

Exhibit No.: _____
Issues: The Need for and Benefits of
the FDIM Project which further
Promotes the Public Interest
Witness: John Twitty
Type of Exhibit: Rebuttal Testimony
Sponsoring Party: MEC
File No.: EA-2024-0302

BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF MISSOURI

FILE NO. EA-2024-0302

REBUTTAL TESTIMONY

OF

JOHN TWITTY

ON BEHALF OF

**THE MISSOURI JOINT MUNICIPAL ELECTRIC
UTILITY COMMISSION d/b/a
MISSOURI ELECTRIC COMMISSION**

JANUARY 14, 2025

1 **I. INTRODUCTION OF WITNESS AND TESTIMONY**

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

3 A. My name is John Twitty. I am the President and Chief Executive Officer (“CEO”) of the
4 Missouri Public Utility Alliance (“MPUA”), which includes the Missouri Joint Municipal
5 Electric Utility Commission d/b/a Missouri Electric Commission (“MEC”). MEC’s
6 business address is 2200 Maguire Boulevard, Columbia, MO 65201.

7 **Q. Please describe your professional background.**

8 A. My utility career began in 1983 with Rolla Municipal Utilities where I served as General
9 Manager. I then served at City Utilities of Springfield from 1991 until I retired in 2011 as
10 their General Manager and CEO. I served as the Executive Director of the Transmission
11 Access Policy Study Group from 2011 to 2020, and then joined MPUA, which includes
12 MEC, as President and CEO in 2020. I have served as Chair of the Board of the American
13 Public Power Association, which advocates and advises in federal forums on behalf of public
14 power regarding electricity policy, technology, trends, training and operations. I have also
15 served as Chair of the Board of The Energy Authority, a nonprofit that advises public power
16 to manage risks and execute solutions to maximize the value of their assets and meet their
17 goals in a cost-effective manner. I am a past Chair of the North American Electric Reliability
18 Corporation Member Representatives Committee. I am a 1975 graduate of the University of
19 Missouri and received a Professional Degree from the University of Missouri-Rolla in 2006.
20 My curriculum vitae is attached as Schedule JT-1.

21 **Q. On whose behalf are you testifying?**

22 A. I am testifying on behalf of MEC, an intervenor in this proceeding.

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

1 A. Yes, I offered rebuttal testimony on behalf of MEC in Case No. EA-2023-0017.

2 **Q. What is the purpose of your testimony?**

3 A. My testimony provides further explanation and information additional to the testimony of Ameren
4 Transmission Company of Illinois (“ATXI”) witness Tracy Dencker, and Staff witness Claire
5 M. Eubanks, P.E., regarding MEC’s perspective as a Project Partner in the Fairport-Denny-
6 Iowa-Missouri Project (“FDIM Project”) on the need for and benefits to the public within the
7 Midcontinent Independent System Operator (“MISO”) footprint generally, and more specifically
8 to MISO’s Missouri Zone 4 which includes MEC’s members. After describing the
9 background of MEC, I will address the Joint Ownership Agreement between ATXI and
10 MEC which is attached hereto as Schedule JT-2 (Confidential).¹ I will then introduce
11 MEC’s witnesses who offer testimony in support of ATXI’s request for a Certificate of
12 Convenience and Necessity (“CCN”) in this case.

13 **Q. Please summarize your testimony.**

14 A. MEC is a joint action agency organized on a state-wide basis to promote efficient wheeling,
15 pooling, generation, and transmission arrangements to meet the energy requirements of the
16 municipal electric utilities in the State of Missouri. MEC’s membership now includes seventy-
17 two (72) municipal entities in Missouri and four advisory members in Arkansas. My
18 attached Schedule JT-3 is a map of Missouri showing MEC’s municipal members.
19 Together, MEC’s members serve over 500,000 electric customers, over 350,000 of which
20 are Missourians. MEC owns generation that supplies a significant portion of its members’
21 energy needs. Historically, MEC had relied primarily on Transmission Service

¹ As ATXI explained at Page 21, Footnote 5 of its Application, 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 from ATXI to MEC, and ATXI has committed to provide the Commission with the final copy of the Joint Ownership Agreement as a compliance condition to the Commission’s order.

1 Agreements to meet its members' transmission needs, but more recently MEC has
2 invested in transmission assets to meet those needs. MEC's Joint Ownership Agreement
3 with ATXI is one such example.

4 The testimony of MEC's Chief Markets Officer Rebecca Atkins will provide more
5 detail on MEC's reliance on MISO's quantification of the benefits of the FDIM Project and
6 thus MEC's need for ATXI to obtain the requested CCN, the testimony of MEC's Chief
7 Energy Officer Steven A. Stodden will provide more detail on MEC's need for the FDIM
8 Project's forecasted improvement of grid resiliency and MEC's successful history of
9 similarly-feasible projects with ATXI, and the testimony of MEC's Chief Financial Officer
10 Ken Reasoner will provide more detail on MEC's conclusion that its approximately \$42
11 Million investment in the FDIM Project is both economically feasible and beneficial to
12 MEC's member municipalities and their customers. Together, this evidence grounds MEC's
13 conclusion that its members (and the public served by these members) have a need for and
14 will benefit from MEC's and ATXI's partnership on the FDIM Project.

15 II. BACKGROUND ON MEC

16 AND THE JOINT OWNERSHIP AGREEMENT FOR THE FDIM PROJECT

17 **Q. Please describe MEC and what it does?**

18 A. The Missouri Joint Municipal Electric Utility Commission d/b/a Missouri Electric
19 Commission is a joint action agency and a public body politic and corporate of the State
20 of Missouri created pursuant to §§393.700 – 393.770 *Revised Statutes of Missouri*. MEC
21 allows non-profit utilities, such as municipal utilities, to choose to work together to
22 achieve economies of scale in purchasing commodities (such as electricity or natural gas)
23 or achieve economies of scale for providing services that would be difficult for the

1 individual utilities to achieve on their own. MEC's membership now includes seventy-two
2 (72) municipal entities in Missouri and four advisory members in Arkansas (Schedule JT-
3 3). MEC is authorized to construct, operate, and maintain transmission and generation
4 facilities for the production and transmission of electric power for its members; purchase
5 and sell electric power and energy; and enter into agreements with any person for the
6 transmission of electric power.

7 MEC's members' combined peak load is approximately 2,600 MW. MEC has
8 loads and/or resources located within the transmission systems of several members of
9 MISO, the Southwest Power Pool and the Associated Electric Cooperative Incorporated
10 ("AECI"). MEC has been successful in obtaining ownership in large base load and
11 intermediate generators to serve our members. MEC owns transmission systems in Nixa
12 and Hannibal, has another project in southeast Missouri, Sikeston-New Madrid, that is
13 expected to come online 2nd Quarter 2025, and continues to seek new opportunities. MEC
14 has an interest in and need for transmission of energy for consumption by its members.

15 **Q. Please describe the contract between MEC and ATXI?**

16 A. Although the Joint Ownership Agreement is itself confidential (Schedule JT-2
17 (Confidential)), ATXI witness Tracy Dencker, Staff witness Claire M. Eubanks, P.E. and
18 I can publicly testify that it is an agreement under which MEC will acquire a 49% interest
19 in the Project while ATXI will own the remaining 51%. MEC will contribute 49% of the
20 costs to construct FDIM, as well as 49% of the costs to operate and maintain the FDIM
21 facilities jointly owned with ATXI. MEC and its members will economically benefit
22 from the use of these facilities, and will have a say in major decisions, but MEC's
23 ownership interest will be passive while ATXI will be directly responsible for the day-to-

1 day construction, operation and maintenance of the facilities.

2 **III. MEC'S SUPORT FOR ATXI'S REQUESTED CCN**
3 **FOR THE FDIM PROJECT**

4 **Q. Does MEC need ATXI to receive the CCN for the FDIM Project?**

5 A. Yes.

6 **Q. Please explain MEC's need for ATXI's construction of the FDIM Project?**

7 A. Given that MISO has already determined that the FDIM Project would move forward at
8 some future cost to customers within MISO (which includes MEC's members), and given
9 that MISO has determined that MEC's and ATXI's joint Proposal is the most
10 competitive, MEC's members need ATXI to obtain this CCN to avoid the higher cost of
11 the second-place bidder. MEC's Rebecca Atkins offers more detailed testimony on this
12 point. Further, I understand from my long service in the energy industry that we all need
13 a robust transmission system that will reliably move energy from generation to load under
14 all circumstances, and this FDIM Project is one step in that right direction. MEC's
15 Steven Stodden testifies to this need in more detail.

16 **Q. Has MEC found the FDIM Project to be economically feasible?**

17 A. Yes.

18 **Q. Please explain how MEC concluded that the FDIM Project is economically feasible?**

19 A. In my position at MPUA, I have gained direct experience in transmission partnerships
20 between MEC and ATXI/Ameren – specifically, the partnerships in the Hannibal and
21 Sikeston-New Madrid Transmission facilities. These other partnerships have proven
22 feasible, and I fully expect the FDIM Project to be similarly feasible and then successful.
23 MEC's Steven Stodden and Ken Reasoner both testify to this point in more detail.

1 **Q. Does ATXI's request for a CCN for the FDIM Project benefit or promote the public**
2 **interest?**

3 A. Yes.

4 **Q. How does MEC's partnership with ATXI for construction and operation of the**
5 **FDIM Project benefit or promote the public interest?**

6 A. Like ATXI's witness Tracy Dencker, I see that this partnership provides reliability benefits
7 and economic value to both MEC's members and ATXI's customers. ATXI brings
8 transmission expertise and experience to the partnership, while MEC provides a lower cost
9 of debt and preferable tax treatment, thus lowering the overall cost of the Project. As
10 MEC's Rebecca Atkins testifies in more detail, the partnership between MEC and ATXI
11 lowered the overall cost of the FDIM in comparison to the other competitive bidders, and
12 that can protect customers from increased costs and provide benefits to customers when
13 costs decrease. MEC's Ken Reasoner testifies in more detail that once MEC's cash or
14 liquidity needs for the Project are met, excess funds will be distributed on a determined
15 equitable basis to MEC's members. Recall that MEC's members are not-for-profit
16 utilities. So, the cost savings MEC's members will obtain from the Project are likely to
17 result in rate relief for the cities' customers, and/or investment in their systems.

18 **Q. Does this conclude your pre-filed rebuttal testimony in this case?**

19 A. Yes. However, I wish to preserve the right to provide additional pre-filed testimony or
20 testimony at the hearing to rebut the testimony of any other party.

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

STATE OF MISSOURI)
) SS
COUNTY OF BOONE)


AFFIDAVIT OF JOHN TWITTY

John Twitty, being first duly sworn, deposes and says that he is the witness who sponsors the accompanying rebuttal testimony and schedules; that said testimony was prepared by him or under his direction and supervision; that if inquiries were made as to the facts in said testimony and schedules, he would respond as therein set forth; and that the aforesaid testimony and schedules are true and correct to the best of his knowledge, information, and belief.



John Twitty

Subscribed and sworn to before me this 14th day of JANUARY, 2025.



Notary Public

My commission expires: JAN 4, 2027

