontinent Independent System Operator, Inc. (MISO) project, as well as for ease of discussion of scope of work.[1] The Projects are broken down further by line segments and substations to more precisely describe the differences in the scope of work:

Phase 1 Line Segments:

- Fairport-Denny-Iowa/Missouri Border Project (FDIM)
    - Fairport to Denny (line segment "A" in Figure 1)
    - Denny to the Iowa/Missouri border (line segment "B" in Figure 1)

[1] The FDIM and MMRX Projects are the Missouri portions of 2 of the 18 multi-value projects (MVPs) included in the Long Range Transmission Planning (LRTP) Tranche 1 Portfolio approved by the 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.

- Maywood to Mississippi River Crossing Project (MMRX)
  - Maywood to Palmyra[2] (line segment "C" in Figure 2)
  - Palmyra to the Mississippi River Crossing (line segment "D" in Figure 2)

Phase 1 Substations:

- New Denny Substation
- Existing Maywood Substation (upgrades and modifications)

I provide more detail on the scope of these components and include overview maps as Figure 1 (FDIM Project route) and Figure 2 (MMRX Project route) further below in my testimony. The direct testimony of ATXI witness Adam Molitor discusses in detail the scope of work on the transmission lines, and the direct testimony of ATXI witness Gregory Eddings discusses in detail the scope of work on the substations.

Q. What is the purpose of your direct testimony?

A. As the Project Manager, I am responsible for overseeing all aspects of the Program's implementation. My testimony addresses several aspects of construction of Phase 1. First, I will explain the scope of the construction work and background for Phase 1. I will explain the partnership between ATXI and MJMEUC on the FDIM Project, discussing the scope, the division of labor/work and cost, and the parties' commitments, as memorialized in the Joint Ownership Agreement (JOA) for FDIM. Similarly, I also explain the collaborative effort between ATXI and Ameren Missouri on the MMRX Project, discussing the scope of construction work, the construction cost, and the division of work and cost between them, to be memorialized in the Joint

[2] This line segment goes to a point near and just north of Palmyra Substation but does not physically connect to the Palmyra Substation.

Use Agreement (JUA) for MMRX. I then explain the expected cost for Phase 1 and the Program, responsibility for those costs, and related cost issues. Next, I explain how the Projects will be constructed in the right-of-way easements. I also explain how Ameren Services, on behalf of ATXI (and its partners MJMEUC and Ameren Missouri), is both capable of and will effectively manage and supervise construction, operation, and maintenance of the Phase 1 Projects as well as the actions Ameren Services has and will undertake to ensure adequate and efficient construction, supervision, operation, and maintenance of the Projects. Finally, I explain the construction schedule and in-service dates for Phase 1 at issue in this proceeding.

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

A. Yes. I am sponsoring:

- Schedule TD-D1 **(Confidential)** – Phase 1 Projects One-line Diagrams;
- Schedule TD-D2 – Schedule for Phase 1 Projects;
- Schedule TD-D3 **(Confidential)** – Joint Use Agreement between ATXI and Ameren Missouri;
- Schedule TD-D4 **(Confidential)** – Joint Ownership Agreement between ATXI and MJMEUC; and
- Schedule TD-D5 – MISO FDIM Developer Selection Report.

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

A. No. Although I refer to certain legal requirements related to Phase 1 of the Program as I understand them, I am not an attorney, and my direct testimony is not intended to offer any legal opinions.

III. SCOPE OF CONSTRUCTION WORK AND PROJECT BACKGROUND

Q. What types of line work will Phase 1 of the Program generally involve?

A. The line work consists of approximately 53 miles of new, 345 kV high voltage circuit along the Projects' route. Approximately 47 miles is new (greenfield) construction, mostly on the FDIM Project. Approximately 6 miles will be rebuild construction (brownfield) on the MMRX Project, rebuilding an existing Ameren Missouri single-circuit, 161 kV line to a double-circuit 161 kV/345 kV configuration. The line work is depicted in the one-line diagrams attached as Schedule TD-D1 (**Confidential**).

Q. Please describe the line work on the FDIM Project.

A. The Fairport to Denny line segment (depicted as line segment "A" in Figure 1 below) of FDIM will be a new, approximately 1 mile 345 kV transmission line from Associated Electric Cooperative Incorporated's (AECI) existing Fairport Substation to the new ATXI Denny Substation. The Denny to Missouri-Iowa Border line segment (depicted as line segment "B" in Figure 1 below) of FDIM consists of approximately 43 miles of new, 345 kV single-circuit transmission line and underground communication line from the new Denny Substation to a point of interconnection at the Missouri-Iowa border. There, it will connect to a new transmission line, to be constructed in Iowa by the selected developer, from the state line to connect to the Orient Substation. FDIM will be utilize a steel monopole structure design. The FDIM Project will require new easements with a width of 150 feet to accommodate the new 345 kV transmission line. See Figure 1 below for an overview map of FDIM.

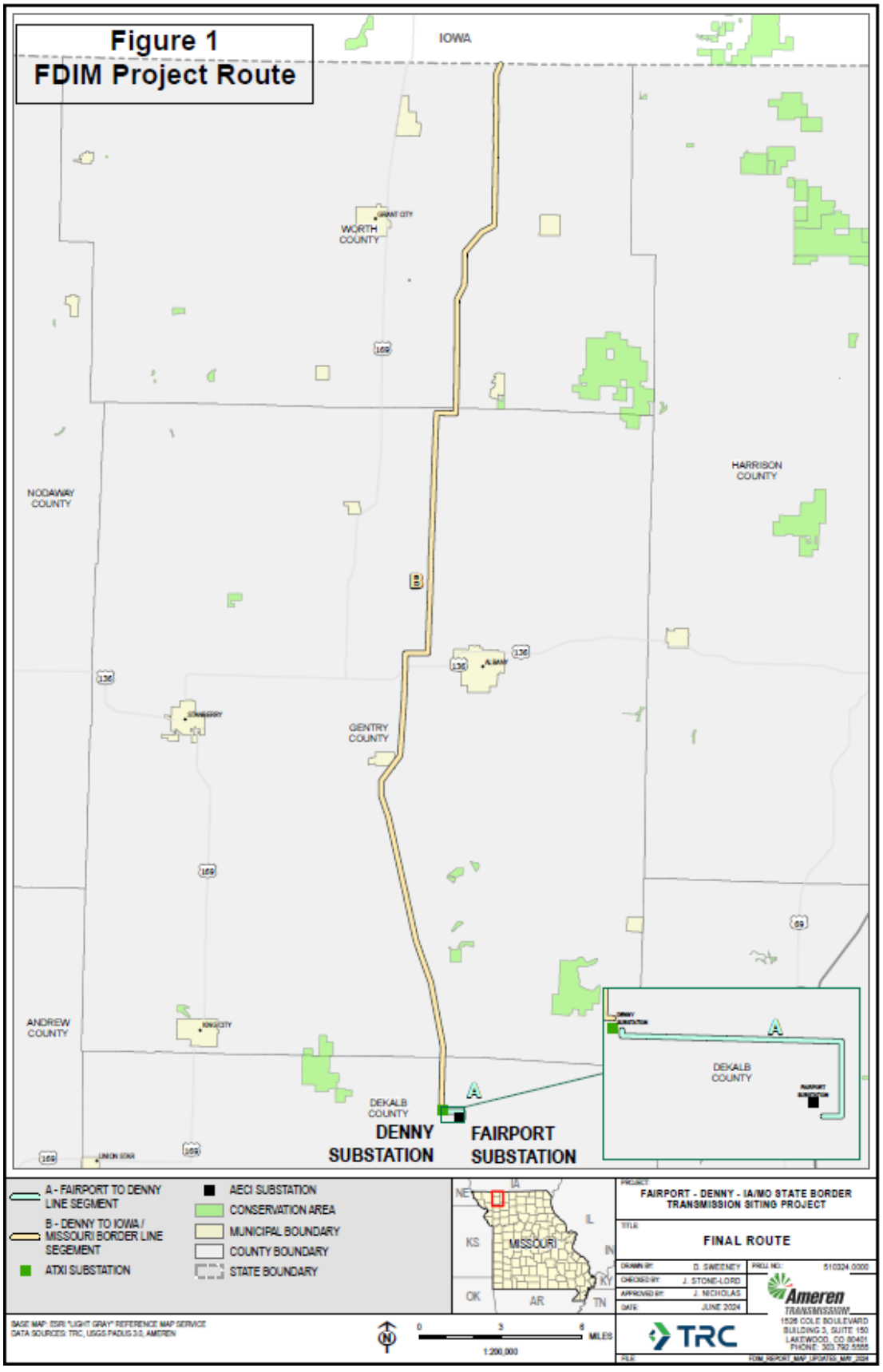


Figure 1
FDIM Project Route
IOWA
WORTH COUNTY
HARRISON COUNTY
NODAWAY COUNTY
GENTRY COUNTY
ANDREW COUNTY
DEKALB COUNTY
DENNY SUBSTATION
FAIRPORT SUBSTATION
A - FAIRPORT TO DENNY LINE SEGMENT
B - DENNY TO IOWA / MISSOURI BORDER LINE SEGEMENT
ATXI SUBSTATION
AECI SUBSTATION
CONSERVATION AREA
MUNICIPAL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

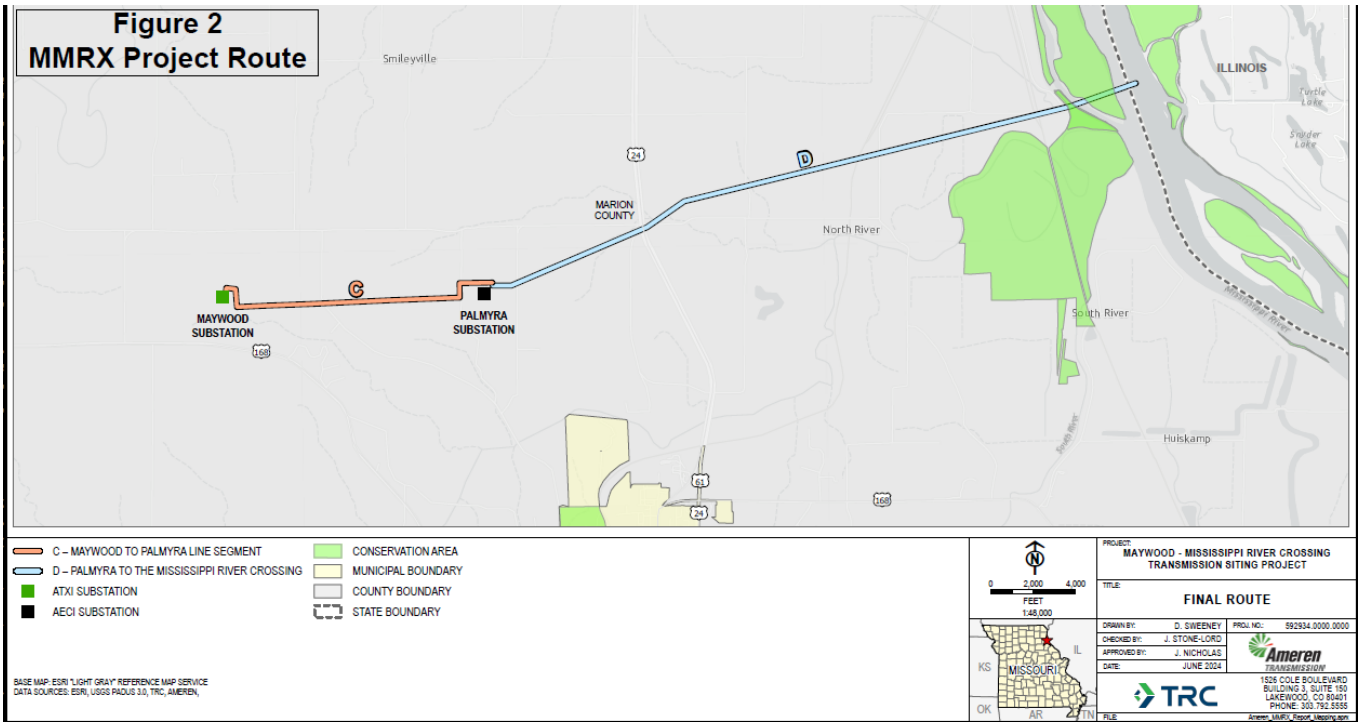
1

Q. Please describe the line work on the MMRX Project.

A. The MMMRX Project consists of two line segments. The first is the Maywood to Palmyra line segment (depicted as line segment "C" in Figure 2 below). For approximately 3 miles from ATXI's existing Maywood Substation to a point near and north of, but not connected to, the existing AECI Palmyra Substation, ATXI will construct a new single-circuit transmission line adjacent to the north side of its existing double-circuit Maywood-Fabius 345 kV/Maywood-Palmyra 345 kV transmission line. The existing Maywood-Fabius 345 kV circuit conductor will be "repurposed" for the Maywood-Meredosia 345 kV circuit, and the new single-circuit line/corridor will be utilized for the Maywood-Fabius 345 kV circuit. This approach has the benefit of avoiding the crossing of transmission lines. ATXI will only need to obtain new 100-foot easements on the corridor for this line segment.[3]

The second line segment is the Palmyra to Mississippi River Crossing (depicted as line segment "D" in Figure 2 below). This involves rebuilding approximately 6 miles of Ameren Missouri's existing Palmyra-Marblehead North 161 kV transmission line to a double-circuit with the proposed Maywood-Meredosia 345 kV transmission line. The rebuild will generally occur along the existing centerline, however, ATXI will obtain its own 150-foot easement rights and does not anticipate impacting any, or very little, additional or new property that is not currently encumbered by the existing transmission lines. See Figure 2 below for an overview map of MMRX.

[3] The Maywood to Palmyra line segment will only require a 100-foot-wide easement for the new 345 kV circuit, as ATXI will overlap easement/rights-of-way with its existing transmission line and still achieve the required 150-foot right-of-way width.



Q. Please describe the substation work for Phase 1 of the Program.

A. ATXI proposes to construct, own, and operate the FDIM Project's new Denny Substation. It will be constructed initially as a 4-position, 345 kV ring bus, substation, designed to accommodate future expansion to an eight position breaker-and-a-half configuration.

The existing, ATXI-owned Maywood Substation will be modified to accommodate the MMRX Project, with the scope of work at Maywood taking place inside the substation fence. ATXI witness Mr. Eddings describes the Phase 1 substation work in detail.

Q. Can you please give a brief background of the MISO competitively awarded portion of Phase 1?

A. Yes. MISO determined the FDIM Project included new transmission facilities in Missouri eligible for competitive development, using its competitive developer selection process consistent with FERC and MISO Tariff rules, as explained by ATXI witness Jeff Dodd. On

December 5, 2022, MISO issued its Request for Proposals (RFP) for FDIM. ATXI submitted its proposal, along with several other transmission developers, on May 19, 2023. On October, 27, 2023, MISO announced ATXI as the selected developer for FDIM, and released its selection report explaining the outcome of the competitive developer selection process for the FDIM Project, entitling and obligating ATXI to carry out the proposal. I have attached the FDIM Selection Report as Schedule TD-D5.

Q. Was all of Phase 1 subject to competitive bid?

A. No. The MMRX Project did not meet the eligibility requirements for competitive development as the scope of the MMRX Project entails primarily upgrades to existing transmission facilities, and as such was assigned to the incumbent utility.

Q. You refer to FDIM and MMRX as comprising Phase 1 of the Program? What are the other phases of the Program?

A. There is one other project in Missouri that is included in MISO's LRTP Tranche 1 Portfolio: the Denny-Zachary-Thomas Hill-Maywood Project (DZTM or DZTM Project). Part of DZTM was eligible for competitive development, and ATXI was chosen as the selected developer by MISO on April 2, 2024. The scope of DZTM generally includes the following components: (1) a new 345 kV transmission line from the proposed Denny Substation in northwest Missouri to ATXI's existing Zachary Substation in northcentral Missouri; (2) a second 345 kV transmission line going east from Zachary to ATXI's existing Maywood Substation in northeast Missouri, and (3) a new 345 kV transmission circuit from the Zachary Substation running south to AECI's

existing Thomas Hill Substation, rebuilding an existing Ameren Missouri 161 kV transmission line to accommodate the new 345 kV circuit.[4]

Q. Is the DZTM Project expected to need any approvals from the Commission?

A. Yes. It is anticipated that a Certificate will be required, as well as certain other Commission approvals. ATXI expects to file its application for the DZTM Project in the fourth quarter 2024 as Phase 2 of the Program. ATXI is currently in the planning stages to execute its routing study and public engagement campaign in preparation of its application.

Q. Why will ATXI apply for Commission approvals for the DZTM Project separately from its current application?

A. MISO was not due to select the developer for DZTM until approximately 6 months after ATXI was selected as the developer for FDIM. Thus, ATXI decided to move forward with the implementation of FDIM as soon as possible given the uncertainty that it might not be the selected developer for DZTM, and instead would take a phased approach if it was awarded the DZTM Project. By the time MISO announced ATXI as the developer for DZTM, ATXI already substantially completed much of its prefiling activities for the current Projects, such as routing study, public meetings, and preparation of its application for FDIM.

[4] ATXI and Ameren Missouri intend to collaborate on the Zachary-Thomas Hill line segment to rebuild and co-locate ATXI's 345 kV circuit on Ameren Missouri's existing 161 kV transmission line. ATXI and MJMEUC will partner on the competitive portions of the DZTM Project.

A. <u>ATXI and Ameren Missouri Partnership on MMRX</u>

Q. You stated that ATXI and Ameren Missouri are working together to build the Maywood to Mississippi River Crossing Project. What is the division of work between the ATXI and Ameren Missouri on the rebuild construction that you described?

A. On the MMRX Project (along the Palmyra to Mississippi River Crossing line segment) there is approximately 6 miles of an existing Ameren Missouri 161 kV transmission line that will be rebuilt within existing Ameren Missouri transmission corridors, or "brownfield" areas. The MMRX Project's construction will generally follow the following approach: Ameren Missouri will remove its existing support structures, existing conductor, and associated hardware as needed to accommodate installation of the new transmission facilities. ATXI will replace the removed facilities with ATXI-owned, steel monopole structures and will install its new ATXI-owned 345 kV conductor on one side of the new structures. Ameren Missouri will then replace its previously removed conductor on the other side of the double circuit structures. ATXI will bear the costs associated with the new double circuit structures and new 345 kV circuit. Ameren Missouri will initially fund the costs associated with removal of its facilities and the installation of replacement conductor on the ATXI-owned structures but will be reimbursed by ATXI within 30 days following the date that such costs are realized. Ameren Missouri will continue to own, operate, and maintain its existing circuit. ATXI will own, operate, and maintain the new support structures and 345 kV circuit. The accounting for the existing and new facilities will reflect this ownership structure. This division of work is depicted on Schedule TD-D1 **(Confidential)**.

Q. Generally, how did ATXI and Ameren Missouri determine these divisions?

A. Determination of the division of work and ownership between ATXI and Ameren Missouri on MMRX, as well as the attendant costs, was largely driven by MISO's LRTP Tranche 1 Portfolio transmission expansion plan, which is intended to leverage existing transmission corridors where practicable. The division was also driven by alignment with ATXI's and Ameren Missouri's respective regionally and locally focused transmission investments, their shared goal of promoting cost-effective and efficient construction of the Program, and mitigating its impacts on affected landowners where feasible. ATXI witness Mr. Schukar notes these considerations as well.

Q. Please explain what you mean by alignment with ATXI's and Ameren Missouri's respective transmission investment focuses.

A. As ATXI witness Mr. Dodd explains, MISO designed LRTP Tranche 1 Portfolio, including the Program, to be regionally beneficial. Consistent with this objective, the facilities will be constructed and owned by ATXI, which generally focuses on regional solutions. So that Ameren Missouri retains ownership, however, of its existing transmission facilities, which remain necessary to support local transmission and system reliability, Ameren Missouri will be responsible for constructing any upgrades or modifications to those existing transmission facilities. Nevertheless, costs initially incurred by Ameren Missouri for its division of the work, but for which ATXI should be ultimately responsible, will be reimbursed by ATXI within 30 days following the date that such costs are realized.[5] This reimbursement is appropriate because any existing Ameren

[5] To reiterate, Ameren Missouri's involvement on Phase 1 of the Program is limited to the Palmyra to the Mississippi River Crossing line segment of the MMRX Project. While it will initially fund its division of work, it will be reimbursed entirely such that Ameren Missouri will not bear any costs associated with Phase 1 of the Program.

Missouri facilities being rebuilt for Phase 1 is primarily for the purpose of co-locating them with the new ATXI facilities constructed as part of MISO's regionally beneficial transmission expansion plan. This arrangement ensures that Ameren Missouri retains the financial flexibility to continue to invest in local transmission projects. I would note that, as I explain further below, throughout its implementation, ATXI and Ameren Missouri will leverage shared services provided by Ameren Services to design, plan, and build the Program, which promotes efficiency and cost-effectiveness.

Q. Have ATXI and Ameren Missouri memorialized the division of work between them?

A. ATXI and Ameren Missouri will enter into a Joint Use Agreement (JUA). The JUA details ATXI's and Ameren Missouri's respective responsibilities regarding construction, ownership, operation, and maintenance of the Program's facilities, as well as the attendant division of costs between them. While the JUA has not yet been executed, it will be substantially in the form of, or identical to, the attached draft agreement in Schedule TD-D3 **(Confidential)**. Additionally, the MMRX Project one-line drawings in Schedule TD-D1 **(Confidential)**, and which will ultimately be included as an appendix to the JUA, shows the scope of work for the MMRX Project.[6]

[6] Once the JUA has been executed, ATXI commits to provide the final version to the Commission.

B. ATXI and MJMEUC Partnership on FDIM

Q. You stated that ATXI and MJMEUC are partnering on the FDIM Project. What is MJMEUC?

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. MJMEUC provides full power purchase requirements to member utilities and arranges purchases for members in need of supplemental power. It may construct, operate, and maintain jointly owned generation and transmission facilities for the benefit of members, and it has the authority to enter into contracts for power supply, transmission service, and other services necessary for the operation of an electric utility. MJMEUC membership currently includes 70 municipal utilities in Missouri and four advisory members in Arkansas.

Q. What does the ATXI and MJMEUC partnership in FDIM include?

A. ATXI's and MJMEUC's partnership pertains to all facilities within the FDIM Project: (1) the new Denny Substation; (2) the new Fairport to Denny 345 kV transmission line; and (3) the new Denny to Iowa/Missouri Border 345 kV transmission line. In general, ATXI will construct, operate, and maintain these facilities, but will transfer an undivided 49% passive interest to MJMUEC, with ATXI retaining an undivided 51% participating interest.[7]

[7] The Joint Ownership Agreement contains a Schedule A that will be populated at the time of Closing to list the specific assets that will be transferred to MJMEUC. Populating this schedule closer to Closing will allow the parties to define the assets in greater detail than if they were listed prior to the start of construction. ATXI commits to provide the final copy of the Joint Ownership Agreement to the Commission as a compliance condition to the Commission's order.

Q. Have ATXI and MJMEUC memorialized their respective commitments?

A. Yes. ATXI and MJMEUC have entered into a Joint Ownership Agreement (JOA), executed on May 18, 2023.[8] The JOA defines ATXI's and MJMEUC's shared investment in and joint ownership as tenants in common of the FDIM components, described above, and related obligations regarding their respective percentage interests. The JOA provides that ATXI will own a 51% participation percentage in the facilities and MJMEUC will own a 49% passive interest. The JOA further provides that the parties' respective costs to construct, acquire, operate, and maintain the Project facilities will be commensurate with their respective ownership interests in the facilities. In simple terms, MJMEUC will contribute 49% of the costs to construct FDIM, as well as 49% of the costs to operate and maintain the FDIM facilities jointly owned with ATXI (generally through reimbursement to ATXI). MJMEUC's ownership interest will be passive, meaning that while MJMEUC will have an undivided ownership interest in these facilities, MJMEUC will economically benefit from the use of these facilities, and will have a say in major decisions made with respect to these facilities, but MJMEUC will not be directly responsible for any day-to-day activities associated with the construction, operation, or maintenance of these facilities. The JOA is attached to my testimony as Schedule TD-D4 **(Confidential)**.

Q. Why is MJMEUC partnering with ATXI on FDIM?

A. The collaboration is mutually beneficial to MJMEUC and ATXI. Involving MJMEUC enables them to bring the benefits of the FDIM Project to the members/municipalities they serve. MJMEUC benefits from ATXI's expertise in construction, operation, and maintenance

[8] The JOA was filed with the Federal Energy Regulatory Commission (FERC) and was accepted for filing effective April 9, 2024. FERC Docket No. ER24-1211-000.

of transmission projects. ATXI will flow its costs for FDIM through its FERC-approved formula rate and MJMEUC will flow its costs through its own formula rate. As a municipal joint action energy agency, MJMEUC brings to the table a favorable (lower) cost of debt and positive tax implications. ATXI (and MJMEUC's members participating in the FDIM Project) benefit from MJMEUC's lower cost of debt and preferable tax treatment. Thus, MJMEUC's investment in FDIM will help lower the overall cost. Finally, MJMEUC's return on its investment will be allocated to the participating members in the FDIM Project, which helps offset their costs.

Q. Might ATXI and MJMEUC partner in the future for the same reasons?

A. Yes. Partnerships like the one here enable MJMEUC and ATXI to collaborate to identify project opportunities that provide reliability benefits and economic value for their 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. This partnership was integral in MISO's decision to choose ATXI as the transmission developer on FDIM. In fact, ATXI and MJMEUC will partner on the competitive segments of the DZTM Project (Phase 2 of the Program) in the same or similar manner as FDIM.

IV. CONSTRUCTION COST

Q. What is the total expected cost for Phase 1?

A. The total expected cost to construct the Phase 1 Projects along the entirety of the route that ATXI is proposing (the Proposed Route) is estimated at approximately $120.5 million. This includes approximately $88.8 million for all FDIM Project components (new transmission line segments from Fairport to Denny, Denny to the Iowa/Missouri border, and the new Denny

Substation) and approximately $31.7 million for all MMRX Project components (new transmission line on the Maywood to Palmyra line segment, rebuild transmission line on the Palmyra to the Mississippi River Crossing line segment, and Maywood Substation modifications).

Q. Generally, how was the total expected cost for Phase 1 determined?

A. Ameren Services completed detailed scoping for each of the Projects. Quantity takeoffs with preliminary bills-of-material were developed from the scoping reviews. Program costs were then estimated by extrapolating historical unit costs for the quantities estimated for each line segment and substation, and adjustments were made for increased costs associated with known field conditions, rights-of-way, and environmental factors. After developing base cost estimates for each segment and substation, Ameren Services subject matter experts used historical project cost data to estimate a risk-based contingency, which is designed to account for various contingencies and risks, such as unanticipated changes in soil characteristics, line route changes, inclement weather that may hinder the construction process, and material and labor pricing changes, including escalation over the life of the Program. This analysis was used to derive an expected cost for each segment and substation comprising the Program. The total expected cost reflects an estimate of the most-likely cost of each component of the Program based upon the current preliminary designs. Actual costs incurred will continue to be refined and updated as Program implementation progresses. Further variances to the current cost estimate could be influenced by a number of factors, including route changes, changes to the assumed material or labor escalation, Program schedule changes, or changes to construction costs as a result of further design certainty aided by field inspection.

Q. What is the total expected cost to construct Phase 1 to be borne by ATXI?

A. The total expected cost to ATXI for Phase 1 is estimated to ultimately be $77.0 million. This includes all of the MMRX Project costs of $31.7 million, and $45.3 million for its ultimate share of FDIM (reflecting ATXI's 51% share of the costs after the transfer to MJMEUC).

Q. What does that total expected cost to ATXI include?

A. ATXI's share of the total expected Phase 1 Program cost includes the entire cost for MMRX, and 51% of the cost for FDIM. This includes all anticipated real estate acquisition costs and all Phase 1 Project development expenses. The share of costs to be borne by ATXI for Phase 1's components are further detailed in the JOA with MJMEUC and JUA with Ameren Missouri, and the accounting on ATXI's books will reflect these cost allocation outcomes in the agreement and the division of work that I described above.

Q. What is the total expected cost to construct Phase 1 to be borne by Ameren Missouri?

A. None. Ameren Missouri will initially fund their portion of Phase 1, which again is limited to just the MMRX Project, for costs associated with rebuilding the Maywood-Marblehead North line and re-terminations of their existing transmission lines, but will be reimbursed by ATXI as described previously. The costs are further detailed in the JUA, and the accounting for the MMRX Project on Ameren Missouri's books will reflect these cost allocation outcomes in the agreement and the division of work that I described.

Q. How was the apportionment of cost between ATXI and Ameren Missouri determined?

A. Again, determination of the division of costs that I've described, like the division of work and ownership between ATXI and Ameren Missouri, was largely driven by MISO's LRTP Tranche 1 Portfolio transmission expansion plan, alignment with ATXI's and Ameren Missouri's respective regionally and locally focused transmission investments, and the shared goal of a cost-effective and efficient Program with mitigated land use impacts where practicable. As the Ameren entity that primarily focuses on developing regional transmission projects, ATXI will be responsible for the full cost of MMRX Project development. Further, under this allocation, Ameren Missouri can continue to focus its investments on projects necessary to serve its native load, including transmission that is needed for local reliability purposes. That said, I would note that, as explained further by ATXI witnesses Messrs. Dodd and Gudeman, all Phase 1 costs will be shared across the MISO Midwest Subregion, despite which Ameren entity is bearing the responsibility for the costs.

Q. What about the cost to operate and maintain the MMRX Project once it is in service?

A. ATXI and Ameren Missouri will operate, maintain, repair, and replace their respective facilities and will bear the attendant costs, with limited exceptions for emergencies and vegetation management, as outlined in the JUA.

Q. What does that total expected cost to MJMUEC include?

A. As described in the JOA, ATXI will own a 51% participation percentage in the FDIM Project facilities and MJMEUC will own a 49% passive interest.[9] The JOA further provides that the parties' respective costs to construct, acquire, operate, and maintain the FDIM Project facilities will be commensurate with their respective ownership interests in the facilities. In simple terms, MJMEUC will contribute 49% of the construction costs to acquire its interest in the FDIM Project facilities that it will jointly own with ATXI (generally through reimbursement to ATXI), obtaining a passive ownership interest of those facilities.

Q. What about the cost to operate and maintain the FDIM Project once it is in service?

A. At a high level, operation and maintenance costs will be allocated based on each parties' ownership interest percentage.

Q. Has ATXI developed costs for the subsequent phases of the Program?

A. Yes. The preliminary cost estimate, at the time of this filing, for Phase 2 of the Program (i.e. the DZTM Project) is approximately $496.1 million.[10]

[9] ATXI will maintain 100% ownership of, and grant MJMEUC an easement for, the Denny Substation land.

[10] This figure does not represent ATXI's ultimate cost, as it does not take into account MJMEUC's cost share for any of the projects or components that are part of the Program.

Q. What is the total estimated cost for ATXI's scope of the Program?

A. The total estimated cost for the scope of the entire Program (Phase 1 and Phase 2) involving ATXI (Phase 1 and Phase 2) is, at the time of this filing, $611.1 million.[11] [12]

V. CONSTRUCTION IN RIGHT-OF-WAY EASEMENTS

Q. You mentioned new easements will be required for Phase 1. Where will the support structures be installed within those new easements?

A. As explained by ATXI witnesses Mr. Molitor and Ms. Green, ATXI will generally require new, 150-foot-wide easements for the Phase 1 Projects (again with the exception on the Maywood to Palmyra line segment which will only require 100-foot-wide easements), to achieve the standard right-of-way width for 345 kV transmission lines. Typically, the support structures for the transmission lines will be installed on the centerline of the new easements.[13] The transmission lines will be supported using single-shaft steel poles for the Phase 1 Projects, for both the new and rebuilt transmission lines. The poles will either be direct embed or installed on concrete foundations, eliminating the need for guy wires and anchors. Most tangent structures will be installed as direct embed structures and most support angle or dead-end structures will be installed on concrete foundations.

[11] This figure does not represent ATXI's ultimate cost, as it does not take into account MJMEUC's cost share for any of the projects or components that are part of the Program.

[12] ATXI's Program costs for the Northern Missouri Grid Transformation Program, as defined in this filing, excludes a relatively small amount of work and costs which ATXI is not responsible for constructing or funding (approximately $15.5 million in upgrades to AECI facilities, based on MISO cost estimates).

[13] The structures on the Maywood to Palmyra line segment may be offset from centerline of the new 100-foot-wide easements, towards ATXI's existing transmission line in order to take advantage of overlapping with ATXI's existing adjacent easement, which will achieve the required standard 150-foot-wide right-of-way.

Q. Where will transmission lines that will be rebuilt as part of Phase 1 be located in relation to the existing transmission line?

A. Rebuild construction will occur on the MMRX Project, on the Palmyra to Mississippi River line segment specifically, for a distance of approximately 6 miles. In general, the rebuilt transmission lines will also be located along the centerline of the existing transmission line. In determining the specific location of the rebuilt transmission lines within the new easements needed for the Projects, which are discussed by ATXI witness Ms. Green, ATXI will complete thorough reviews of any constraints or sensitivities identified along the proposed corridor for the lines and will work with landowners to identify and consider impacts on the landowners' continued use of their property when evaluating structure locations.

Q. Where the Phase 1 Projects' transmission lines parallel an existing road right-of-way, but are to be placed on private land, how far from the edge of the right-of-way will the centerline of the support structures be placed?

A. Generally, the centerline will be 75 feet off the edge of the road right-of-way, with a total right-of-way width of 150 feet.

Q. Where the Phase 1 Projects' transmission lines parallel other electric transmission lines, other than as described above, will the easement widths for either line be adjusted?

A. No. To ensure safe and reliable operation of each separate transmission line, the standard right-of-way widths will not be adjusted, and the standard 150-foot right-of-way will need to be achieved.

Q. What is the reason for this approach?

A. Maintaining a standard right-of-way width of 150 feet provides protection to ensure the full ability to operate and maintain the transmission line in the future in a scenario in which the parallel transmission line is retired or relocated. In such an instance, if the easement width of this new transmission line were adjusted, it may result in less than the required 150-foot-width. However, by overlapping easements for the existing and new proposed transmission lines, the impact to affected landowners can be reduced by minimizing the overall width of the affected area on the landowner's property.

VI. CONSTRUCTION MANAGEMENT, OPERATION, AND MAINTENANCE

Q. Which entity, specifically, will manage and supervise construction of Phase 1 of the Program?

A. Ameren Services will manage and supervise the construction of Phase 1 on behalf of ATXI (and its partners Ameren Missouri and MJMEUC).

Q. Is Ameren Services capable of managing and supervising the construction?

A. Yes, Ameren Services is capable of efficiently managing and supervising construction of the Phase 1 Projects. Ameren Services and its personnel have decades of experience overseeing the successful construction, reconstruction, rebuilding, and upgrading of hundreds of miles of transmission line and related facilities. Ameren Services has managed and supervised the construction of significant transmission line projects approved by the Commission, including, for example, on behalf of ATXI, the Mark Twain Project (Docket EA-2017-0345), the Limestone Ridge Project (Docket EA-2021-0087), and the Illinois Rivers Project (Docket EA-2015-0145).

Ameren Services has also managed and supervised, on behalf of ATXI, the construction of several significant transmission projects in Illinois.

Q. Who will manage the oversight of construction of Phase 1?

A. A highly qualified team, whose management comprises experienced transmission professionals, will manage the Phase 1 Projects' construction. That management team is headed by its Executive Sponsor, ATXI witness Mr. Shawn Schukar, Senior Vice President, Transmission for Ameren Services and Chairman and President of ATXI. Ms. Jackie Becker, Vice President, Engineering and Construction, Ameren Services, is Project Sponsor. As Executive Sponsor and Project Sponsor for the Projects, Mr. Schukar and Ms. Becker identify and approve the Project Manager; work with the appropriate business lines to ensure appropriate project justification is prepared and approved; and ensure adequate input from appropriate Business Support organizations such as Corporate Legal, Corporate Finance, Business Segment Controller, Supplier Services, and Risk/Credit. The Sponsors are also responsible for assessing the feasibility of the Project and ensuring that the Projects are supported by a Project Team staffed with appropriately qualified personnel, including a qualified Project Manager. The Sponsors also monitor Project performance; champion the Project through the corporate oversight and funding process; and otherwise see that the Project is executed in accordance with business and segment procedures and best practices.

Q. Who is responsible for the day-to-day management of Phase 1?

A. As Project Manager for the Project, I am responsible for ensuring that the objectives of the Phase 1 Projects are met, and that construction remains on time and on budget. I am also accountable for compliance with Ameren Services' project management policies and procedures,

which the Ameren Services' Project Management Oversight Group (PMOG) oversees. The PMOG is responsible for implementing and monitoring adherence to corporate governance and oversight policies.

Q. Who will support the management team?

A. Among other Ameren Services professionals, Ameren Services' Project Controls and Scheduling and Construction Services groups, which are also led by registered PMPs, will specifically support the Projects' management team. The Project Controls and Scheduling group will provide detailed scheduling, resource identification, data gathering, and cost monitoring and control support. The Construction Services group will assure that construction activities are conducted in a safe and efficient manner, consistent with the Projects' design specifications. Ameren Services will also employ contractors in various capacities to construct the Phase 1 Projects, as Ameren Services routinely does for electric transmission projects. Ameren Services may also engage outside firms, to the extent necessary, to assist with management of construction.

Q. You stated that you and others who will provide support managing construction of Phase 1 are PMPs. What is that credential and how is it attained?

A. The Project Management Professional credential is issued by the Project Management Institute, Inc. (PMI) and is an industry and globally recognized certification for project managers. A PMP certification demonstrates that an individual has the experience, education, and competency necessary to lead and direct projects and project teams. The PMP credential is accredited by the American National Standards Institute (ANSI) against International Organization for Standardization (ISO) standards concerning the quality management systems for continuing quality assurance. To apply for the PMP credential, an applicant must have either a

4 year degree and at least 3 years of project management experience with 4,500 hours leading and directing projects and 35 hours of project management education, or a secondary diploma with at least 5 years of project management experience with 7,500 hours leading and directing projects and 35 hours of project management education. An applicant also must pass a 4-hour exam that requires the applicant to apply project management concepts and experience to potential on-the-job situations. In addition, as part of PMI's Continuing Certification Requirements, to remain credentialed, a PMP also must earn 60 professional development units per 3-year cycle.

Q. How, specifically, will Ameren Services construct the Phase 1 Projects?

A. As it regularly does for electric transmission projects, Ameren Services will use what is known in the industry as the "design-bid-build" process. In the design-bid-build process, Ameren Services directs each phase of the construction activities. The process is the traditional approach to project delivery. In the design phase, the owner or its representative (here, Ameren Services) arranges for the design of the project, either by self-design or reliance on consulting engineers. In the bid phase, the owner coordinates the bidding of the materials and any external labor necessary to construct the project based on the design, selects the preferred vendors, and orders the required materials. In the build phase, the owner coordinates receipt of the materials and manages the construction, including the activities of any external construction contractors engaged.

Q. Will Ameren Services use contractors to construct Phase 1?

A. Yes. Using contractors is often the most efficient and cost-effective way to construct significant electric transmission projects like this Program. While Ameren Missouri does employ dedicated transmission linemen in Missouri, it would be cost-prohibitive and inefficient for

Ameren Services to permanently employ the internal staff necessary to support the peak manpower requirements associated with all electric transmission projects. Therefore, as it has routinely done, Ameren Services will use contractors to construct Phase 1 of the Program. Ameren Services intends that these construction contractors will be union contractors. Further, Ameren Services' goal is to use subcontractors and material suppliers local to the Projects' areas, such as local lumber yards, concrete suppliers, and suppliers for miscellaneous items needed during construction, to the extent practicable. Ameren Services will also seek to provide opportunities for meaningful participation in construction of Phase 1 by Minority Business Enterprises (MBE) and minority and women tradesman, including via programs established by primary contractors.

Q. How will Ameren Services select contractors to construct Phase 1?

A. Ameren Services uses a formal sourcing process to secure the labor necessary to construct its projects. Generally, the sourcing process comprises: (1) for contracts that exceed $5 million, formation of a contract development team to identify the scope of work to be completed and the contractor criteria necessary to complete the work; (2) development of project-specific construction specification, drawings, and other design documents to solicit proposals from contractors; (3) evaluation of the bids and qualifications received from those interested in the work as scoped; and (4) negotiation of the most favorable terms and conditions. This rigorous sourcing process assures that Ameren Services secures the best bid for efficient and cost-effective construction.[14]

[14] Ameren Services has selected Plocher Construction as the general contractor for Phase 1 using the methodology described. Ameren Services will utilize this process for selection of other contractors necessary for the Program.

Q. Will Ameren Services ensure adequate and efficient construction of the Phase 1 Projects, including supervision of that construction?

A. Yes. As I've explained, Ameren Services has substantial experience in managing electric transmission line project construction, which it will leverage to promote efficient construction of the Projects. Ameren Services also has documented corporate project oversight policies and procedures that govern all phases of the Ameren operating companies' respective construction projects. These policies and procedures are consistent with the Project Management Institute's Project Management Book of Knowledge (PMBOK), which is an ANSI standard. They outline the steps that Ameren Services will undertake to ensure efficient construction, such as confirming that contractors have a project-specific quality and safety plan in place and that the Project team develops a fully integrated, logic-driven construction schedule for the Projects.

Q. How will Ameren Services supervise construction of the Phase 1 Projects?

A. Ameren Services' Transmission Construction Services group will have primary responsibility for full-time job site supervision for the Projects. Additionally, employees engaged in design engineering, construction controls, and safety will monitor the construction. Ameren Services will also supervise selected construction contractors through field inspections, testing (as required), and construction review.

Q. Will the Projects be constructed in accordance with all applicable laws and regulations?

A. Yes. The Ameren Services personnel and its contractors are regularly involved in the construction of electric transmission projects both in Missouri and across the Ameren Transmission System. Their job responsibilities include being familiar with the laws and

regulations applicable to electric transmission line construction. Further, Ameren Services employees whose job responsibilities concern regulatory issues continuously monitor the laws and regulations applicable to the Ameren companies' construction projects for relevant changes, and those employees advise project management on any such changes so that management may implement, as necessary, modifications in project construction process or procedure. Ameren Services' experience and practice enable Ameren Services to ensure that construction of the Projects complies with all applicable federal and state laws, regulations, and orders of the Commission as well as the National Electrical Safety Code (NESC) published by the Institute of Electrical and Electronics Engineers (IEEE) Standards Association.

Q. Will Ameren Services also ensure that all construction debris is removed once construction has been completed?

A. Yes. Ameren Services has processes in place to ensure that all construction debris is removed once construction has been completed.

Q. How will Ameren Services control the costs of constructing the Phase 1 Projects?

A. The Ameren Services Transmission Project Controls and Scheduling group will implement a milestone payment process known as the weighted milestone method for construction of the Projects. The weighted milestone payment method is a project management technique for forecasting cash flow while measuring project performance and progress using predetermined milestone achievement dates. The milestone payment process combines scope, schedule, and cost measurements into a single integrated system. The Project management team will further divide the construction work for Phase 1into smaller sections or components within each of the Project's

segments that each end with an observable milestone. Then, I, as Project Manager, will assign a weighted value in the detailed work schedule to the labor or material required to meet each milestone towards the objective of controlling costs and performing on the major contracts to complete the construction work. Variances will be evaluated using reported actuals compared to the scheduled baseline.

Q. Will the construction of Phase 1, or portion of Phase 1, be managed or supervised other than as you've explained above?

A. No. Ameren Services will manage and supervise the construction of the entire Phase 1 of the Program, including the substation work, and ensure adequate and efficient construction and supervision, employing the practices, policies, and processes that I've described in this testimony. No segment or portion of Phase 1 of the Program will be an exception to that approach.

Q. Will Ameren Services also operate the Projects' facilities once constructed?

A. Yes. The Ameren Services Transmission Systems Operations group will be responsible for operating each segment of the Projects once placed in service. This team is composed of North American Electric Reliability Corporation (NERC) certified System Operators with substantial experience performing the Transmission Operator and Balancing Authority tasks pertinent to transmission facilities like the Projects. Ameren Services will provide these services in accordance with the Commission-approved General Services Agreement among those parties. Additionally, Ameren Services will operate the Projects compliant with all applicable state and federal laws, Federal Energy Regulatory Commission-approved NERC Standards, and any other applicable requirements.

Q. Please provide an overview of ATXI's plans for maintaining the Projects.

A. After the Transmission Line is placed into service, various Ameren Services transmission maintenance and management groups (line, substation, vegetation) will follow a routine cycle of patrols and coordinate scheduled maintenance. These patrols will be a combination of aerial patrols and foot patrols as defined by internal maintenance standards. Any maintenance issues identified during the patrols will be given a priority as provided by internal maintenance standards and a remediation action will be scheduled based on that priority. Ameren Services will then identify the labor resources necessary to address the remediation. In general, Ameren Services has a complete and robust line maintenance program that is defined by and subject to numerous internal standards, including those governing the routine patrol of assets and providing expectations around the repair of any issues that are identified.

With respect to substation maintenance, Ameren subsidiaries currently own and operate over 300 substations that contain transmission class equipment. Ameren Services and other Ameren operating subsidiaries maintain in-house substation maintenance expertise as well as operations and maintenance personnel at locations spread throughout Missouri and Illinois. All transmission substations are routinely inspected, and the individual equipment contained therein (breakers, etc.) is subject to an internal substation maintenance strategy setting equipment-specific maintenance expectations. Substation equipment is maintained to meet or exceed requirements set by NERC, and Ameren Services maintains documentation verifying this compliance, as well as information documenting the intervals at which maintenance activities are performed and the scope of work executed on any maintenance projects or visits.

Q. Please provide an overview of ATXI's plans for restoration of safe and adequate service after significant, unplanned/forced outages of the Projects.

A. Ameren Services has documented processes governing responses to unplanned outages. Ameren Services will apply these procedures to the Transmission Line by clearly defining roles and responsibilities across its experienced group of subject matter experts. Ameren Services operators will monitor the Transmission Line 24/7/365. If an unplanned outage occurs, subject matter experts will be assigned to review the outage data, utilize fault location information to determine distance to fault, dispatch field resources for make safe activities and to assess damage, and determine material and labor resources necessary for the safest and most efficient restoration. Ameren Services maintains a close relationship with multiple contract partners and tracks their staffing levels on Ameren projects on a continual basis. This information is used to determine the best resources to respond to the situation. Ameren Services also has access to an experienced staff of internal lineman that can respond to storm damage if necessary. Ameren Services and other Ameren operating subsidiaries maintain an extensive stock of spare parts for both planned and unplanned transmission needs. In the unlikely event that a single or multiple steel poles would fail, the immediate restoration of the line would be addressed using wooden structure material to quickly return the line to service. A planned project would then be executed to replace the equivalent steel structures as needed.

VII. CONSTRUCTION SCHEDULE

Q. What is the planned in-service date for the Phase 1 Projects?

A. ATXI is targeting an in-service date for all Phase 1 facilities by June 2028 in order to meet MISO's in-service date, which requires the Program to be in service no later than June 2030.

Q. Has Ameren Services developed a construction schedule to accommodate the planned in-service date for Phase 1?

A. Yes. Ameren Services has developed preliminary construction schedules and milestones for each of the Phase 1 Projects. Please see Schedule TD-D2 for a schedule breakdown for the Phase 1 Projects, separated by transmission line work and substation work.

Q. Do the construction schedules in Schedule TD-D2 accommodate any contingencies?

A. Yes. To meet the required MISO required in-service date for the LRTP Tranche 1 Portfolio, and to provide sufficient flexibility for time-sensitive tasks for regulatory, real estate, construction, commissioning, outage coordination activities, and integration with subsequent phases and components of the Program in Missouri, ATXI's planned in-service date will accommodate 12 months of contingency time, or float. This helps ensure an ample, sufficient, amount of scheduling flexibilities to account for delays caused by extreme or prolonged inclement weather, supply chain issues or constraints, and unforeseeable occurrences beyond the current forecast assumptions.

Q. What is the anticipated in-service date for all of ATXI's Program facilities?

A. ATXI is targeting an in-service date for all Program facilities, including all Phase 2 facilities, by December 2029. Again, ATXI's earlier planned in-service date helps ensure sufficient scheduling flexibility to accomplish long-lead time tasks and to help hedge against prolonged or unforeseeable delays, in order to meet MISO's required in-service date for LRTP Tranche 1 of June 2030.

Q. Is the schedule provided consistent with the typical timeframe for transmission projects like this proposal?

A. Yes. Projects involving transmission lines, new or rebuilds, usually take several years from inception to energization. Even smaller transmission projects than the proposed Program can take several years to plan and implement. For certificated projects, once a certificate is issued by the Commission, there are still several years' worth of milestones that must be achieved before a project can be placed in service. This starts with the real estate acquisition process, which can take a year or more depending on whether easements can be acquired voluntarily. Design and permitting must be completed, which requires field studies or surveys to be finalized, and substantial coordination with permitting agencies. Vegetation clearing often can be done in limited windows to avoid environmental constraints or sensitivities to wildlife. Material procurement will follow completion of design activities and is subject to risk of delay, especially considering recent supply chain disruptions. Active build work for co-located/rebuild segments can typically only be done during outage seasons (fall and spring), when weather is milder and electricity usage is more moderate. Further, given the length of the Projects and that Phase 1 includes rebuild construction, outages of existing transmission lines must be carefully coordinated to maintain system reliability,

which can limit the amount of construction that can be completed at a given time. While some tasks can be done in conjunction with one another, this still amounts to several years from certificate award to in-service date.

VIII. CONCLUSION

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 Tracy Dencker. I am a Senior Project Manager in the Transmission Project Management group for Ameren Services Company, which is a subsidiary of Ameren Corporation and an affiliate 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/ Tracy Dencker
Tracy Dencker
Senior Project Manager
for Ameren Services Company

On behalf of Ameren Transmission
Company of Illinois

Date: *July 16, 2024*