

Exhibit No.	ATXI Exhibit 1.0
Issue(s)	Project Overview Cost & Financing Benefits Notice & Community Outreach
Witness	Sean Black
Sponsoring Party	ATXI
Type of Exhibit	Direct Testimony
Case No.	EA-2022-0099
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**MISSOURI PUBLIC SERVICE
COMMISSION**

FILE NO.

EA-2022-0099

DIRECT TESTIMONY

OF

SEAN BLACK

ON

BEHALF OF

**AMEREN TRANSMISSION COMPANY
OF ILLINOIS**

St. Louis, Missouri
December 21, 2021

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Submitted on Behalf of

AMEREN TRANSMISSION COMPANY OF ILLINOIS

I. INTRODUCTION

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

A. My name is Sean Black. My business address is 1901 Chouteau Avenue, St. Louis, Missouri 63103. I am the Director of Transmission Business Development for Ameren Services Company (Ameren Services), which is the services company subsidiary of Ameren Corporation (Ameren). My testimony is offered on behalf of Ameren Transmission Company of Illinois (ATXI).

Q. Please describe ATXI.

A. ATXI is a transmission-only affiliate of Ameren and Ameren Services. It is an Illinois corporation that constructs, owns, operates, and maintains transmission facilities for public use. ATXI's principal office is located in St. Louis, Missouri. ATXI was initially formed to facilitate transmission development in Illinois. Today, however, ATXI generally pursues and develops transmission opportunities that create value for end-use customers in Missouri, Illinois, and the region generally, but that might not best fit into the project development portfolios of Ameren's traditional incumbent public utility subsidiaries, Union Electric Company d/b/a Ameren Missouri and Ameren Illinois Company d/b/a Ameren Illinois.

ATXI was first recognized by the Missouri Public Service Commission

1 (Commission) as a public utility in Case No. EA-2015-0145. Since then, ATXI has
2 successfully developed several Midcontinent Independent System Operator, Inc.
3 (MISO) Multi-Value Projects.¹ ATXI has also expanded its project portfolio to include
4 opportunities like its Commission-approved collaboration with the City of Rolla—where
5 ATXI acquired approximately 7.5 miles of existing transmission line and constructed
6 other improvements for the benefit of Rolla, Ameren Missouri, and local coop customers
7 (Case No. EA-2018-0327)—and its collaboration with Citizens Electric Cooperative and
8 Wabash Valley Power Alliance on the Limestone Ridge Project in Perry and Cape
9 Girardeau Counties in Southeast Missouri (Certificate of Convenience and Necessity
10 (CCN) recently approved in Case No. EA-2021-0087).

11 **Q. Please summarize your professional experience and educational**
12 **background.**

13 A. I have over 30 years' experience in the energy and electric utility industry,
14 working primarily in the areas of engineering, marketing, and business development.
15 During my career, I have participated in numerous transactions to acquire energy utility
16 assets through the development of both asset and stock purchase agreements. I worked
17 for over 30 years with ABB and ALSTOM, developing proposals and agreements to
18 support development of capital projects for electric utility clients. During this period, I
19 initially held positions in applications engineering and project cost engineering, and was
20 eventually promoted to leadership positions in Marketing and Business Development.
21 From 2006 to 2009, I was the Global Director of CO2 Programs with ALSTOM, a

¹ In Case No. EA-2015-0145, the Commission authorized ATXI to construct the 7-mile Missouri portion of a 345 kV transmission line in Marion County known as the Illinois Rivers Project. In Case No. EA-2017-0345, the Commission authorized ATXI to construct a 96-mile, 345 kV transmission line through Marion, Lewis, Knox, Adair and Schuyler Counties, known as the Mark Twain Project.

1 position in which I led a group that was responsible for the development of new
2 technology to capture CO2 emissions from fossil-fired boilers. I was also responsible
3 for leading the successful commissioning in 2009 of a \$200 million demonstration
4 project at the Mountaineer Power Plant owned and operated by American Electric
5 Power. Since 2014, I have held the position of Director of Transmission Business
6 Development at Ameren Services. I received a bachelor's degree in Mechanical
7 Engineering from the University of Delaware in 1988 and an MBA from the London
8 School of Business in 1998.

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

10 A. As Director of Transmission Business Development for Ameren Services,
11 I am responsible for exploring transmission development opportunities for Ameren
12 entities, including ATXI. It was in this role that I became aware of ATXI's opportunity
13 to participate in the collaborative effort that is the subject of this proceeding.

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

15 A. Yes. I provided written testimony in Case Nos. EA-2018-0327 (Rolla)
16 and EA-2021-0087 (Limestone Ridge).

17 **II. PURPOSE OF TESTIMONY**

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

19 A. In this proceeding, ATXI requests a CCN and related Commission
20 approvals authorizing it to construct, acquire, operate and maintain certain transmission
21 facilities in, around, and between the Cities of Sikeston and New Madrid, Missouri.
22 These facilities include a new transmission substation (the Comstock substation);
23 transmission line extensions and modifications necessary to connect the new substation

1 to the adjacent grid (the Area Connections); a new 1.2-mile, single-circuit 161 kV
2 transmission line (the New Line); and a partial interest in approximately 28 miles of an
3 existing 161 kV transmission line (the Existing Line) generally located between Sikeston
4 and New Madrid. The CCN and other Commission approvals that ATXI requests will
5 enable ATXI to participate in a collaborative effort among ATXI, Sikeston (including
6 the Sikeston Board of Municipal Utilities (SBMU)), New Madrid (including New
7 Madrid’s municipal utility, Municipal Light and Power (MLP)), and the Missouri Joint
8 Municipal Electric Utility Commission (MJMEUC) to simultaneously address the
9 energy needs of Sikeston and New Madrid in a manner that will create future benefits
10 for customers in MISO’s Ameren Missouri (AMMO) Pricing Zone and the region
11 generally. I generally refer to ATXI’s commitments and the parties’ collaborative efforts
12 collectively as the “Project.”

13 The purpose of my direct testimony is to support ATXI’s requests. Specifically,
14 I provide an overview of the Project, including general descriptions of the transmission
15 facilities that ATXI proposes to construct, acquire and operate. I also summarize the
16 Project parties’ respective commitments with respect to the Project facilities. I generally
17 explain the Project’s cost and financing, including the costs of the Project’s components
18 that will be allocated to customers within the AMMO Pricing Zone. Finally, I describe
19 the Project’s benefits, particularly in light of the “Tartan Criteria” that I understand the
20 Commission typically considers in assessing CCN requests, including why the Project
21 is necessary and convenient for the public service. Finally, I address ATXI’s landowner
22 notice and community engagement efforts related to the Project.

23 **Q. Who are the other witnesses providing direct testimony on ATXI’s**
24 **behalf?**

1 A. ATXI witness Ms. Stephanie Thomson is the Project Manager for the
2 Project. Her direct testimony (ATXI Exhibit 2.0) explains the Project's construction's
3 schedule, summarizes ATXI's construction and operation management processes,
4 identifies the estimated costs of the Project's components, and generally explains how
5 those cost estimates were developed. ATXI witness Ms. Jessica Timmermann is the line
6 design engineer for the Project. Her direct testimony (ATXI Exhibit 3.0) provides greater
7 detail regarding the Existing Line and the Project's line-related work, including the
8 siting and design of the New Line and the Area Connections that are needed to integrate
9 the Comstock substation. ATXI witness Mr. Curtiss Frazier is the substation design
10 engineer for the Project. His direct testimony (ATXI Exhibit 4.0) provides greater detail
11 regarding the Project's substation-related work.

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

13 A. Yes. I am sponsoring the following schedules:

- 14 • SB-D1 – Aerial view of Project location;
- 15 • SB-D2 (Confidential) – One-line diagram of Project facilities;
- 16 • SB-D3 (Confidential) – Joint Ownership Agreement among ATXI, MJMEUC,
17 and Sikeston, including SBMU;
- 18 • SB-D4 (Confidential) – Construction Agreement between ATXI and SBMU;
- 19 • SB-D5 (Confidential) – Operation and Maintenance Services Agreement among
20 ATXI, MJMEUC, and SBMU;
- 21 • SB-D6 (Confidential) - Operation and Maintenance Services Agreement

- 1 Attachment B - Scope of Work of Services; and
2 • SB-D7 – Landowner notice materials.

3 **III. PROJECT BACKGROUND**

4 **Q. What prompted the Project?**

5 A. The Project is the result of a collaborative effort among ATXI, Sikeston
6 (including SBMU), New Madrid, and MJMEUC to address certain energy needs of
7 Sikeston and New Madrid in a manner that benefits all parties while also balancing the
8 interests of the other stakeholders in the AMMO Pricing Zone.

9 **Q. Please explain New Madrid’s energy need.**

10 A. New Madrid has been actively exploring opportunities that would drive
11 economic development to the City. One of those opportunities—the anticipated
12 construction of a large steel mill within New Madrid’s municipal boundaries—
13 specifically prompted New Madrid to contact ATXI, via MJMEUC. New Madrid was,
14 and is, interested in establishing a direct connection to MISO to ensure an adequate and
15 economical energy supply and transmission pathway to meet the City's need. As the
16 parties formulated a project to best address that need, the development of the steel mill
17 became less certain. Nevertheless, New Madrid remained, and remains, interested in
18 establishing a direct connection to MISO as a way to continue to attract economic
19 development opportunities and to support its current, native load.

20 **Q. Please explain SBMU’s energy need.**

21 A. SBMU seeks to partner with ATXI (and MJMEUC) to construct new
22 transmission facilities to ensure SBMU the flexibility necessary to most economically
23 transmit the energy it generates. Uniquely situated at the seam between the Southwest

1 Power Pool (SPP), MISO and Associated Electric Cooperative, Inc. (AECI) markets,
2 SBMU specifically wants to utilize the system capabilities to support its own
3 requirements while retaining the optionality to cost-effectively serve third-party
4 customers located in the SPP, MISO and/or AECI markets.

5 **Q. How will the Project address New Madrid's and SBMU's energy**
6 **needs?**

7 A. The Project will provide MLP the direct connection to MISO it needs,
8 through transmission facilities to be owned by ATXI and MJMEUC. It will, at the same
9 time, permit SBMU to own certain transmission facilities that will provide SBMU direct
10 connectivity between its own generation and its retail load, as well as direct connections
11 to SPP, MISO and AECI in furtherance of its energy export goals.

12 **Q. How, specifically, will the Project accomplish these ends?**

13 A. Through a collaborative effort. Sikeston is located approximately 20
14 miles north of New Madrid. Subject to the Commission's approval, ATXI will construct
15 a new substation (the Comstock substation) adjacent to the existing SBMU generating
16 plant and a Southwestern Power Administration (SWPA) substation. ATXI expects to
17 acquire the property rights for the new Comstock substation and most of the adjacent
18 Area Connections (defined below) from Sikeston, as discussed in further detail by Ms.
19 Timmermann and Mr. Frazier. SBMU will own – and pay for - discrete assets (namely,
20 breakers) at the substation, which will allow SBMU to continue to maintain direct

1 electrical connectivity to SWPA, and thus SPP, as well as MISO and AECI.²

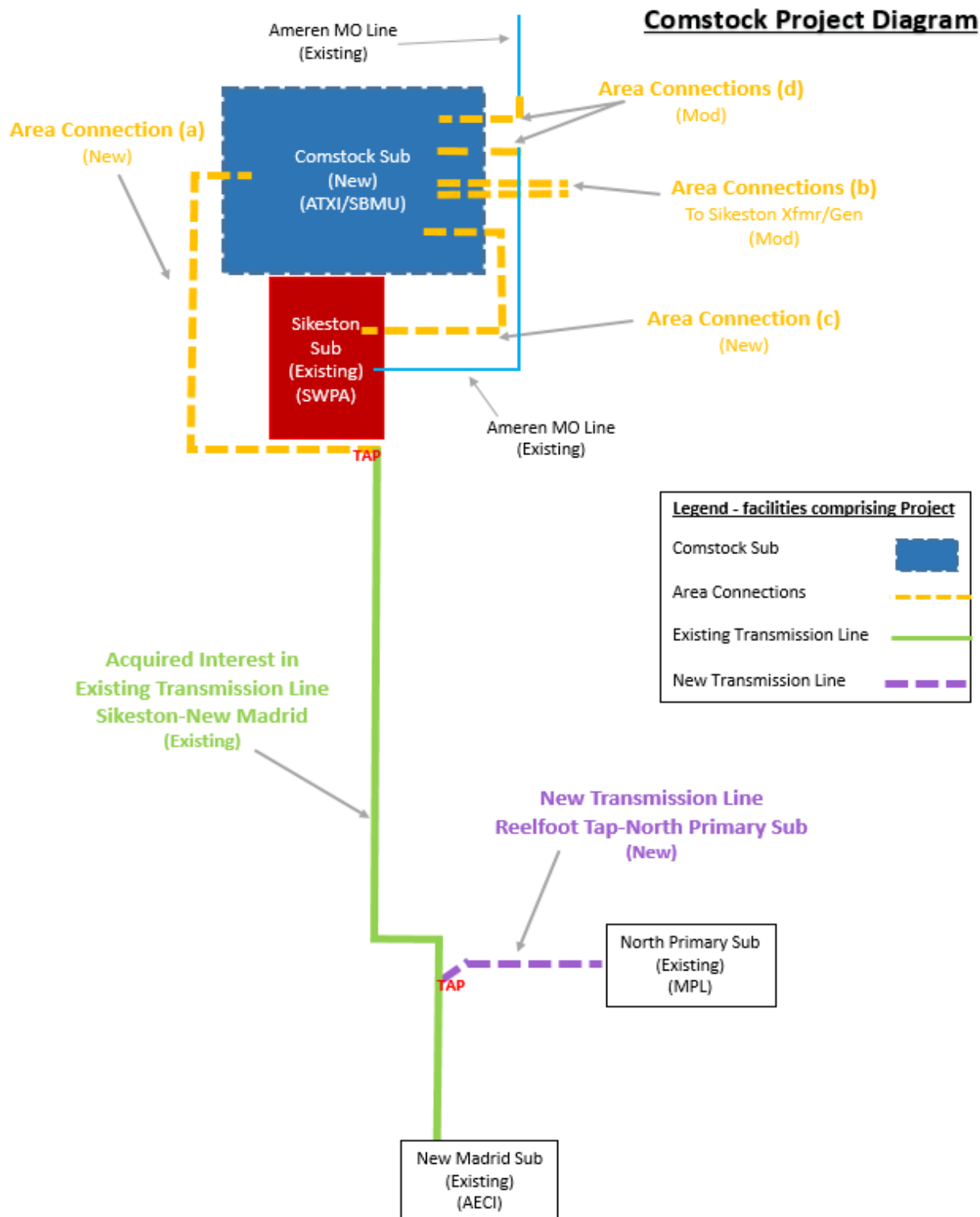
2 Further, today, SBMU owns an approximately 28-mile, 161 kV transmission line
3 that extends south from SWPA's Sikeston substation and terminates at AECI's existing
4 New Madrid substation. I refer to this line as the Existing Line. ATXI will connect the
5 new Comstock substation to the Existing Line and the other adjacent electrical assets via
6 limited, new and modified connections outside of and around the Comstock substation.
7 I refer to these as the "Area Connections." ATXI and MJMEUC will acquire an
8 undivided interest in the Existing Line to provide the direct connection to MISO needed
9 to serve load that is located south of Sikeston. ATXI will also construct a short (1.2-
10 mile), single-circuit 161 kV transmission line between the Existing Line and MPL's
11 North Primary substation. I refer to this line as the New Line. The New Line, in
12 connection with the other Project facilities, will provide MLP a direct connection to
13 MISO.

14 Below is a color-coded diagram of the various Project facilities. For ease of
15 reference, the new Comstock substation is presented in blue, the proposed Area
16 Connections³ are represented by the orange dashed lines, the Existing Line -- in which
17 ATXI and MJMEUC will acquire an interest -- is in green, and the proposed New Line

² The current system configuration does not provide SBMU a direct connection between its own generation and its retail load, or a direct interconnection with the systems of MISO and AECI; their power has to transfer across the SWPA Sikeston bus bar that is under SPP control. When the current Transmission Service Agreement (which is grandfathered in the SPP Tariff) between SBMU and SWPA expires on May 31, 2023, SBMU will have to start paying SPP transmission charges to deliver energy from its own generation to its retail load, and its wholesale customers in MISO and AECI will have to start paying pancaked service charges. The Project will eliminate the institution of pancaked transmission service charges by creating a direct, physical interconnection between SBMU and the systems of SPP, MISO and AECI.

³ As described by Ms. Timmermann in ATXI Exhibit 3.0, in addition to the Area Connections that have currently been identified, ATXI may also help facilitate the connection, to the Comstock substation, of a SBMU-owned distribution line. That connection has been omitted from the diagram embedded below and from the costs presented by Ms. Thomson ATXI Exhibit 2.0, as it is uncertain at this time whether the connection will be required. Should it be required, ATXI and SBMU will coordinate regarding the connection of that line, which will ultimately be paid for by SBMU.

1 to New Madrid is represented by the purple dashed line.



2

3

1 **Schedule SB-D1** is an aerial view that shows the general geographic location of
2 the Project. **Schedule SB-D2 (Confidential)** is a one-line drawing that, similar to the
3 diagram above, shows the Project's basic components.

4 **Q. Why is the Project attractive to ATXI?**

5 A. The Project addresses the current and future energy needs of ATXI's
6 Project partners and does so in a manner that creates future net benefits and potential
7 upside for customers in the AMMO Pricing Zone and the region generally.

8 **Q. Please explain.**

9 A. The Project (based on New Madrid's current, native load) will generate
10 transmission service revenues that produce net benefits to customers in the AMMO
11 Pricing Zone (i.e., the Annual Transmission Revenue Requirement (ATRR) associated
12 with the allocated costs of the Project) over 20 years. Among other benefits, the Project
13 will also help facilitate the future load growth that New Madrid is pursuing. Such load
14 growth, should it materialize, is expected to create a further net positive financial benefit
15 for customers in the AMMO Pricing Zone (i.e., it could generate more revenues than
16 costs). I explain in more detail below that potential net benefit, referred to other places
17 as Project "upside," and how ATXI modeled it.

18 Further, I would emphasize that the Project promotes other system and regional
19 benefits. For example, the Project positions ATXI and/or Ameren Missouri well for
20 potential future expansions of the existing system, which could improve system
21 reliability and allow Ameren Missouri to directly serve retail customers located in the
22 Hayti / Portageville area, as well as improve system reliability to all customers in the
23 region. A future expansion could also create an additional contract path between the

1 North and South regions of MISO, which could reduce payments under the Joint
2 Operating Agreement in place between MISO and SPP, in turn benefitting the retail
3 customers of Ameren Missouri, as well as any other retail or wholesale customers served
4 by the MISO transmission system. And, finally, the Project effectively extends the
5 current MISO “border” further south into Missouri, which may help create further
6 system and economic benefits in the future, again benefitting the region generally. In
7 addition to potential benefits to load, an example of these other system expansion
8 benefits and opportunities includes an expanded ability to integrate renewable
9 generation into the MISO market. These benefits are all discussed in further detail later
10 in my testimony.

11 **Q. Why is ATXI pursuing the Project rather than Ameren Missouri?**

12 A. Although the Project has the potential to benefit Ameren Missouri and its
13 customers, the Project is located outside of Ameren Missouri's certificated service
14 territory, is designed to initially connect entities that are neither retail nor wholesale
15 customers of Ameren Missouri, and is not directly necessary to meet Ameren Missouri's
16 NERC Reliability Standards or Ameren's local Planning Criteria as filed with FERC, or
17 to deliver energy from Ameren Missouri generating resources. Rather, the Project better
18 aligns with ATXI's objective to invest in regionally beneficial and customer-focused
19 projects, than Ameren Missouri's focus on efficiently and reliably serving its retail load.
20 Ultimately, because the overall value proposition of the Project is driven by the needs
21 of multiple entities, it made more sense for ATXI, and not Ameren Missouri, to pursue

1 the Project.

2 **Q. Did ATXI explore any alternatives to the Project to address New**
3 **Madrid's and SBMU's energy needs?**

4 A. Yes. And the Project that the parties ultimately selected was the most
5 cost-effective and efficient way to address all of the stakeholders interests. ATXI worked
6 with SBMU and New Madrid for several years to identify possible solutions to address
7 their energy needs. This included exploring different alternatives, including the
8 construction of a second switching station south of Sikeston where the New Line would
9 connect to the Existing Line. The parties were actively pursuing this option⁴ before
10 learning of the steel mill's updated status. Because New Madrid still desires a direct
11 MISO connection to attract economic development to the City, the parties continued to
12 work together to revise (and reduce) the scope of the Project such that it addresses the
13 parties' needs, but largely avoids any material Zonal subsidization (i.e., that resulted in
14 allocated costs that were materially higher than the load-related revenues it generated).
15 Ultimately, the Project as proposed today – a project that eliminates, for now, the second
16 proposed switching station – efficiently integrates the use of existing assets with the
17 construction of limited new assets. The combination of the proposed Project that will
18 provide the necessary transmission service pathway and a separate competitive
19 solicitation issued by MJMEUC for wholesale energy supply provides a solution that
20 cost-effectively meets the objectives of all of the parties.

21 **Q. What is MJMEUC?**

⁴ ATXI still intends to acquire, in conjunction with the Project, a parcel large enough to facilitate the future construction of that second switching station, should it be needed. ATXI has acquired an option on that parcel from a willing seller and the acquisition costs are included in the Project cost estimates presented by Ms. Thomson.

1 A. MJMEUC is a municipal joint action energy agency formed under the
2 Joint Municipal Utility Commission Act to obtain sufficient, economical electrical
3 power supply, energy management, and transmission services for the benefit of member
4 municipal utilities. MJMEUC provides full power purchase requirements to member
5 utilities and arranges purchases for members in need of supplemental power. It may
6 construct, operate, and maintain jointly owned generation and transmission facilities for
7 the benefit of members, and it has the authority to enter into contracts for power supply,
8 transmission service, and other services necessary for the operation of an electric utility.
9 MJMEUC membership currently includes 70 municipal utilities in Missouri and four
10 advisory members in Arkansas.

11 **Q. Why is MJMEUC participating in the Project's collaborative effort?**

12 A. Both SBMU and New Madrid are members of MJMEUC. Involving
13 MJMEUC in the Project enables MJMEUC to help New Madrid and SBMU pursue the
14 benefits of the Project to each municipality that I described above. Further, the
15 collaboration is mutually beneficial to MJMEUC and ATXI. MJMEUC benefits from
16 ATXI's expertise in construction, operation, and maintenance of transmission projects.
17 MJMEUC will invest and own an undivided interest in the Project. As I explain below,
18 ATXI will flow its Project costs through its FERC-approved formula rate. MJMEUC
19 will flow its costs through its own formula rate, as MJMEUC becomes a Transmission-
20 owning member of MISO in conjunction with the Project. (SBMU's costs will be
21 recovered independently.) As a municipal joint action energy agency, MJMEUC brings
22 to the table a favorable (lower) cost of debt and positive tax implications. ATXI (and the
23 other Project parties) benefit from MJMEUC's lower cost of debt and preferable tax
24 treatment. Thus, MJMEUC's investment in the Project will help lower the overall

1 Project cost. Finally, MJMEUC's return on its investment will be allocated to the
2 participating members in the Project, which helps offset their costs.

3 **Q. How will ATXI's and MJMEUC's partnership work here?**

4 A. The Project parties' respective commitments are outlined in a variety of
5 agreements, which I explain below. But in general, ATXI will have a 51% undivided
6 interest and MJMEUC will have a 49% undivided interest in (1) the assets that will not
7 be owned by SBMU in the Comstock substation; (2) the interest to be acquired in the
8 Existing Line (i.e., a total 25% capacity interest); (3) the individual Area Connection
9 that will connect the Existing Line with the Comstock substation and (4) the New Line.
10 MJMEUC's investment in the Project is passive; ATXI and SBMU will divide the
11 various construction, operational and maintenance responsibilities, as further described
12 below and in the relevant transactional agreements.

13 **Q. Might ATXI and MJMEUC explore future partnerships for the same**
14 **reasons?**

15 A. Yes. Partnerships like the one here enable MJMEUC and ATXI (and/or
16 Ameren Missouri) to collaborate to identify project opportunities that provide reliability
17 benefits and economic value for their members/customers, and to use Ameren Services'
18 transmission expertise to construct, operate and maintain those projects, at lower overall
19 costs to each partner (and to the customers who are served by these projects), relative to
20 pursuing such projects on a standalone basis.

21 **IV. PROJECT OVERVIEW**

22 **Q. Please describe the new Comstock substation in more detail.**

23 A. ATXI will construct an eight-position, 161 kV breaker substation on a

1 parcel owned by Sikeston that is adjacent to the SBMU Generation Plant and SWPA's
2 Sikeston substation. The Comstock substation is shown in blue on the diagram
3 embedded above. SBMU will ultimately own a discrete portion of this new substation.
4 The other portion of the substation will be owned jointly by ATXI and MJMEUC. Once
5 constructed, SBMU will acquire from ATXI certain discrete assets (e.g., breakers,
6 switches, control enclosure, etc.) within the substation, as well as 64% of the common
7 substation assets. SBMU will use these assets to continue serving SBMU retail
8 customers' load located outside of MISO, as well as to export power to wholesale
9 customers located in the SPP, MISO and AECI regions. ATXI and MJMEUC will jointly
10 own the remaining breakers, which MISO will functionally control, as well as the
11 remaining 36% of substation common assets. Mr. Frazier further describes the Project's
12 substation-related work and ownership structure.

13 **Q. Please generally describe the Area Connections.**

14 A. To connect the Comstock substation to the existing system, ATXI will
15 need to construct or modify six transmission lines⁵ adjacent to the new Comstock
16 substation to connect the new substation to the grid. The Area Connections are shown
17 in orange on the diagram embedded above. At the conclusion of the Project, ATXI and
18 MJMEUC will have a cumulative 25% interest in the individual Area Connection that
19 will connect the Existing Line with the Comstock substation. SBMU will own and
20 maintain the Area Connections that will connect the Comstock substation with the
21 SWPA substation and with SBMU's other facilities (referred to in the commercial
22 documents as "the Sikeston Owned Area Connections"). Ameren Missouri will continue

⁵ See also footnote 3 above.

1 to own the line connections that will be re-terminated into the Comstock substation. Ms.
2 Timmermann further describes the Area Connections.

3 **Q. Please explain the interest that ATXI and MJMEUC will acquire in the**
4 **Existing Line.**

5 A. ATXI will acquire a 12.75% undivided interest in the approximately 28-
6 mile Existing Line. MJMEUC will acquire a 12.25% undivided interest in the Existing
7 Line. In total, ATXI and MJMEUC will acquire a 25% interest in the Existing Line. The
8 Existing Line is shown in green on the diagram embedded above. Ms. Timmermann
9 further describes the Existing Line.

10 **Q. Please generally describe the New Line.**

11 A. ATXI will construct an approximately 1.2-mile single-circuit 161 kV
12 transmission line generally extending east from the Existing Line to MPL's existing
13 North Primary substation, located just outside of New Madrid. The New Line will
14 connect the Existing Line to New Madrid's distribution system. ATXI and MJMEUC
15 will jointly own the New Line, which will be under the functional control of MISO. The
16 New Line is shown in purple on the Project diagram embedded above. Ms. Timmermann
17 further describes the work associated with the New Line.

18 **Q. Will ATXI provide service to retail customers as a result of the**
19 **construction, acquisition, and operation of the Project facilities?**

20 A. No. ATXI will not use the transmission facilities to provide electric
21 service to retail customers, and ATXI is not requesting authorization from the

1 Commission to provide electric service to retail customers in a service area.

2 **Q. What is the anticipated timeline for the Project?**

3 A. The Project parties seek an in-service date of June 2023. ATXI plans to
4 begin construction activities, including securing all required permits, in May 2022 to
5 meet the Project parties' goal. Ms. Thomson further describes the Project schedule.

6 **Q. Why is a June 2023 in-service date important?**

7 A. The June 2023 in-service date is especially important for two of the
8 parties involved in the Project. ** _____
9 _____
10 _____
11 _____
12 _____
13 _____.

14 **Q. Why is ATXI asking the Commission to expedite its CCN request?**

15 A. ATXI is asking the Commission to expedite its CCN request because the
16 Project is on a very aggressive schedule needed to meet the requirements of the different
17 parties. The Project parties have been in discussions for several years to develop a
18 project to meet New Madrid's and Sikeston's energy needs and unlock the benefits I
19 describe. However, ATXI understands that, as a result of complications due to the
20 COVID-19 pandemic, the developer of the steel mill lost its financing late in the process.
21 The Project parties have nevertheless worked hard to amend the Project scope and keep
22 the Project on track. Some of the Project parties will start to experience significant

1 monetary damages if the Project in-service date extends past the June 2023 target.

2 Further, while ATXI appreciates that this is an aggressive schedule, and that
3 ATXI is requesting a CCN in an expedited fashion – a request ATXI takes very seriously
4 – this Project is unique given the limited number of landowners it will affect and the
5 status of negotiations with the affected individuals. As Ms. Timmermann describes in
6 more detail, construction associated with the Project is limited to two areas – the area
7 along the New Line and the area at and around the new Comstock substation, including
8 the Area Connections. With respect to the work at and around the new Comstock
9 substation, with the exception of a few spans of line along one of the Area Connections,
10 the real estate interest for which Sikeston has already acquired, all of the work at and
11 around the substation will be on property owned by Sikeston or SWPA. ATXI intends
12 to acquire an easement or license from those parties to facilitate construction. With
13 respect to the New Line, those facilities affect only four unique landowners, who own a
14 total of seven distinct parcels. ATXI has already obtained voluntary options from each
15 of those landowners. ATXI will exercise these options and convert them into easements
16 in a manner consistent with the Project construction schedule. In my experience, this
17 amount of limited landowner impact is rare. In connection with the Project, ATXI is
18 essentially extending the MISO border some 20 miles south, but only directly affecting
19 four to five disinterested landowners, the majority of whom have already conveyed or
20 committed to convey the land rights needed to construct the Project.

21 **V. PROJECT PARTIES' COMMITMENTS**

22 **Q. How do the Parties intend to memorialize their respective**
23 **commitments?**

24 **A.** While the products of the Project are relatively straightforward—

1 construction of a substation, limited new and modified connections, and a short single-
2 circuit 161 kV transmission line, and partial acquisition of an existing line, all of which
3 will further multiple parties' interests—the collaborative effort among the Project parties
4 to achieve those results is somewhat complex. The effort is memorialized in a variety of
5 agreements, three of which ATXI considers key: (1) a Joint Ownership Agreement
6 (JOA) among ATXI, MJMEUC, and Sikeston (including SBMU); (2) a Construction
7 Agreement between ATXI and SBMU; and (3) an Operation and Maintenance Services
8 Agreement (O&M Agreement) among ATXI, MJMEUC, and SBMU. ATXI is
9 requesting Commission approval of these three agreements.

10 **Q. Please generally describe the JOA.**

11 A. The JOA defines ATXI's, MJMEUC's, and Sikeston's (including
12 SBMU's) shared investment in, joint ownership as tenants in common of, and related
13 obligations regarding their respective percentage interests in the Comstock substation,
14 the Area Connections, the Existing Line, and the New Line. As to the new Project
15 facilities not otherwise owned by SBMU (like its portion of the Comstock substation
16 and several of the Area Connections), the JOA provides that ATXI will own a 51%
17 participation percentage in the facilities and MJMEUC will own a 49% passive interest.
18 As to the Existing Line, the agreement provides that ATXI and MJMEUC will acquire
19 from SBMU a combined undivided 25% interest in the approximately 28-mile line, from
20 the existing SWPA Sikeston substation to the existing AECI New Madrid substation,
21 with ATXI acquiring 51% of that 25% interest (or a 12.75% interest in the Existing
22 Line), and MJMEUC acquiring the remaining 49% (or a 12.25% passive interest in the
23 Existing Line). The JOA further provides that the parties' respective costs to construct,
24 acquire, operate, and maintain the Project facilities will be commensurate with their

1 respective ownership interests in each facility. In simple terms, MJMEUC will
2 contribute 49% of the costs to construct or acquire the Project facilities that it will
3 jointly-own with ATXI (generally through reimbursement to ATXI), obtaining a passive
4 ownership interest of those facilities. This means that while MJMEUC will have an
5 undivided ownership interest in these facilities, will economically benefit from the use
6 of these facilities, and will have a say in major decisions made with respect to these
7 facilities, MJMEUC will not be directly responsible for any day-to-day activities
8 associated with the construction, operation, or maintenance of these facilities. The JOA
9 is attached to my testimony as **Schedule SB-D3 (Confidential)**.

10 **Q. Please generally describe the Construction Agreement.**

11 A. The Construction Agreement defines ATXI's and SBMU's respective
12 commitments related to the construction of, connection to, and payment for the
13 Comstock substation and the Area Connections in which SBMU will own or have an
14 interest. Specifically, the agreement outlines ATXI's obligation to design and construct,
15 and SBMU's obligation to purchase from ATXI certain, discrete assets at the substation
16 and certain of the Area Connections following construction. The agreement further
17 provides that SBMU will also purchase 64% of the facilities that are common to the
18 substation, such as the foundations, grounding grids, and fences, while the remaining
19 36% of the common facilities and all other facilities related to the construction of the
20 new substation will be paid for by ATXI, subject to contribution from MJMEUC for
21 their applicable ownership percentage. The Construction Agreement is attached as
22 **Schedule SB-D4 (Confidential)**.

23 **Q. Please generally describe the O&M Agreement.**

1 A. The O&M Agreement defines ATXI's, MJMEUC's, and SBMU's
2 commitments regarding operation and maintenance of the Comstock substation the
3 relevant Area Connections, the Existing Line, and the New Line. Per the agreement,
4 ATXI will operate and maintain the new substation. SBMU will operate and maintain
5 the Existing Line, the Area Connections they own or in which they have any interest,
6 and the New Line. The agreement further outlines the parties' obligations regarding
7 costs: ATXI and SBMU will each be responsible for costs to operate and perform routine
8 maintenance on the assets that they are each responsible for managing. Each party will
9 also be responsible for costs associated with capital maintenance of their respective
10 assets. And the agreement provides for periodic evaluations of cost allocations and
11 realignment of costs, if actual operation and maintenance costs materially misalign with
12 the respective ownership split. The O&M Agreement is attached to my testimony as
13 **Schedule SB-D5 (Confidential)**. A table that depicts, by assets type, the responsibilities
14 of the various parties for the assets in which they will have some common interest will
15 be appended to the executed version of the agreement as Attachment B – Scope of Work
16 of Service. That table is attached to my testimony as **Schedule SB-D6 (Confidential)**.

17 **Q. What other agreements among the parties memorialize their respective**
18 **commitments related to the Project?**

19 A. There are a variety of agreements among the Project parties that will be
20 required to effectuate the Project and that are ancillary to the three I've described above.
21 Some of these agreements will be attached to the JOA, Construction Agreement or O&M
22 Agreement and some will be standalone contracts. They also exist in various states of
23 completion, though the parties have agreed to the "form of" most of the ancillary

1 agreement.

2 The table below identifies each such agreement identified by the parties at this
3 time, the parties to it and generally describes the agreement, including where it
4 can be found.

Agreement	Parties	Description	Where Found
Option Agreement ⁶	ATXI, MJMEUC, SBMU	Option for ATXI and MJMEUC to purchase controlling interest in Existing Line in the future	Standalone
Purchase Agreement	ATXI, MJMEUC, SBMU	For ATXI's purchase of 12.75% interest and MJMEUC's purchase of 12.25% interest and in the Existing Line	Standalone
Bill of Sale	ATXI, MJMEUC, SBMU	Also related to purchase of interest in existing line	Attached to JOA
Partial Assignment of Real Estate Rights (Existing Line)	ATXI, MJMEUC, Sikeston	Sikeston assigning to ATXI and MJMEUC real estate rights corresponding with 25% cumulative interest in the Existing Line	Form of attached to JOA
Partial Assignment of Real Estate Rights (New Line)	ATXI, MJMEUC	ATXI assigning to MJMEUC real estate rights corresponding with 49% interest in New Line	Form of attached to JOA
Easement for Comstock substation and Area Connections	Sikeston, ATXI	Sikeston granting ATXI rights to construct, own and operate their respective portions of Comstock and the Area Connections	Form of attached to JOA

⁶ **

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Agreement	Parties	Description	Where Found
NERC Compliance Agreement	ATXI, MJMEUC, SBMU	Memorializes ATXI's commitment to provide certain services for the NERC jurisdictional portions of the Project	Standalone – to be negotiated during Project development
Transmission Interconnection Agreements (TIAs)	Various parties and entities to which the Project facilities will connect	Memorializes terms and conditions with respect to the interconnection of transmission facilities (required by FERC)	Standalone

1

2 **Q. What is the status of the JOA, Construction Agreement, and O&M**
3 **Agreement?**

4 A. The parties have reached an agreement in principle with respect to the JOA,
5 Construction Agreement, and O&M Agreement. The various agreements that need to be
6 executed upfront are in the process of working their way through the applicable
7 administrative processes. ATXI has authority to sign. MJMEUC received board approval
8 on December 9 and SBMU expects to have Board/Council approval in the very near future.

9 **Q. Does ATXI expect the executed versions of the JOA, Construction**
10 **Agreement, or O&M Agreement to materially differ from the versions provided with**
11 **your testimony?**

12 A. No.

13 **Q. Will ATXI update the Commission as the JOA, Construction**
14 **Agreement, and O&M Agreement are signed?**

15 A. Yes. ATXI will update the Commission as these agreements are signed
16 and will promptly provide to the Commission final executed copies of the agreements

1 (and any other existing agreement identified in the table above that the Commission or
2 its Staff asks to review). To the extent that any particular agreement that ATXI requests
3 specific approval of or that the Commission or its Staff seeks to review is not finalized
4 and executed before the Commission should grant a CCN in this proceeding, ATXI
5 requests that the Commission grant the CCN conditioned upon ATXI providing the final
6 executed copy of that agreement.

7 **Q. Why should the Commission grant ATXI a CCN before all of the**
8 **agreements have been executed?**

9 A. I am not an attorney. But it is my understanding that the Commission has
10 the authority to condition the CCN upon final execution of the necessary agreements.
11 ATXI asks the Commission to exercise that authority here – to the extent the
12 Commission finds any of the ancillary agreements to be material to the approval or
13 transaction. To be clear, ATXI anticipates being able to provide executed copies of the
14 three main agreements – the JOA, Construction Agreement, and O&M Agreement –
15 soon, and certainly during the pendency of the case. ATXI recognizes that its request for
16 a CCN before all of the agreements have been executed is not typical. While ATXI had
17 intended for all agreements to be final before filing its application, the complexity of the
18 transaction coupled with the timing of the municipalities’ needs made such an approach
19 impracticable. Accordingly, ATXI is requesting a CCN for this Project at this junction
20 so as not to delay construction and the resulting benefits of the Project to New Madrid
21 and SBMU.

22 **VI. PROJECT COST & FINANCING**

23 **Q. What is the total estimated cost of the Project to ATXI?**

1 A. ATXI estimates that it will cost the Project parties a total of \$20.6 million
2 to construct the new Comstock substation, modify or construct the Area Connections, as
3 applicable, construct the New Line, and acquire an interest in the Existing Line. Of this
4 total estimated cost, per the parties' collective agreements, ATXI will be responsible for
5 approximately \$5.5 million and the total cost that will be allocated to the AMMO Pricing
6 Zone, considering the costs that will be borne by MJMEUC, will be \$10s.9 million. Ms.
7 Thomson, in ATXI Exhibit 2.0, provides a table that shows a breakdown of the total
8 estimated and allocated costs by Project party and Project component.

9 **Q. How will ATXI finance the Project?**

10 A. ATXI will finance the Existing Line interest acquisition and initial capital
11 cash flow requirements for the construction of the Comstock substation, the Area
12 Connections, and the New Line (referred to in Ms. Thomson's testimony as the "New
13 Facilities") with either available cash on hand or short-term borrowings, which would
14 be available under Ameren's Utility Money Pool arrangement. As the level of short-term
15 borrowings increase, ATXI will replace short-term borrowings with a permanent source
16 of capital that includes a balanced blend of long-term debt and common equity.

17 **Q. Is this consistent with how ATXI typically finances its capital needs?**

18 A. Yes. ATXI's capital structure is composed of short-term debt, long-term
19 debt, and common equity. ATXI specifically and continuously manages the balance of
20 debt and equity in its capital structure to minimize its overall cost of capital and, at the
21 same time, maintain financial strength and stability.

22 **Q. Does ATXI presently have access to short-term debt?**

23 A. Yes. In addition to cash on hand, ATXI has the ability to access short-

1 term funds pursuant to FERC authorization effective through July 2023. Again, ATXI
2 can exercise this authorization by accessing funds under Ameren’s Money Pool
3 Arrangement, up to a \$300 million limit. The related amount of ATXI borrowings
4 outstanding at September 30, 2021 was \$137 million, leaving ATXI a remaining
5 capacity of \$163 million.

6 **Q. Does ATXI presently have access to long-term debt?**

7 A. Yes. In June 2017, ATXI issued a \$150 million principal amount of senior
8 unsecured notes, and in August 2017, an additional \$300 million principal amount of
9 senior unsecured notes, to investors through private placement offerings. As part of this
10 process, ATXI sought an investment credit rating from Moody’s. ATXI received a
11 strong A2 credit rating, based in large part on the supportive FERC regulatory
12 framework and the strength of ATXI’s credit metrics. Additionally, investors showed a
13 strong interest in this debt issuance, which resulted in a favorable rate. As of September
14 30, 2021, ATXI also had a \$75 million 3.65% promissory note due 2025 outstanding,
15 which note was issued under a 2015 long-term borrowing agreement with Ameren.

16 **
17 _____
18 _____
19 _____
20 _____
21 _____
22 _____
23 _____

24 _____ ** ATXI plans to continue managing its capital structure with a balanced blend of

1 debt and equity.

2 **Q. Does ATXI presently have sources of equity to finance the Project?**

3 A. Yes. Continued operation of its regulated business provides ATXI with
4 on-going cash and equity in the form of retained earnings. Retained earnings are a source
5 of equity that builds on the balance sheet and will provide a source of financing for the
6 Project.

7 **Q. Are these sources of capital sufficient to finance the Project?**

8 A. Yes. ATXI has completed its three large MISO Multi-Value Projects:
9 Spoon River, Mark Twain, and Illinois Rivers. Therefore, ATXI's total capital
10 expenditures are now substantially lower than in the last several years. Further, ATXI is
11 now earning on these investments, which creates retained earnings. The combination of
12 retained earnings and access to short-term debt through Ameren's Money Pool
13 Arrangement will provide ATXI sufficient capital to finance the Project.

14 **Q. Will the estimated total cost of the Project to ATXI impact ATXI's**
15 **access to the capital it needs to finance the Project?**

16 A. No. The estimated cost of the Project is modest compared to ATXI's
17 historical capital expenditures; ATXI spent over \$1.6 billion on the three MISO Multi-
18 Value Projects that I mentioned above. ATXI's projected 2022 - 2023 capital
19 expenditures are approximately \$150 million. Also, the incremental amount of debt and
20 interest to support this Project is small in comparison to ATXI's total borrowing capacity
21 and related interest expense. With or without the Project, ATXI will continue to have
22 access to long-term sources of capital including external debt and equity. Thus, the

1 Project will not affect ATXI's ability to finance or fund its on-going needs.

2 **Q. Will any individual customer or customer group directly reimburse**
3 **ATXI for the cost of the Project?**

4 A. No. However, as explained, Sikeston and MJMEUC will pay ATXI their
5 respective portions of the cost to construct, acquire, and maintain the Project facilities
6 consistent with the Project parties' commitments that I described above.

7 **Q. How will ATXI recover the cost of the Project?**

8 A. The total cost of the Project components that ATXI will construct and
9 own (its percentage interests in the Comstock substation, the applicable Area
10 Connections, the Existing Line, and the New Line) will be included in ATXI's
11 transmission revenue requirement, as calculated under the MISO tariff that has been
12 reviewed and approved by FERC. Specifically, the revenue requirement will be included
13 in the MISO Schedule 9 rate for the AMMO Pricing Zone. Therefore, the revenue
14 requirement for ATXI's portion of the Project will be collected from all transmission
15 customers in the AMMO Pricing Zone, based on relative load share.

16 **Q. How will the Project's cost affect AMMO Pricing Zone customers'**
17 **rates?**

18 A. Initially, it won't. As also described above, as a result of the Project, New
19 Madrid will pay transmission service charges (referred to in MISO as Network
20 Integrated Transmission Service, or "NITS" charges) incurred in the delivery of energy
21 to New Madrid. These NITS charges will offset the Annual Transmission Revenue
22 Requirement (ATTR) associated with the cost of the Project (resulting from both the
23 ATXI and MJMEUC investments) that will be charged to the AMMO Pricing Zone. If,

1 however, load materializes in or around New Madrid, as is possible given New Madrid's
2 focus on economic development, it is possible that the transmission service charges will
3 in the future exceed the allocated costs of facilities needed to serve that load (i.e., the
4 Project plus any additional facilities—like a second switching station—that may be
5 needed to continue to provide safe and reliable service). Over the first 20 years, the
6 Project will be net neutral to the AMMO Pricing Zone and will provide the platform for
7 future net benefits.

8 **VII. PROJECT BENEFITS & THE TARTAN CRITERIA**

9 **Q. Are you familiar with the Tartan Criteria that the Commission uses to**
10 **assess CCN applications?**

11 A. Yes. Although I am not an attorney, it is my understanding that in
12 assessing CCN applications, the Commission has traditionally considered these five
13 criteria, which are known as the Tartan Criteria: (1) there must be a need for the service
14 the applicant proposes to provide; (2) the applicant's proposal must be economically
15 feasible; (3) the applicant must have the financial ability to provide the service; (4) the
16 applicant must be qualified to provide the proposed service; and (5) the proposed service
17 must be in the public interest.

18 **Q. Does ATXI's CCN application meet these criteria?**

19 A. Yes, ATXI's application and, more specifically, the Project for which
20 ATXI requests a CCN, meets all five Tartan Criteria.

21 **Q. Please explain why the Project is necessary.**

22 A. The Project is both necessary and convenient to the public service for the
23 reasons I discussed above. Again, it will ensure a reliable and cost effective transmission

1 pathway necessary to meet New Madrid's needs now and in the future, as the city
2 continues to court economic development opportunities. And it will provide SBMU the
3 optionality to sell competitively-priced energy to wholesale customers in the SPP,
4 MISO, and AECI footprints without paying any pancaked service charges.

5 **Q. Please explain how the Project is economically feasible.**

6 A. The Project addresses both municipalities' energy needs in a manner that
7 over the first 20 years, is estimated to provide net benefits to AMMO Pricing Zone
8 customers. Further, the Project will provide the platform for load additions, which ATXI
9 expects to create a further positive net benefit for those same zonal customers.

10 **Q. What is that anticipated positive net benefit?**

11 A. That depends on the magnitude of the additional load that materializes,
12 and the additional costs incurred to serve that load. But based on the Project's current
13 scope and New Madrid's current, native load, the Project will eventually produce excess
14 revenues that flow back to the AMMO Pricing Zone.. Any increases in load above New
15 Madrid' current load levels, should – all else equal – produce even greater levels of
16 excess revenue that will similarly flow back to the Zone.

17 **Q. How did ATXI quantify these anticipated benefits?**

18 A. ATXI initially developed a financial analysis considering the 50 MW of
19 load expected from the anticipated steel mill to compare the capital and operating costs
20 of a project that included a second switching station versus the service charges collected
21 from the connection of new load. These service charges reflect an increase in the ATRR
22 for the AMMO Pricing Zone. The additional charges collected in the ATRR and capital
23 and operating costs of the Project were modelled over the useful life of the Project (based

1 upon current ATXI depreciation rates), and the ATXI and MJMEUC costs of capital
2 were used to estimate the Cumulative Present Worth of Revenue Requirements
3 (CPWRR) over the life of the asset. The model generated a negative Net Present Value
4 (NPV), which means that the customer savings exceeded the costs, as calculated over
5 the life of the Project. When the parties became aware of the steel mill's delay and thus
6 that the associated load would not soon materialize, the loss of that anticipated load
7 initially affected the economics of the project as it was configured at the time. In other
8 words, the costs allocated to the AMMO Pricing Zone would be higher than the revenues
9 created by that project. However, given their energy needs, ATXI continued to work
10 with New Madrid and SBMU to explore modifications to the original project that would
11 address those needs and have no effect, or only a positive net effect on AMMO Pricing
12 Zone rates. The result was a revised project scope, which removed the second switching
13 station (and, consequently the related costs), but that still addressed New Madrid's and
14 SBMU's energy needs while eventually producing net benefits for the AMMO Pricing
15 Zone. However, ATXI's initial analysis of future benefits, even considering future
16 construction of a second switching station, remains informative.

17 **Q. Please explain how ATXI has the financial ability to construct and**
18 **operate the Project.**

19 A. As I explained above, ATXI will finance the total cost of the project to
20 ATXI with either available cash on hand or short-term borrowings, which are available
21 under Ameren's Money Pool Arrangement. And ATXI will replace any short-term
22 borrowings with a permanent source of capital that includes a balanced blend of long-

1 term debt and common equity.

2 **Q. Please explain how ATXI is qualified to construct and operate the**
3 **Project.**

4 A. As I explained above, ATXI was first recognized by the Commission as
5 a public utility in Case No. EA-2015-0145 and has since had a successful track record
6 in developing several MISO Multi-Value Projects and other transmission projects.
7 Today, ATXI owns and operates over 500 miles of transmission line and multiple
8 sub/switching stations (four in Missouri before the construction of the Limestone Ridge
9 Project). As a result, ATXI has extensive experience constructing, owning, operating,
10 and maintaining transmission facilities. This experience qualifies ATXI to construct and
11 operate the new Project facilities, which are very limited: one new substation and related
12 connections and a 1.2-mile single-circuit 161 kV electric transmission line. Ms.
13 Thomson explains ATXI's construction management process for the Comstock
14 substation, the Area Connections, and the New Line in greater detail.

15 **Q. Please explain why the Project is in the public interest.**

16 A. The Project is in the public interest in myriad respects. First, it represents
17 the outcome of a collaborative effort among ATXI, New Madrid, SBMU, and MJMEUC
18 to plan and develop mutually beneficial transmission solutions in an area of overlapping
19 interests. Coordinated planning is in the public interest because it reduces or eliminates
20 the inefficiencies that may occur when infrastructure planning on the seams of multiple
21 parties is conducted on an individual basis. Second, it addresses jurisdictional and non-
22 jurisdictional interests I've described. Third, regarding jurisdictional interests
23 specifically, as explained, the Project is expected to create the platform for a positive net

1 benefit to retail customers in the AMMO Pricing Zone, and it positions us well for
2 potential future expansions of the existing system, and specifically, the Existing Line, to
3 improve system reliability, to directly serve Ameren Missouri retail customers located
4 in the Hayti / Portageville area, and to improve system reliability to all customers in the
5 region. Fourth, and importantly regarding non-jurisdictional interests and the interests
6 of the State generally, the Project facilitates New Madrid's efforts to attract economic
7 development and the attendant benefits to that region of Missouri and the State in
8 general, ideally in the form of additional jobs and additional tax revenue.

9 **Q. Please explain how the Project positions Ameren well for potential**
10 **future expansions of the existing system that would allow Ameren Missouri to directly**
11 **serve retail customers located in the Hayti / Portageville area.**

12 A. As a result of previous acquisitions, Ameren Missouri currently has a
13 pocket of retail customers that are not directly connected to the other parts of Ameren
14 Missouri's system. Ameren Missouri currently pays Entergy Arkansas to provide the
15 final portion of electric service to these customers. The Project effectively extends
16 facilities within the MISO North transmission system some 20 plus miles closer to this
17 region. Although it would take another future project to close the remaining
18 geographical "gap," the Project gets Ameren one step closer to a direct interconnection
19 with this load and increases the prospect of serving these customers in a more reliable
20 and economically efficient manner.

21 **Q. Does the Project provide any other benefits?**

22 A. As explained, the future expansion of this Project could result in increased
23 contract path between the MISO North and South regions, which could reduce annual

1 payments from MISO to SPP and benefit all MISO customers, including the retail
2 customers in the AMMO Pricing Zone. Finally, I note that the southeast region of
3 Missouri has the best solar resources in the State. Development of transmission assets in
4 this region could support interconnection of higher quality solar generation that could
5 benefit consumers and the broader system.

6 **VIII. NOTICE REQUIREMENTS & COMMUNITY ENGAGEMENT**

7 **Q. Will any landowners be directly affected by the Project?**

8 A. the Project directly affects, in total, five unique landowners. The New
9 Line will affect only four unique landowners, who own a total of seven distinct parcels.
10 ATXI has already acquired from those landowners options to obtain easements prior to
11 the start of construction. With the exception of one additional landowner who owns a
12 parcel that will be directly affected by a few spans along one of the individual Area
13 Connections, ATXI expects to acquire the real estate interests for the new Comstock
14 substation and the Area Connections from Sikeston. With respect to that one other
15 landowner, Sikeston has already obtained the necessary easement for the Area
16 Connections and will assign rights to ATXI and/or MJMEUC as required. Given that
17 the remainder of the Project concerns an existing transmission line, the rest of the Project
18 will not directly affect any other landowners.

19 **Q. Has ATXI notified the five landowners directly affected by the Project?**

20 A. Yes. ATXI has included with its Application, as **Appendix D**, the
21 verification of that landowner notice required by Commission Rule 4240-
22 20.045(6)(K)(1). A list of the directly affected landowners to whom the notice was sent
23 is provided as a confidential attachment to that appendix. And a copy of the letter that

1 ATXI sent to each directly affected landowner as notice of its application is provided as
2 **Schedule SB-D7** to my testimony. Again, ATXI has already secured options to acquire
3 the parcels or easements needed to construct the New Line and Area Connections. So,
4 ATXI does not anticipate requiring any eminent domain rights to achieve 100% site
5 control.

6 **Q. Was community input incorporated into the Project?**

7 A. Yes. ATXI has been collaborating actively for some time with New
8 Madrid and Sikeston/SBMU to develop this Project. It is my understanding that both
9 communities are excited about the benefits the Project can bring to the region. Further,
10 because only five landowners will be affected by the Project's new construction, as
11 explained, ATXI is working with those landowners on an individual basis to incorporate
12 their input into the Project, rather than conducting extensive, large-scale community
13 outreach regarding the Project.

14 **IX. CONCLUSION**

15 **Q. What do you conclude regarding the Project and ATXI's CCN request**
16 **to pursue it?**

17 A. The Commission should approve ATXI's application and grant ATXI the
18 CCN and other approvals that ATXI requests related to the Project, which is in the
19 public's interest. For the reasons I've explain, the Commission's approval will enable
20 ATXI to participate in a collaborative effort among ATXI, New Madrid, SBMU, and
21 MJMEUC that will simultaneously address the energy needs of New Madrid and SBMU
22 in a manner that creates potential future benefits for AMMO Pricing Zone customers

1 and the region generally.

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

3 **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 Public Convenience and) File No. EA-2022-0099
Necessity under Section 393.170,)
RSMo. relating to Transmission Investments)
in Southeast Missouri.)

AFFIDAVIT OF SEAN BLACK

STATE OF MISSOURI)
) ss
CITY OF ST. LOUIS)

Sean Black, being first duly sworn on his oath, states:

My name is Sean Black and on my oath declare that I am of sound mind and lawful age;
that I have prepared the foregoing *Direct Testimony*; and further, under the penalty of perjury,
that the same is true and correct to the best of my knowledge and belief.



Sean Black

Dated: December 21, 2021