

Exhibit No.	ATXI Exhibit 2.0
Issue(s)	Construction Management Construction Schedule Construction Cost
Witness	Stephanie Thomson
Sponsoring Party	ATXI
Type of Exhibit	Direct Testimony
Case No.	EA-2022-0099
Date Testimony Prepared	December 21, 2021

**MISSOURI PUBLIC SERVICE
COMMISSION**

FILE NO.

EA-2022-0099

DIRECT TESTIMONY

OF

STEPHANIE THOMSON

ON

BEHALF OF

**AMEREN TRANSMISSION COMPANY OF
ILLINOIS**

St. Louis, Missouri
December 21, 2021

TABLE OF CONTENTS

I. INTRODUCTION.....1

II. PURPOSE OF TESTIMONY2

III. THE NEW FACILITIES3

A. Construction and Operation Management Process.....3

B. Construction Schedule.....8

C. Construction Cost9

IV. CONCLUSION11

DIRECT TESTIMONY OF

STEPHANIE THOMSON

FILE NO. EA-2022-0099

Submitted on Behalf of

AMEREN TRANSMISSION COMPANY OF ILLINOIS

I. INTRODUCTION

1
2 **Q. Please state your name, business address, and professional title.**

3 A. My name is Stephanie Thomson. My business address is 1901 Chouteau
4 Avenue, St. Louis, Missouri 63101. I am a Project Manager for Ameren Services
5 Company (Ameren Services). My testimony is offered on behalf of Ameren
6 Transmission Company of Illinois (ATXI).

7 **Q. Please summarize your professional experience and educational**
8 **background.**

9 A. In 1996, I graduated from Marquette University located in Milwaukee,
10 Wisconsin with a Bachelor of Science degree in Mechanical Engineering. In 2006, I
11 started working for a consulting firm in the electrical utility industry as a Project
12 Engineer in the Electrical Substation Design group. In 2011, I continued to enhance my
13 career at General Electric – Power as a Lead Project Engineer for approximately four
14 years, and transitioned into the Quality group as a Lead Quality Engineer for three years.
15 In 2019, I began my role as a Project Manager in the Electrical Substation Design
16 department for a consultant firm, and continued my role as a Project Manager in June

1 2021 with Ameren Services.

2 **Q. What are your duties and responsibilities in your current position?**

3 A. As a Project Manager, I am responsible for the planning, execution,
4 completion, and operational integration of certain transmission construction projects. I
5 am the Project Manager for the Project being proposed by ATXI in this proceeding.

6 **Q. Have you previously testified before the Commission?**

7 A. No.

8 **II. PURPOSE OF TESTIMONY**

9 **Q. What is the purpose of your direct testimony?**

10 A. I support ATXI's request for a Certificate of Convenience and Necessity
11 (CCN) and related Commission approvals authorizing it to construct, acquire, and
12 operate certain transmission assets as part of the "Project" described in the direct
13 testimony of ATXI witness Sean Black (ATXI Exhibit 1.0). Specifically, I explain the
14 construction and operation management process and the construction schedule for the
15 Project's three new construction components: the new Comstock substation, the new or
16 modified line facilities that ATXI will construct outside the new Comstock substation to
17 connect it to the grid (the Area Connections), and the new 161 kV transmission line that
18 will be constructed between the Existing Line (defined below) and the North Primary
19 substation owned by Municipal Light & Power (the New Line). I collectively refer to
20 these facilities as the "New Facilities." I also identify the costs of the New Facilities and
21 the Project's fourth component, the partial interest that ATXI will acquire in an existing

1 161 kV transmission line that extends south from Southwestern Power Administration's
2 (SWPA's) Sikeston substation and terminates at Associated Electric Cooperative Inc.'s
3 (AECI's) existing New Madrid substation (the Existing Line), including the costs that
4 will be allocated to customers in the Midcontinent Independent System Operator, Inc.
5 (MISO) Ameren Missouri (AMMO) Pricing Zone.

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

7 A. No.

8 **III. THE NEW FACILITIES**

9 **A. Construction and Operation Management Process**

10 **Q. How will ATXI manage construction of the New Facilities?**

11 A. Ameren Services, and specifically, an Ameren Services Project
12 Management Team, which I will lead, will manage the design and construction of the
13 New Facilities on behalf of ATXI, the Missouri Joint Municipal Electric Utility
14 Commission (MJMEUC), and the City of Sikeston (Sikeston), including the Sikeston
15 Board of Municipal Utilities (SBMU). For further explanation of the interests of the
16 various parties to the transaction, please see the direct testimony of Mr. Black.

17 **Q. Are ATXI and Ameren Services qualified to construct the New**
18 **Facilities?**

19 A. Yes. ATXI, through Ameren Services and its personnel, has many years
20 of experience successfully overseeing the construction of substations, transmission lines,
21 and related facilities. In fact, Ameren Services and its predecessors have been

1 constructing transmission lines and substations for decades, and have managed the
2 construction, re-construction, and rebuilding of hundreds of miles of transmission line.
3 Further, Ameren Services is currently managing and supervising, and has in the past
4 managed and supervised, on behalf of ATXI the construction of several significant
5 transmission line projects in Missouri, such as the Mark Twain Project. ATXI, supported
6 by Ameren Services, also recently received a CCN for the Limestone Ridge Project
7 (Case No. EA-2021-0087), a new greenfield project in southeast Missouri.

8 **Q. Will Ameren Services use competitive bidding for the design,**
9 **engineering, procurement, construction management, or construction of the New**
10 **Facilities?**

11 A. Yes. The New Facilities will be constructed using the design-bid-build
12 process. In the design-bid-build process, Ameren Services directs each phase of the work
13 activities. This is the traditional approach to project delivery wherein the owner (here,
14 ATXI, through Ameren Services) arranges for the completion of the design (either by
15 self-design or using consulting engineers). In the bid phase, the owner then coordinates
16 the bidding of the materials and any labor necessary for the project based on the design.
17 The owner then selects the preferred vendors and orders material. Finally, during the
18 build phase, the owner coordinates the receipt of the material and manages the
19 construction phase, including the activities of construction contractors.

20 **Q. How will Ameren Services select contractors for the New Facilities?**

21 A. Ameren Services, on behalf of ATXI, will use a formal sourcing process
22 to secure the labor necessary to construct the New Facilities. Generally, the sourcing

1 process is composed of: (1) formation of a contract development team to identify and
2 write the scope of work to be completed, identification of qualified contractors for
3 bidding, and the contractor selection criteria necessary; (2) evaluation and acceptance of
4 the bids and qualifications received from those interested in the work as scoped; and (3)
5 negotiation of the terms and conditions favorable to ATXI.

6 **Q. Why does ATXI intend to use contractors to construct the Project?**

7 A. Using contractors is the most efficient and cost-effective means to
8 construct projects like this one. It would be cost-prohibitive and inefficient for Ameren
9 Services or ATXI to permanently employ the internal staff necessary to support the peak
10 manpower requirements associated with all transmission construction projects.
11 Therefore, as it has routinely done in the past, Ameren Services, on behalf of ATXI, will
12 use contractors to construct the Project.

13 **Q. How will Ameren Services supervise construction of the New Facilities?**

14 A. Ameren Services' Transmission Construction Services group will have
15 primary responsibility for job site supervision. In addition to this supervision, employees
16 engaged in design engineering, construction controls, and safety will monitor the
17 construction. Finally, contractors selected for use in construction of the New Facilities
18 will be managed through field inspections, testing (as required), and construction review.

19 **Q. Will Ameren Services comply with all applicable rules and
20 requirements regarding construction of the New Facilities?**

21 A. Yes. The Ameren Services personnel involved in the design and

1 construction of the Project are regularly involved in the design and construction of
2 transmission lines in Missouri. So, they are aware of the laws and regulations applicable
3 to such design and construction, including any changes to those laws and regulations
4 over time. Given that experience and expertise, Ameren Services and ATXI can ensure
5 compliance with all applicable federal and state regulations and orders of the
6 Commission, including the National Electrical Safety Code.

7 **Q. How will ATXI operate and maintain the New Facilities once they are**
8 **constructed?**

9 A. As described by Mr. Black, per an Operation and Maintenance Services
10 Agreement (O&M Agreement) among certain parties to the Project, ATXI will operate
11 and maintain the Comstock substation. The Ameren Services Transmission Systems
12 Operations group on behalf of ATXI, specifically, will be responsible for operating and
13 maintaining the new substation once it is placed in-service. This team is comprised of
14 North American Electric Reliability Corporation (NERC) certified System Operators
15 with substantial experience performing Transmission Operator tasks pertinent to such
16 facilities. Per the O&M Agreement, SBMU will operate and maintain the Existing Line,
17 the New Line, and the Area Connections it owns or in which it has an interest. For a
18 more detailed understand of the various roles and responsibilities of the parties, please
19 see Mr. Black's direct testimony.

20 **Q. Please explain ATXI's plans for restoring safe and adequate service in**
21 **the event of significant, unplanned or forced outages of any of the New Facilities.**

22 A. With respect to the Comstock substation and the Area Connections,

1 Ameren Services has documented processes governing responses to unplanned outages.
2 Ameren Services will apply these procedures to the substation and transmission lines by
3 clearly defining roles and responsibilities across its experienced group of subject matter
4 experts.

5 Ameren Services operators will monitor the substation and transmission lines
6 24/7. If an unplanned outage occurs, subject matter experts will be assigned to review
7 the outage data, utilize fault location information to determine distance to fault, dispatch
8 field resources for make safe activities and to assess damage, and determine material
9 and labor resources necessary for the safest and most efficient restoration. Ameren
10 Services maintains a close relationship with multiple contract partners and tracks their
11 staffing levels on Ameren projects on a continual basis. This information is used to
12 determine the best resources to respond to the situation. Ameren Services also has access
13 to an experienced staff of internal lineman that can respond to storm damage if
14 necessary.

15 Further, Ameren Services and other Ameren operating subsidiaries maintain an
16 extensive stock of spare parts for both planned and unplanned transmission needs. In the
17 unlikely event that substation equipment or steel poles would fail, a temporary solution
18 would be implemented for immediate restoration, and use wooden structures to quickly
19 return the line to service. A planned project would then be executed to replace the
20 equivalent equipment and steel structures as needed.

21 Should the Existing Line or the New Line experience any such outages, SBMU,
22 per the O&M Agreement, will be available to make any necessary repairs using its

1 dedicated local resources.

2 **B. Construction Schedule**

3 **Q. What is the planned in-service date for the New Facilities?**

4 A. ATXI anticipates that all the New Facilities will be fully operationally
5 and used for service by June 2023, which is the Project parties' goal, as explained by
6 Mr. Black.

7 **Q. What is the projected beginning of construction date for the New**
8 **Facilities?**

9 A. ATXI proposes to begin construction activities, including securing all
10 required permits, starting in May 2022.

11 **Q. Has ATXI developed a construction schedule to accommodate the**
12 **planned in-service date for the New Facilities?**

13 A. Yes. The table below presents various the Project milestones by type of
14 asset:

Comstock Substation		
	Start	Finish
PSC Filing	Q4 2021	Q2 2022
Engineering Design Issued for Construction	03/21/2022	06/25/2022
RE Acquisition	Ongoing	Ongoing
Civil Construction	05/18/2022	01/31/2023
Electrical Substation Construction	09/06/2022	03/09/2023
Project In-Service	03/09/2023	05/31/2023
Property Restoration	06/01/2023	12/01/2023

Area Connections and New Line		
	Start	Finish

PSC Filing	Q4 2021	Q2 2022
Engineering Design Issued for Construction	05/05/2022	06/15/2022
RE Acquisition	Ongoing	Ongoing
Transmission Line Civil Construction	09/06/2022	11/08/2022
Transmission Line Electrical Construction	03/01/2023	05/12/2023
Project In-Service	05/01/2023	05/31/2023
Property Restoration	06/01/2023	12/01/2023

1

2 **Q. Does this construction schedule accommodate any contingencies?**

3 A. Yes. It is always prudent, when developing a construction schedule, to
4 expect the unexpected. Accordingly, this construction schedule accommodates about 30
5 calendar days of contingency, which accounts for potential construction delays due to
6 inclement weather and other unanticipated schedule delays.

7 **C. Construction Cost**

8 **Q. What is the total estimated cost of the New Facilities to ATXI?**

9 A. As Mr. Black explains, ATXI estimates that it will cost approximately
10 \$20.6 million to construct the new Comstock substation, the Area Connections, and the
11 New Line, and to acquire a partial interest in the Existing Line¹. Of this total estimated
12 cost, per the parties' collective agreements, ATXI and MJMEUC will be responsible for
13 approximately \$10.9 million. The table below shows a breakdown of the total estimated
14 cost for each component of the Project and the portion of that total estimated cost that

¹ This does not include the payment for the Option Agreement referenced by Mr. Black. It also does not include the cost to connect the SBMU distribution line referenced by Ms. Timmermann, as that connection is speculative at this time.

1 will be allocated to customers in MISO's AMMO Pricing Zone:

Facility	Entity	Contribution	Cost	Cost Allocated to Zone
Comstock				
	ATXI	23.3%	\$ 3,754,724.61	\$ 3,754,724.61
	MJMUEC	22.4%	\$ 3,607,480.51	\$ 3,607,480.51
	Sikeston (SBMU)	54.3%	\$ 8,739,048.65	-
		Comstock Total	\$ 16,101,253.77	\$ 7,362,205.12
Area Connections				
	ATXI	20.9%	\$ 349,356.97	\$ 349,356.97
	MJMUEC	20.0%	\$ 335,656.69	\$ 335,656.69
	Sikeston (SBMU)	59.1%	\$ 989,693.71	-
		Area Connections Total	\$ 1,674,707.37	\$ 685,013.66
Existing Line (Purchase)				
	ATXI	51%	\$ 510,000.00	\$ 510,000.00
	MJMUEC	49%	\$ 490,000.00	\$ 490,000.00
		Existing Line Total	\$ 1,000,000.00	\$ 1,000,000.00
New Line				
	ATXI	51%	\$ 923,120.57	\$ 923,120.57
	MJMUEC	49%	\$ 886,919.76	\$ 886,919.76
		New Line Total	\$ 1,810,040.33	\$ 1,810,040.33
		PROJECT COST TOTAL	\$ 20,586,001.47	
		ALLOCATED COST TOTAL		\$ 10,857,259.11

2

3 **Q. How did ATXI determine the estimated costs to construct the New**
4 **Facilities?**

5 A. The Project team worked with Ameren Services' Cost Engineering group
6 and other subject matter experts to derive the estimates for the various Project
7 components. Please note, however, that while we believe this estimate to be accurate at
8 this time, there is always the potential for some change or fluctuation as Ameren
9 Services, on behalf of ATXI, competitively bids the various Project elements and secures

1 the necessary equipment, all in a generally rising-cost environment.

2 **Q. Are all known costs associated with construction of the New Facilities**
3 **reflected in these estimated costs?**

4 A. Yes.

5 **IV. CONCLUSION**

6 **Q. Does this conclude your direct testimony?**

7 A. Yes.

