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

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| 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. relating to Transmission Investments in North Central Missouri. | ) ) ) ) ) ) ) | File No. EA-2025-0087 |

## APPLICATION

COMES NOW Ameren Transmission Company of Illinois (ATXI) and: (1) pursuant to Section 393.170.1, RSMo, 20 CSR 4240-2.060, and 20 CSR 4240-20.045, makes this application to the Missouri Public Service Commission (Commission) for a certificate of convenience and necessity (CCN) authorizing it to construct, install, own, operate, control, manage, and maintain slightly over 200 miles of new 345 kV transmission lines across DeKalb, Daviess, Grundy, Sullivan, Adair, Knox, Lewis, Marion, Macon, and Randolph Counties, referred to as the Denny-Zachary-Thomas Hill-Maywood (DZTM) Project (the Project or DZTM Project);[1] and (2) pursuant to Section 393.190.1, RSMo, 20 CSR 4240-2.060, and 20 CSR 4240-10.105, makes this application to the Commission for permission and authority to transfer an undivided 49% interest in certain transmission facilities for the DZTM Project to the Missouri Joint Municipal Electric Utility Commission (MJMEUC) shortly before applicable portions of the DZTM Project are placed into service.

The DZTM Project constitutes the second phase (Phase 2) of the Northern Missouri Grid Transformation Program (the Program), which represents the Missouri jurisdictional portion of 3 of the 18 Multi-Value Projects (MVPs) approved by the Midcontinent Independent System

[1] While the DZTM Project includes upgrades to ATXI's Zachary Substation, that work is not part of the formal CCN request as explained below.

Operator, Inc. (MISO) as part of its Long Range Transmission Planning (LRTP) Tranche 1 Portfolio incorporated into the 2021 MISO Transmission Expansion Plan (MTEP21). Phase 2 is designed to be operated in conjunction with the entire LRTP Tranche 1 Portfolio, including the other two LRTP Tranche 1 projects in Missouri, the Fairport-Denny-Iowa/Missouri Border (FDIM) Project and the Maywood-Mississippi River Crossing (MMRX) Project, which constitute Phase 1 of the Program and are the subject of pending File No. EA-2024-0302.

The DZTM Project is generally comprised of three line segments. The first line segment for the DZTM Project will run approximately 102 miles or 107 miles (depending on the configuration option approved) from ATXI's new Denny Substation in DeKalb County, being constructed as part of the FDIM Project, to ATXI's existing Zachary Substation near Kirksville, Missouri (the DZ Segment). The DZ Segment consists of two configuration options: a single circuit option (the DZ Single Circuit Option), which would mostly be routed adjacent to existing or planned Associated Electric Cooperative, Inc. (AECI) 161 kV transmission line corridors; or a double circuit option (the DZ Double Circuit Option) to be undertaken in collaboration with AECI, and pursuant to which ATXI would rebuild a section of an existing AECI 161 kV transmission line in a double circuit configuration and build a separate greenfield section in a double circuit configuration with a planned AECI 161 kV transmission line, in order to collocate the new 345 kV circuit on a single set of structures for the vast majority of the DZ Segment.

The second line segment will be approximately 60 miles in length and will connect the existing Zachary Substation to ATXI's existing Maywood Substation near Palmyra, Missouri (the ZM Segment). That line segment will be routed adjacent to an existing ATXI transmission line (the Mark Twain line) and partially within its corridor.

The third line segment consists of rebuilding approximately 44 miles of an existing Union Electric Company d/b/a Ameren Missouri (Ameren Missouri) single circuit 161 kV transmission line to a double circuit line within and overlapping the existing transmission corridor, from the Zachary Substation to AECI's existing Thomas Hill Substation in Randolph County, Missouri (the ZT Segment), co-locating the 345 kV circuit to be owned by ATXI almost entirely on the same new double circuit structures to be owned by ATXI, with the existing 161 kV circuit (which will continue to be owned by Ameren Missouri).

ATXI has partnered with MJMEUC on the portions of the DZTM Project that were subject to MISO's competitive developer selection process. MJMEUC will purchase a 49% interest in the competitive portion of the Project facilities that will be owned by ATXI, and share 49% of the costs of the competitive scope of the Project.[2]

The DZTM Project, as part of the Program and LRTP Tranche 1 Portfolio, addresses system constraints and adds needed transmission capacity to the grid. The added capacity helps ensure 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. The requested transfer permission and related approvals will enable ATXI to provide the benefits of the Phase 2 DZTM Project to Missouri electricity customers at a lower cost than if the permission were not granted because it allows the use of a collaborative effort and cost sharing arrangement with MJMEUC.

[2] The competitive scope of the DZTM Project owned by ATXI includes the following facilities: 1) DZ Segment 345 kV circuit and structures; 2) ZM Segment 345 kV circuit and structures, and 3) ZT Segment 345 kV circuit only.

## I. The Applicant

1. ATXI is a corporation organized under the laws of Illinois with its principal office at 1901 Chouteau Avenue, St. Louis, Missouri 63103. It is a wholly owned subsidiary of Ameren Corporation (Ameren). ATXI is duly authorized to do business in Missouri. A certified copy of ATXI's Authority to Conduct Business in the State of Missouri is attached to this Application as **Appendix A**. ATXI does not do business under a fictitious name in Missouri.

2. ATXI is what is referred to as a transmission-only utility. It was initially created to help facilitate additional transmission development in Illinois. Today, ATXI generally pursues and develops transmission opportunities that create value for end-use customers in the region in general, but that might not best fit into the project development portfolios of Ameren's traditional incumbent utilities, and ATXI affiliates, Ameren Missouri or Ameren Illinois Company d/b/a Ameren Illinois.

3. ATXI is engaged in the construction, ownership, and operation of interstate transmission lines that transmit electricity for public use. ATXI was first recognized by the Commission as a public utility in File No. EA-2015-0145. ATXI has a successful track record in developing MVPs like the Mark Twain Transmission Project and other collaborations like the Limestone Ridge Project (File No. EA-2021-0087).

4. Other than matters that may be pending before the Federal Energy Regulatory Commission (FERC), ATXI has no pending actions or final unsatisfied judgments or decisions against it from any state or federal court or agency within the past three (3) years involving customer service or rates. ATXI has no overdue or unpaid annual reports or assessment fees.

5. On September 9, 2024, ATXI filed a 60-day notice under 20 CSR 4240-4.017(1) that it intended to file this application, which was assigned the above-captioned file number.

6. All correspondence, communications, notices, orders, and decisions of the Commission with respect to this matter should be sent to Applicant's counsel.

7. An affidavit providing the authorized officer verification required by 20 CSR 4240-2.060(1)(M) is attached as **Appendix B** to this Application.

## II. The Program and Phase 2 DZTM Project

### A. Energy Industry Transition

8. The energy industry landscape in Missouri and the broader MISO region is experiencing fundamental change. Many customers are demanding more low-carbon energy sources, and certain states and utilities are pursuing and implementing policies and goals designed to move towards a cleaner energy future. As a result, many centralized conventional generation sources, like coal-fired power plants, are winding down or ceasing operation. At the same time, distributed and renewable generation sources are coming online with increasing frequency. And more customers are relying on electricity as their primary energy source today than before.

9. As explained below, the transition also presents challenges to the reliability of the MISO transmission grid that Missouri customers depend on, every hour of every day, to power their lives. Investments in that grid are required to ready it for the transition. And given the accelerating pace of the transition, the grid must be readied now, if MISO, states, and utilities are to continue to fulfill their commitments to reliable, efficient, and cost-effective electricity.

### B. Transmission Planning for a Clean Energy Future

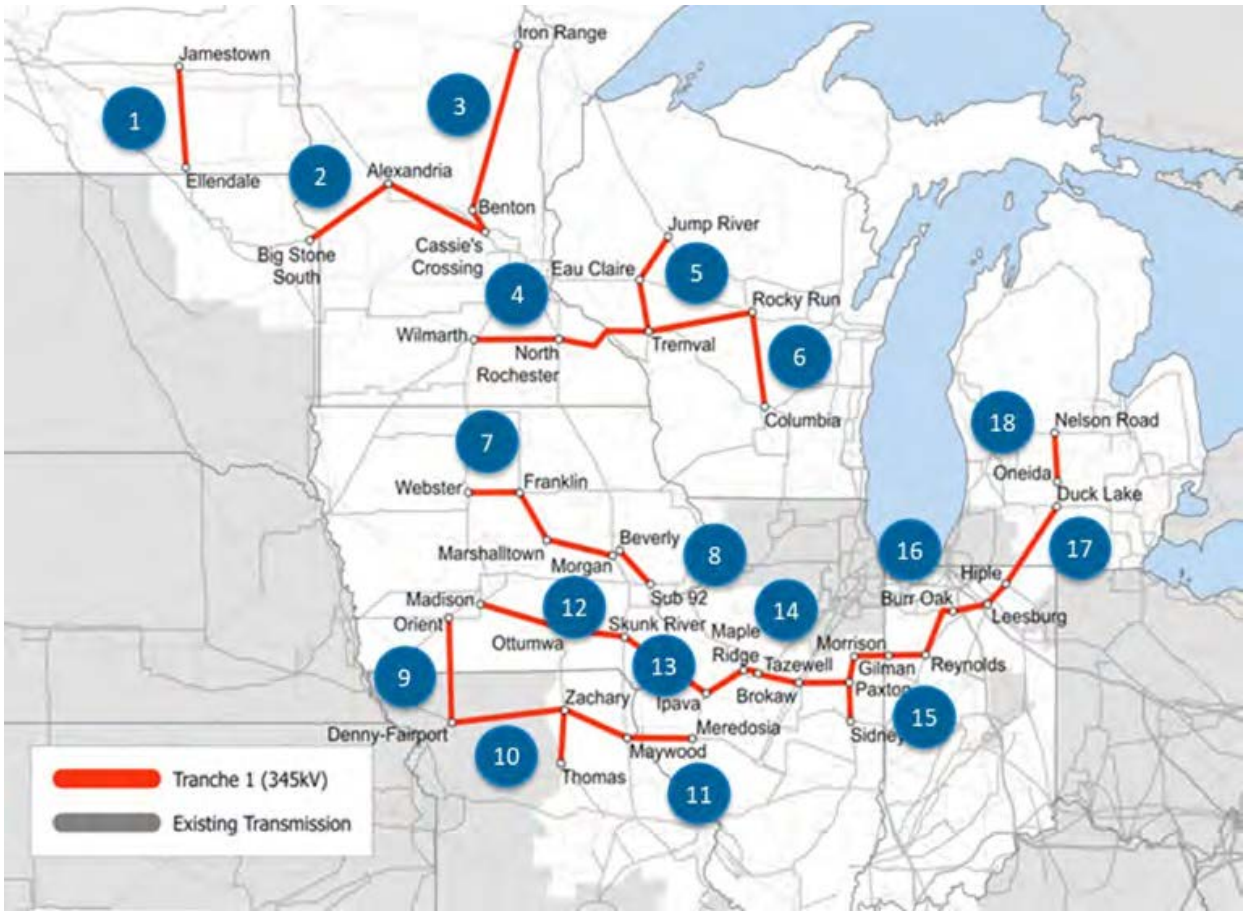
10. MISO continuously and rigorously studies and plans the grid within its footprint, in collaboration with its transmission owners (TOs), states, and other industry stakeholders, to ensure a grid that both today and in the future is not only reliable, but also supports federal and state policies and enables a market that benefits all customers.

11. In 2018, having observed a significant shift in its members' portfolio projections from conventional generation to substantial levels of new renewables, MISO undertook a Renewable Integration Impact Assessment (RIIA) to better understand the impact of renewable energy growth on its system over the long term. The RIIA specifically assessed the effect on the MISO system of integrating increasingly higher levels of renewables. The assessment found that renewables penetration levels of up to 30% are likely manageable with incremental transmission expansion. But at penetration levels beyond 30%, planning and operating the grid become more complex. Those levels cause significant grid issues, including thermal overload issues on the Ameren system in Missouri, which degrade system performance. Thus, increased transmission investment is required to maintain system reliability. The RIIA further found that, nevertheless, renewables penetration levels of even 50% or higher could be reliably achieved if MISO, TOs, and states work together to develop and implement grid solutions that will support that level of renewables integration.

12. MISO began collaborating with TOs and other stakeholders towards those solutions. In 2019, it launched the Long-Range Transmission Planning (LRTP) initiative to develop an updated regional transmission "backbone" in MISO that could cost-effectively maintain grid reliability while serving future transmission needs over the next 20 years. MISO considers the LRTP initiative to be the most complex transmission study effort in its history. The LRTP study is a first-of-its kind, multi-phase, multi-year study informed by extensive, open, and iterative stakeholder processes. The study has four primary objectives: ensure a reliable system; provide cost-effective solutions that allow the future resource fleet to serve load across MISO's footprint; enable access to lower-cost energy; and allow more flexibility in the fuel mix for customer choice.

13. Three years into the LRTP initiative, MISO identified the first of several "tranches" of regional transmission expansion plans to maintain grid reliability and stability within its footprint in the face of the changing energy industry. MISO dubbed the collection of integrated projects comprising that plan as the "LRTP Tranche 1 Portfolio." MISO determined that the plan needed to be in service by June 2030. And in July 2022, MISO's Board of Directors approved the LRTP Tranche 1 Portfolio transmission expansion plan for implementation. The LRTP Tranche 1 Portfolio is notable because it represents the beginning of the next wave of regional transmission planning and is fundamental to the success of meeting future demands.

14. The LRTP Tranche 1 Portfolio, which is depicted below, is the largest integrated transmission expansion plan ever approved by a U.S. RTO. It comprises approximately 2,000 miles of new and upgraded high-voltage transmission lines needed to add capacity across the north and central parts of MISO—MISO's Midwest Subregion—including across north Missouri. As determined by MISO, it represents an estimated $10.3 billion in transmission investment, with quantified benefits to the Midwest Subregion exceeding that cost by a magnitude of at least 2.6 times. MISO, in collaboration with TOs and other stakeholders, determined that this updated transmission backbone will integrate new generation resources that utilities and states build in MISO's Midwest Subregion, support the reliable and affordable transition of the fleet there, and help support future load growth and system demands.


Jamestown
Iron Range
1
3
Ellendale
2
Alexandria
Benton
Big Stone South
Cassie's Crossing
Jump River
Eau Claire
5
4
Rocky Run
Wilmarth
North Rochester
Tremval
6
Columbia
18
Nelson Road
7
Oneida
Duck Lake
Webster
Franklin
Beverly
16
17
Marshalltown
Morgan
8
Hiple
Madison
12
Sub 92
14
Burr Oak
Leesburg
Orient
Skunk River
Maple Ridge
Morrison
Ottumwa
13
Tazewell
Gilman
Reynolds
9
Brokaw
Paxton
Zachary
Ipava
15
Denny-Fairport
Meredosia
Sidney
10
Maywood
Thomas
11
Tranche 1 (345kV)
Existing Transmission

| ID | DESCRIPTION | EXPECTED ISD | EST COST ($2022M) |
|---|---|---|---|
| 1 | Jamestown – Ellendale | 12/31/2028 | $439 |
| 2 | Big Stone South – Alexandria – Cassie's Crossing | 6/1/2030 | $574 |
| 3 | Iron Range – Benton County – Cassie's Crossing | 6/1/2030 | $970 |
| 4 | Wilmarth – North Rochester – Tremval | 6/1/2028 | $689 |
| 5 | Tremval – Eau Claire – Jump River | 6/1/2028 | $505 |
| 6 | Tremval – Rocky Run – Columbia | 6/1/2029 | $1,050 |
| 7 | Webster – Franklin – Marshalltown – Morgan Valley | 12/31/2028 | $755 |
| 8 | Beverly – Sub 92 | 12/31/2028 | $231 |
| 9 | Orient – Denny – Fairport | 6/1/2030 | $390 |
| 10 | Denny – Zachary – Thomas Hill – Maywood | 6/1/2030 | $769 |
| 11 | Maywood – Meredosia | 6/1/2028 | $301 |
| 12 | Madison – Ottumwa – Skunk River | 6/1/2029 | $673 |
| 13 | Skunk River – Ipava | 12/31/2029 | $594 |
| 14 | Ipava – Maple Ridge – Tazewell – Brokaw – Paxton East | 6/1/2028 | $572 |
| 15 | Sidney – Paxton East – Gilman South – Morrison Ditch | 6/1/2029 | $454 |
| 16 | Morrison Ditch – Reynolds – Burr Oak – Leesburg – Hiple | 6/1/2029 | $261 |
| 17 | Hiple – Duck Lake | 6/1/2030 | $696 |
| 18 | Oneida – Nelson Rd. | 12/29/2029 | $403 |
| | TOTAL PROJECT PORTFOLIO COST | | $10,324 |

15. The Missouri jurisdictional portions of MVPs 9, 10, and 11 of the LRTP Tranche 1 Portfolio constitute the Program and include the Phase 2 DZTM Project. MISO identified these 3 MVPs as The Northern Missouri Corridor Final Solution, which is further depicted below:

**Northern Missouri Corridor**

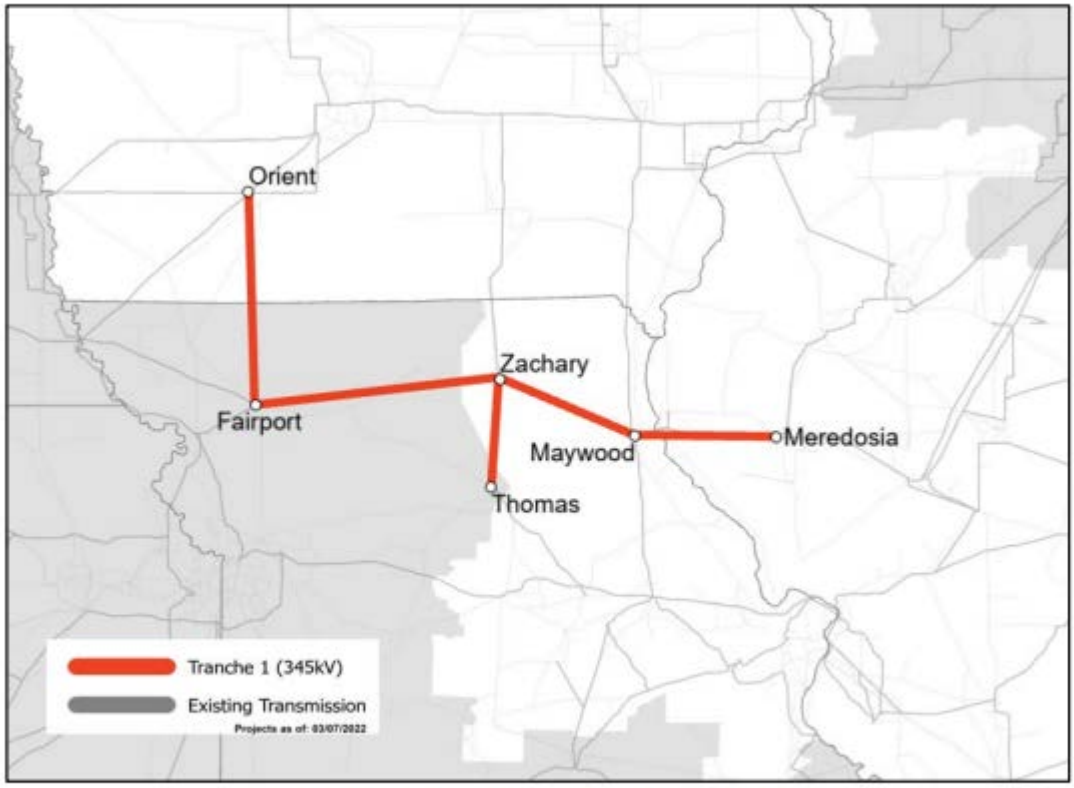



Figure 6-17: Northern Missouri Corridor Final Solution

**Projects:**
Orient – Fairport – Zachary – Maywood – Meredosia 345 kV
Zachary – Thomas 345 kV

### C. The Northern Missouri Grid Transformation Program

16. ATXI is obligated to construct the Missouri portion of MISO's LRTP Tranche 1 Portfolio under processes established by the MISO Tariff. ATXI, MJMEUC, and Ameren Missouri are working together to build a more reliable and resilient energy grid for the future through the Program. As explained above, the Program represents the Missouri jurisdictional portion of 3 of the 18 MVPs approved by the MISO as part of its LRTP Tranche 1 Portfolio, which represents the first wave, or "Tranche," of MISO's ongoing long term transmission planning effort. The DZTM

Project constitutes Phase 2 of the Program[3] and is the subject of this Application. Phase 2 of the Program consists of slightly over 200 miles of new, 345 kilovolt (kV), transmission line across north central Missouri through the DZTM Project. Phase 2 also includes upgrades to ATXI's Zachary Substation and AECI's Thomas Hill Substation for the DZTM Project.[4]

17. The LRTP Tranche 1 Portfolio was identified by MISO as necessary to address the challenges to the transmission grid in its footprint, which includes the grid in Missouri, posed by a changing energy fleet. The LRTP Tranche 1 Portfolio, including the Missouri portion, accomplishes this by adding needed transmission capacity to the grid. The added capacity ensures grid reliability and resiliency and promotes access across the region to diverse energy sources, 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 needed to respond to and ready the grid for the changing energy industry.

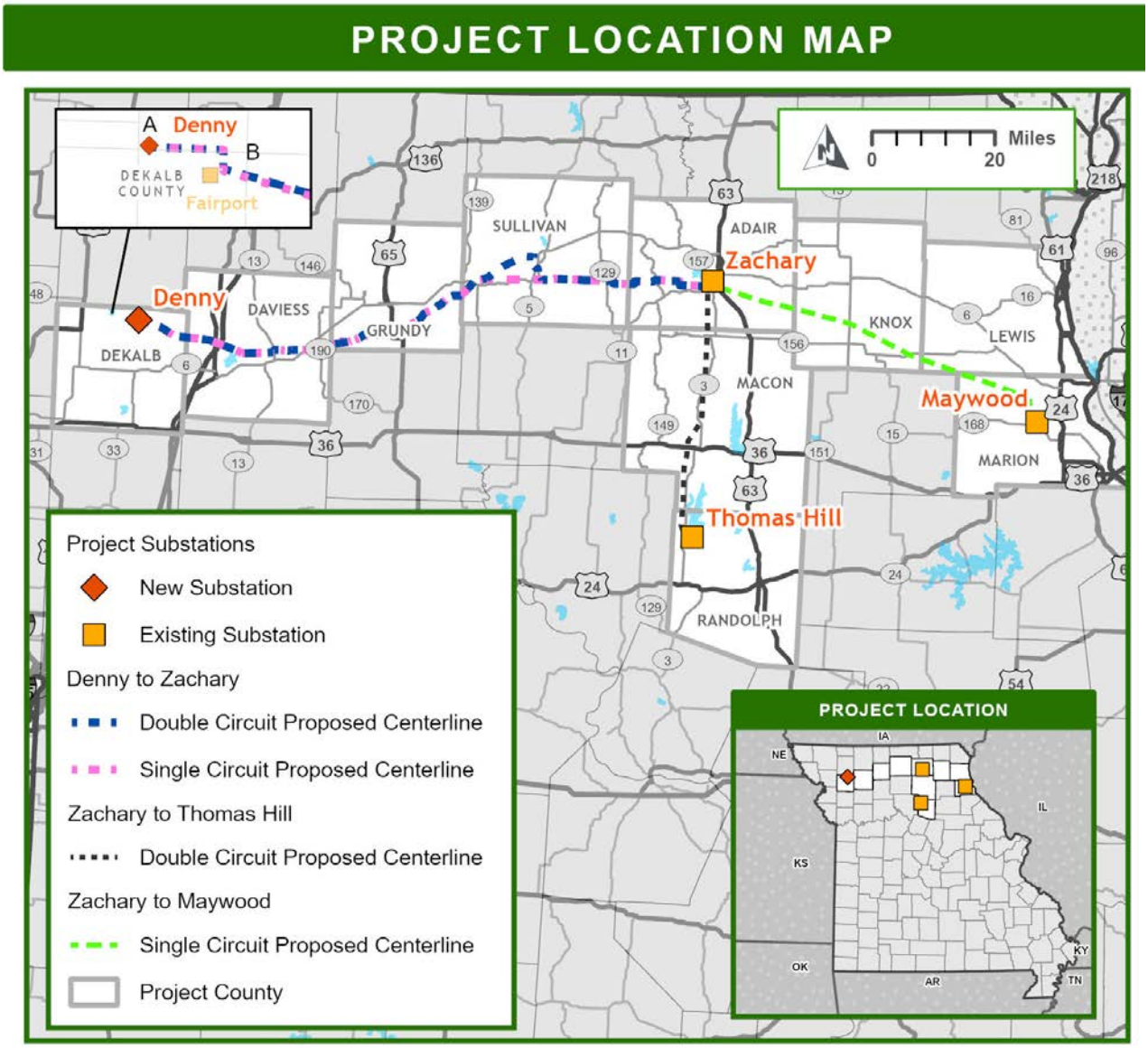
18. The DZTM Project represents one of the MVPs approved by MISO as part of its LRTP Tranche 1 Portfolio for inclusion in MTEP21. Portions of the DZTM Project were eligible for MISO's Competitive Developer Selection Process, including the following facilities: 1) DZ Segment 345 kV circuit and structures; 2) ZM Segment 345 kV circuit and structures, and 3) ZT Segment 345 kV circuit only. MISO issued a Request for Proposals (RFP) for the DZTM Project

[3] The DZTM Project is 1 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 MISO witness Mr. Jeremiah Doner. It is ATXI's understanding that MISO intends to move to intervene and file the direct testimony of Mr. Jeremiah Doner in support of the Application shortly after ATXI's filing of its Application and direct testimony. All references to the direct testimony of MISO witness Mr. Jeremiah Doner reflect ATXI's understanding of his forthcoming testimony.

[4] The construction of the new ATXI Denny Substation will occur as part of the FDIM Project, which is the subject of pending File No. EA-2024-0302. The upgrades to the existing ATXI Maywood Substation will occur as part of the MMRX Project, which is also the subject of pending File EA-2024-0302. Upgrades are also required for AECI's Thomas Hill Substation, but are being completed by AECI.

on June 2, 2023. On April 2, 2024, MISO chose ATXI to be the Selected Developer for the DZTM Project and recognized MJMEUC as a project partner. ATXI partnered with MJMEUC on the DZTM Project and will transfer to MJMEUC a 49% interest in the portions of the Project that were subject to MISO's Competitive Developer Selection Process shortly before the project is placed into service.

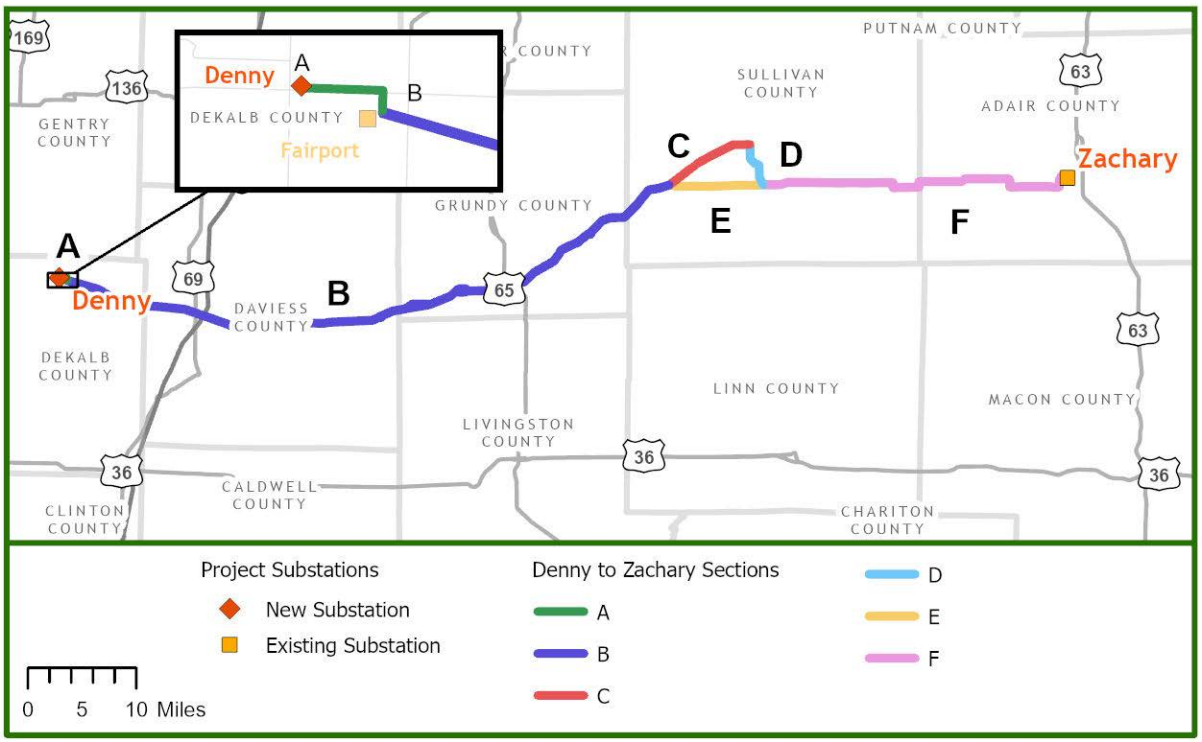
19. As described above, the DZTM Project includes the construction of slightly over 200 miles of new 345 kV transmission lines divided into three transmission line segments spanning ten Missouri Counties: DeKalb, Daviess, Grundy, Sullivan, Adair, Knox, Lewis, Marion, Macon, and Randolph. The three segments of the DZTM Project are the DZ Segment, designed and routed with either the DZ Double Circuit Option (approximately 107 miles) or the DZ Single Circuit Option (approximately 102) miles, the ZM Segment (approximately 60 miles), and the ZT Segment (approximately 44 miles). The direct testimonies of ATXI witnesses Mr. Molitor and Mr. Rudis provide additional detail on the configuration of these segments. The proposed route for the DZTM Project, including the DZ Double Circuit Option and the DZ Single Circuit Option, is shown in the overview map below as well as in **Appendix E** to this Application for the DZ Segment, **Appendix F** for the ZM Segment, and **Appendix G** for the ZT Segment:




20. Among other benefits, the Program, including the Phase 2 DZTM Project, 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.

### D. Double Circuit and Single Circuit Design and Route Options for the DZ Segment

21. As explained above, ATXI is presenting the Commission with two options (one a double circuit configuration and the other a single circuit configuration) for the design and route of the DZ Segment identified, respectively, as the DZ Double Circuit Option and the DZ Single Circuit Option. MISO selected the DZ Single Circuit Option.[5] If the Commission were to approve the DZ Double Circuit Option, ATXI would seek a change order from MISO to approve use of that option. The DZ Segment is depicted in the overview map contained below which is broken out into Sections labeled A through F to more precisely identify the differences in the route and scope of work for the DZ Single Circuit Option and the DZ Double Circuit Option.




[5] ATXI originally submitted a double circuit option to MISO which it determined was beyond the scope of its request for proposals.

22. The DZ Single Circuit Option consists of Sections A, B, E, and F, while the DZ Double Circuit Option consists of Sections A, B, C, D, and F. The DZ Single Circuit Option would mostly be routed on single circuit structures along the south side of existing (Sections B) or planned new (Section F) AECI transmission line corridors. The DZ Double Circuit Option would co-locate the new 345 kV circuit on a single set of structures for the vast majority of the entire DZ Segment. Sections B and C of the DZ Double Circuit Option would rebuild an existing AECI 161 kV transmission line in a double circuit configuration and be co-located with AECI's line. Sections D and F of the DZ Double Circuit Option would construct a new greenfield double circuit line for co-location with a planned new AECI 161 kV transmission line. A more detailed description of each Section for the two options is contained in the direct testimony of ATXI witnesses Mr. Molitor and Mr. Dan Schmidt.

23. The DZ Double Circuit Option results in approximately $19.1 million in additional net costs after cost sharing, as discussed in the direct testimony of ATXI witness Mr. Rudis, but produces certain benefits with respect to reduced property impacts, as discussed in the direct testimony of ATXI witnesses Mr. Hoven, Mr. Molitor, and Mr. Rudis. The DZ Double Circuit Option requires approximately 1,220 less new easement area acres[6] than the DZ Single Circuit Option (619 vs. 1,839) since it overlaps AECI's existing or planned transmission corridors, which is roughly a 66.3% decrease in new easement area acres. It also results in lower construction activity impacts since both ATXI's and AECI's new lines for Sections D and F would be built together as part of a single construction project under the DZ Double Circuit Option, whereas

[6] The reference to "new easement area acres" refers to easement area not previously encumbered by an existing or otherwise planned easement by ATXI or another entity. For example, if all or part of a required easement area was not encumbered by an existing easement or would not be encumbered by an easement that is planned notwithstanding the DZTM Project, but would be encumbered by a new easement for the applicable line segment/option, then the applicable easement area would constitute new easement acres.

under the DZ Single Circuit Option Section F would be subject to separate construction projects by two different companies at two different times. The DZ Double Circuit Options also reduces the number of total structures on landowner property since both lines would share a single set of structures, which also reduces structure maintenance activity. From a property impact perspective, having a single construction project with the DZ Double Circuit Option instead of two separate construction projects with the DZ Single Circuit Option can be expected to have less impact on public roads, less soil compaction, and lower overall amounts of construction equipment and activity. Similarly, the reduced level of maintenance activity associated with the DZ Double Circuit Option would result in a corresponding reduction to associated property impacts.

24. As discussed by ATXI witness Mr. Hoven, the DZ Double Circuit Option, with a narrower footprint, less structures, and less/lower construction/maintenance impacts, would have less vegetation clearing and is expected to have less impact on farming activities, farm production, and irrigation pivots as well as reduce the potential of noxious weeds and crop loss in agricultural areas. As discussed in the direct testimony of ATXI witness Ms. Leah Dettmers, the feedback ATXI has obtained from its public engagement activities indicates a substantial preference for the DZ Double Circuit Option.

## III. Certificate of Convenience and Necessity

25. Pursuant to 393.170.1 RSMo, ATXI is requesting a CCN to construct, install, operate, control, manage, and maintain the Phase 2 DZTM Project. Construction of the Phase 2 DZTM Project is necessary and convenient for the public service for the reasons stated above and in the supporting direct testimony of ATXI's and MISO's witnesses.

26. The "Tartan Factors," typically relied upon by the Commission in evaluating CCN requests, support issuance of the CCN that ATXI requests, as follows.

27. There is need for the service ATXI proposes to provide through the Program, including the Phase 2 DZTM Project, for the reasons given above and as further explained in the direct testimonies of ATXI witnesses Mr. Schukar, Dr. Schatzki, Mr. Davies, and Mr. Rudis and MISO witness Mr. Doner.

28. The reliability and economic benefits that the Program and the Phase 2 DZTM Project will provide are explained in the direct testimony of ATXI witnesses Dr. Schatzki, Mr. Davies, Mr. Schukar, and Mr. Rudis as well as MISO witness Mr. Doner.

29. The construction is economically feasible, as explained in the direct testimony of ATXI witnesses Mr. Gudeman and Dr. Schatzki. The Program is necessary to provide adequate, reliable, and efficient service and will produce tangible benefits that exceed its costs to satisfy the service needs of Missouri customers.

30. ATXI has the financial capability to construct the Program, as the direct testimony of ATXI witness Mr. Gudeman explains.

31. As explained in the direct testimony of ATXI witness Mr. Rudis, ATXI is qualified to construct and operate the Phase 2 DZTM Project. ATXI has already developed and today reliably, safely, and efficiently owns and operates over 545 miles of high voltage electric transmission lines and related facilities. This experience qualifies ATXI to construct, install, own, operate, maintain, and control the Program, including the Phase 2 DZTM Project.

32. The DZTM Project will promote the public interest for the reasons explained in this application and the accompanying testimony. Notably, when, like here, the first four of the Tartan Factors are satisfied, the Commission's practice is to generally conclude, without more, that the last factor—the public interest—is also served by granting the CCN.

33. Further, as explained in the direct testimony of ATXI witness Dr. Schatzki, the Program will result in environmental benefits through a reduction in air pollutant emissions in both the MISO Midwest Subregion and the Missouri region. In Missouri, for the scenarios and years evaluated, $SO_2$ emissions reductions range from 0.3 percent to 11.8 percent, $NO_X$ emissions reductions range from 0.5 percent to 4.7 percent, and mercury emissions reductions range from 0.2 to 11.8 percent. In the entire MISO Midwest Subregion, for the scenarios and years evaluated, reductions in $CO_2$ emissions range from 0.8 percent to 2.5 percent.

## IV. Summary of Supporting Testimony

34. ATXI is contemporaneously filing with this Application the direct testimony and accompanying exhibits of the nine ATXI witnesses identified below. The testimony of MISO witness Mr. Doner will be filed shortly after the filing of this Application. The testimony and exhibits collectively detail the Phase 2 DZTM Project and the Program and support ATXI's requested Commission approvals under Section 393.170, RSMo to implement the Phase 2 DZTM Project as part of the Program.

| Witness | Testimony Subject |
|---|---|
| **Shawn Schukar**<br>Chairman and President, ATXI and Senior Vice President, Transmission, Ameren Services | Witness introductions; Program and Phase 2 DZTM Project overview; benefits; Commission approvals requested by ATXI; and ATXI's other regulatory commitments related to the Program and the Phase 2 DZTM Project. |
| **Jeremiah Doner**<br>Director of Cost Allocation and Competitive Transmission, Transmission Planning Department, MISO | How and why the Phase 1 projects and the Phase 2 DZTM Project came to be; MISO's commitment to reliability and its various transmission planning initiatives, certain of which drove the Program; the regional and Missouri benefits of the LRTP Tranche 1 Portfolio; how the costs of the portfolio are shared across customers in MISO's Midwest Subregion. |

| Witness | Testimony Subject |
|---|---|
| **Dr. Todd Schatzki**<br>Principal,<br>Analysis Group, Inc. | Describes his economic analysis of the effects of the Program, including the Phase 2 DZTM Project, on prices, production costs and emissions in Missouri and the region; how his analysis shows there is a need for the Program, the Program is economically feasible, and the Program is in the public interest, including its beneficial impacts on air emissions. |
| **Justin Davies**<br>Director of Transmission Planning,<br>Ameren Services | How the Ameren Services Transmission Planning group studies and plans for the Ameren Transmission System in Missouri; Ameren Services Transmission Planning's role in MISO's planning processes and its role the MISO processes that drove the LTRP Tranche 1 Portfolio and the Program specifically; how, as a result of those processes, MISO and Ameren Services Transmission Planning determined that the Program is necessary to provide adequate, reliable, and efficient service to Missouri electricity customers. |
| **Nick Rudis**<br>Project Manager,<br>Ameren Services | Scope of the construction work for the Phase 2 DZTM Project; the expected construction cost for the DZTM Project and the Program; the division of work and cost between ATXI and MJMEUC, Ameren Missouri, and AECI for the DZTM Project and the Program; where the Program construction will occur relative to the right-of-way for the DZTM Project; how ATXI is capable of and will effectively manage and supervise construction of the DZTM Project and the actions that ATXI will undertake to ensure adequate and efficient construction and supervision of the Project; the DZTM Project's and Program's construction schedule, including the line segment in-service dates; differences in terms of costs, construction activity, and maintenance activity with the DZ Double Circuit Option versus the DZ Single Circuit Option. |
| **Adam J. Molitor**<br>Transmission Line Design<br>and Standards Engineer,<br>Ameren Services | The design specifications for the Phase 2 DZTM Project's transmission lines and support structures; the right-of-way width that will be needed to accommodate the Phase 2 DZTM Project's transmission lines, including the easements that will be needed during construction of Phase 2; the specific line work that will be undertaken to construct each of the line segments that collectively comprise Phase 2 of the Program |

| Witness | Testimony Subject |
|---|---|
| **Greg Gudeman**<br>Director of Transmission Financial & Regulatory Services,<br>Ameren Services | The financing required for the Program, including the Phase 2 DZTM Project, and ATXI's ability to finance its respective portion of the Program and the Phase 2 DZTM Project without adverse financial consequences for ATXI or Missouri customers; how the Program's cost 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; the estimated level of costs that will be borne by Ameren Missouri customers. |
| **Matt Hoven**<br>Real Estate Specialist,<br>Ameren Services | Real estate matters concerning Phase 2 of the Program; the miles and width of the right-of-way required for the Phase 2 DZTM Project's transmission lines; the area traversed by the lines; the land rights that the ATXI will need to construct Phase 2 of the Program; the potential effect that construction of the Phase 2 DZTM Project may have on landowners and how ATXI will mitigate that effect; differences in terms of property impacts with the DZ Double Circuit Option versus the DZ Single Circuit Option. |
| **Leah Dettmers**<br>Manager, Stakeholder Relations and Training,<br>Ameren Services | Compliance with certain pre-filing public meetings and notice requirements related to the Phase 2 DZTM Project; Public Engagement Team's extensive, multi-phased, multi-faceted, and deductive public outreach process for the Phase 2 DZTM Project; how that process informed the routes analyzed by, and the proposed route ultimately chosen by, the Routing Team for the Phase 2 Program's transmission lines; other, non-Commission regulatory approvals that may be required for the Phase 2 DZTM Project and the status of the consultations with the pertinent federal, state, and local agencies. |
| **Dan Schmidt**<br>Senior Project Manager<br>HDR Engineering, Inc. | How the Routing Team selected ATXI's Proposed Route for the Phase 2 DZTM Project; the Routing Study, which describes in detail the processes, criteria, data, and other information that the Routing Team used to analyze potential routes for the Phase 2 line segments and ultimately select the Proposed Route; the route differences with the DZ Double Circuit Option versus the DZ Single Circuit Option; other state and federal requirements related to the Phase 2 DZTM Project's construction |

## V. Filing Requirements under 393.170.1, RSMo and 20 CSR 4240-20.045(6)

35. ATXI requests a CCN authorizing it to construct and install the transmission line components of the Phase 2 DZTM Project.[7] These transmission facilities are collectively referred to as the "New Facilities."

36. In addition to the information provided above, this Application and the associated direct testimony satisfies the filing requirements of 20 CSR 4240-20.045(6) with respect to the New Facilities, as follows.

37. Per 20 CSR 4240-20.045(6)(A), a description of the sites and route for the DZTM Project are provided in the direct testimony of ATXI witness Mr. Schmidt, and depictions of the sites and route are provided in **Appendices E, F, and G** to this Application.

38. Per 20 CSR 4240-20.045(6)(B), a list of all electric, gas, and telephone conduit, wires, cables, and lines of regulated and nonregulated utilities, railroad tracks, and each underground facility, as defined in Section 319.015, RSMo, that the proposed construction will cross is attached as **Appendix C** to this Application.

39. Per 20 CSR 4240-20.045(6)(C), descriptions of the plans and specifications for the New Facilities, and identification of the operational features of the New Facilities once fully operational and used for service, are collectively provided in the direct testimonies of Mr. Rudis and Mr. Molitor and **Schedules NR-D1 (Confidential) and AM-D1**. The estimated costs for the complete scope of the Phase 2 DZTM Project and the Program, as well as the portions of the total

[7] The scope of work at ATXI's Zachary Substation is excluded from the CCN request because it is not construction of a new substation. The upgrades at the existing ATXI Zachary Substation have been described for transparency and because their cost is included in the costs of the Phase 2 DZTM Project and the Program, but the upgrades do not require a new CCN as they represent upgrades to an existing certificated facility and do not constitute construction of a new asset.

Phase 2 DZTM Project and Program costs to be allocated to ATXI and to the MISO AMMO Pricing Zone, are provided in the direct testimony of ATXI witnesses Mr. Rudis and Mr. Gudeman. ATXI estimates that the total cost to construct the Program, including the Phase 2 DZTM Project, is $611.1 million. ATXI estimates that its total cost to construct just the Phase 2 DZTM Project is $490.6 million with the DZ Double Circuit Option and $442.1 million with the DZ Single Circuit Option. These estimates include, respectively, all Program or Phase 2 DZTM Project construction, both transmission line and substation work, as well as needed real estate rights.

40. Per 20 CSR 4240-20.045(6)(D), the Phase 2 DZTM Project schedule, including the projected beginning of construction date and the anticipated fully operational and used for service date of the New Facilities, is provided in the direct testimony of ATXI witness Mr. Rudis and **Schedule NR-D2** to that testimony. ATXI intends to commence construction of the Phase 2 DZTM Project by March 2027 and anticipates that the DZTM Project will be in service by October 2029.

41. Per 20 CSR 4240-20.045(6)(E), there is no common plant to be included in the Phase 2 DZTM Project.

42. Per 20 CSR 4240-20.045(6)(F), ATXI's plans for financing the New Facilities are explained in the direct testimony of ATXI witness Mr. Gudeman.

43. ATXI is not subject to, and does not have a Preferred Resource Plan under, 20 CSR 4240-22, as it is a transmission-only utility and is not an electric utility that sold more than one (1) million megawatt-hours to Missouri retail electric customers in calendar year 2009. Accordingly, the 20 CSR 4240-20.045(6)(G) requirement to describe how the Projects relate to the utility's adopted preferred plan is not applicable to ATXI.

44. Per 20 CSR 4240-20.045(6)(H), an overview of ATXI's plan regarding competitive bidding for the design, engineering, procurement, construction management, and construction of the New Facilities is provided in the direct testimony of ATXI witness Mr. Rudis.

45. Per 20 CSR 4240-20.045(6)(I), an overview of ATXI's plans for operating and maintaining the New Facilities is provided in the direct testimony of ATXI witness Mr. Rudis.

46. Per 20 CSR 4240-20.045(6)(J), an overview of plans for restoration of safe and adequate service after significant, unplanned/forced outages of the New Facilities is provided in the direct testimony of ATXI witness Mr. Rudis.

47. An affidavit certifying compliance with the notice requirements to landowners directly affected by the routes and locations of the New Facilities, as applicable, in 20 CSR 4240-20.045(6)(K) is attached as **Appendix D** to this Application. The affidavit includes lists of all directly affected landowners, by segment, to whom notice was sent.[8]

48. ATXI has not yet determined what assets, permits or other authorizations may be required from any affected governmental bodies in order to commence construction of the New Facilities. If any are required, ATXI will provide them when they are available, consistent with Missouri law, as permitted under 20 CSR 4240-20.045(3)(C).

## VI. Transfer to MJMEUC

49. Upon completion of construction of the DZTM Project, but before energization, ATXI will transfer to MJMEUC a 49% undivided interest in the portions of the DZTM Project that were subject to MISO's Competitive Developer Selection Process and will be owned by ATXI (which includes the following facilities: 1) DZ Segment 345 kV circuit and structures; 2) ZM

[8] ATXI is filing confidential and public versions of Appendix D. The confidential version contains attachments with the names and addresses of landowners for each line segment and is confidential pursuant to 20 CSR 4240-2.135(2)(A)(1).

Segment 345 kV circuit and structures, and 3) ZT Segment 345 kV circuit only), pursuant to the duly authorized and executed Joint Ownership Agreement attached to the direct testimony of ATXI witness Mr. Rudis as **Schedule NR-D4 (Confidential)**.[9] Permission for this transfer is the permission sought pursuant to Section 393.190.1, RSMo, by this Application. Not only is the agreement with MJMEUC and the transfer of a minority interest called for by said agreement not detrimental to the public interest, but it has the tangible benefit of lowering the DZTM Project cost for Missouri customers.

50. The transfer lowers the DZTM Project's cost because in consideration of the transfer of an undivided 49% interest in the competitive portion of the DZTM Project facilities that will be owned by ATXI, which benefit both ATXI and MJMEUC members, MJMEUC will contribute 49% of the cost of the DZTM Project components, thus reducing the investment for ATXI. Both ATXI's and MJMEUC's investment will be reflected in their Federal Energy Regulatory Commission (FERC) jurisdictional formula rates which will be used to assess transmission charges to load in the Ameren Missouri Transmission Pricing Zone. Because of the manner in which MJMEUC is taxed and its lower municipal debt costs, the combination of removing MJMEUC's investment from ATXI's investment and the lower transmission charges arising from MJMEUC's investment will lower the overall investment in the DZTM Project and result in savings for Missouri customers.

51. While MJMEUC will own an undivided 49% interest in the assets described above, ATXI will operate them and the remaining Program and Phase 2 DZTM Project assets just as it

[9] 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.

does all of its other transmission assets, with MJMEUC acting as essentially a "passive investor" in the assets in which it will have a minority interest, with no day-to-day operational role. In addition to defraying a portion of the Project's capital costs, MJMEUC will also bear 49% of the ongoing operations and maintenance costs associated with assets in which it has an interest. The transfer of this interest will not prevent or hinder the continuation of safe and adequate service by ATXI to Missouri customers.

## VII. Filing Requirements under 20 CSR 4240-10.105

52. Section (1):

(A) ATXI will transfer an undivided 49% interest in the assets comprising the competitive portion of the DZTM Project facilities that will be owned by ATXI, together with a partial assignment of an undivided 49% interest in the easements. See **Schedule NR-D4 (Confidential)** for details.

(B) See **Schedule NR-D4 (Confidential)**.

(C) See **Appendix B**.

(D) The proposed transfer is not detrimental to the public interest for the reasons outlined in ¶¶ 49 to 51 above. The Program and the Phase 2 DZTM Project address system constraints and add 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. The transfer itself lowers the DZTM Project cost to ATXI and Missouri customers, while allowing ATXI to retain day-to-day control of all of the subject transmission assets. While none of these affirmative benefits are required in order to sustain the Company's burden to show that the transfer for which permission is sought is not detrimental to the public interest,[10] the existence of the benefit of lowering the DZTM Project's cost via the transfer removes any doubt with respect to that question.

(E) MJMEUC is not subject to the jurisdiction of the Commission.

(F) The specific impact, if any, of the proposed transfer of the assets to be constructed on the tax revenues of the political subdivisions in which the proposed structures, facilities, or equipment are located are not available at

[10] *State ex rel. Fee Trunk Sewer, Inc. v. Litz*, 596 S.W.2d 466, 468 (Mo. App. E.D. 1980).

this time and will be provided later in this proceeding pursuant to 20 CSR 4240-10.105(3).

53. Sections (2) and (3) of the subject rule are not applicable.

## VIII. Other Matters

54. Because ATXI will not provide retail service to end-use customers and will not be rate-regulated by the Commission, the Commission has waived the rate schedule filing requirements of 20 CSR 4240-20.105, the annual reporting requirement of 20 CSR 4240-10.145, the depreciation study requirement of 20 CSR 4240-3.175, and the reporting requirements of 20 CSR 4240-3.190, for good cause. ATXI requests that the Commission grant such waivers in connection with the CCN requested in this proceeding. ATXI will continue to file with the Commission the annual report it files with FERC.

## IX. Request for Relief

WHEREFORE, ATXI respectfully request that the Commission (a) grant it a Certificate of Convenience and Necessity to construct, install, own, operate, control, manage, and maintain the Phase 2 DZTM Project, pursuant to Section 393.170.1, RSMo, (b) approve either the DZ Double Circuit Option or the DZ Single Circuit Option for the design and route of the DZ Segment, (c) grant it permission and authority to transfer an undivided 49% interest in and to the DZTM Project assets to MJMEUC, in accordance with the terms of the Joint Ownership Agreement (**Schedule NR-D4 (Confidential)**), (d) grant it the waivers from the requirements of 20 CSR 4240-20.105, 20 CSR 4240-10.145, 20 CSR 4240-3.175, and 20 CSR 4240-3.190 for good cause shown, and (e) grant such other and further relief as the Commission deems just and reasonable.

Dated: December 11, 2024

Respectfully submitted,

AMEREN TRANSMISSION COMPANY OF ILLINOIS

By: /s/ Eric Dearmont
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## CERTIFICATE OF SERVICE

The undersigned certifies that a true and correct copy of the foregoing was served on the Staff of the Missouri Public Service Commission and the Office of the Public Counsel via electronic mail (e-mail) on this 11th day of December, 2024.

*/s/ Eric Dearmont*
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