BEFORE THE PUBLIC SERVICE COMMISSION OF THE STATE OF MISSOURI

In the Matter of the Application of)
Ameren Transmission Company of)
Illinois for a Certificate of Convenience)
and Necessity under Section 393.170.1,)
RSMo. And Approval to Transfer an)
Interest in Transmission Assets Under)
393.190.1, RSMo relating to Transmission)
Investments in Northwest and Northeast)
Missouri.)

File No. EA-2024-0302

AMEREN TRANSMISSION COMPANY OF ILLINOIS' <u>RESPONSE TO STAFF RECOMMENDATION</u>

COMES NOW Ameren Transmission Company of Illinois (ATXI or the Company), through its undersigned counsel, and pursuant to 20 CSR 4240-2.080 and the Order Directing Filing issued January 24, 2025, responds to the Staff Recommendation filed on December 20, 2024, as follows:

Summary

1. ATXI agrees with Staff that the Missouri Public Service Commission ("Commission") should issue an order authorizing the Company's request for a Certificate of Convenience and Necessity (CCN) for the Fairport-Denny-Iowa/Missouri border and Maywood-Mississippi River Crossing Projects, which are Phase 1 of the Northern Missouri Grid Transformation Program (Projects or Phase 1 Projects). The Projects will improve the reliability of the transmission system in Missouri by resolving thermal issues and increasing transfer limits within the MISO region. In addition, customers in Missouri will reap economic benefits from the Projects that exceed their costs. The Staff Recommendation states that "the Phase 1 Project[s] [are] in the public interest with the conditions recommended by Staff." As explained below, ATXI does not object to most of Staff's proposed conditions but has concerns regarding several conditions (which ATXI believes can be resolved by revisions or clarifications) and is actively engaged in settlement discussions with Staff to reach agreement/consensus on all of the conditions (and intends to share any agreed-upon revision with all parties for their review and potential input). While ATXI believes that it will likely reach agreement with Staff on the proposed conditions, given the deadline to file this response ATXI submits that the Commission should not condition approval of the Projects in the instant proceeding on the approval of the project that is the subject of File No. EA-2025-0087. Such a condition may or could be interpreted to require ATXI to wait for approval of the CCN for Phase 2, and could cause a delay in construction of the Phase 1 Projects and a corresponding delay in Missouri realizing the reliability and economic benefits provided by the Projects.

2. ATXI's Application also requested permission and authority to transfer an undivided 49% interest in the transmission facilities for the FDIM Project, excluding the land for the Denny Substation, to the Missouri Joint Municipal Electric Utility Commission ("MJMEUC") shortly before the FDIM Project is placed into service. The Staff Report mentions this request, does not identify any issues with this request, but does not appear to explicitly recommend approval of this request. ATXI assumes from the overall content of the Staff Report that Staff is also recommending approval of this request, which request should be granted by the Commission and is necessary for the Projects to proceed.

Background

3. On July 16, 2024, ATXI filed an application with the Commission seeking an order granting a CCN pursuant to Section 393.170.1, RSMo, as well as the direct testimony of eleven witnesses. The CCN would authorize ATXI to construct, install, own, operate, maintain, and otherwise control 44 miles of 345 kV transmission line, in two segments, in Worth, Gentry, and

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DeKalb counties, a new 345 kV substation named Denny in DeKalb county (the Fairport-Denny-Iowa/Missouri Border or FDIM Project), and 9 miles of 345 kV transmission line in Marion county between ATXI's existing Maywood Substation near Palmyra, Missouri, and the Mississippi River Illinois/Missouri border, including upgrades to the Maywood Substation (Maywood-Mississippi River Crossing or MMRX Project). The application also requests permission and authority to transfer an undivided 49% interest in the transmission facilities for the FDIM Project, excluding the land for the Denny Substation, to MJMEUC.

4. On July 18, 2024, the Commission issued its *Order Directing Notice, Setting Intervention Deadline, and Directing Staff Recommendation*, establishing an intervention deadline of August 16, 2024.

5. On July 19, 2024, the Commission issued its *Order Canceling Recommendation*, cancelling the order for Staff to file a recommendation.

6. On July 30, through August 14, 2024, MJMEUC, Renew Missouri, Clean Grid Alliance, Sierra Club, and Midcontinent Independent System Operator, Inc. ("MISO"), filed their intervention requests. The Commission granted MJMEUC, Renew Missouri, and Clean Grid Alliance's intervention requests on August 12, 2024, and the Sierra Club and MISO's intervention requests on August 27, 2024.

7. On August 29, 2024, the Commission issued its *Order Directing Status Report*, ordering Staff to file a status report no later than September 30, 2024.

8. On September 30, 2024, Staff filed its *Status Report*, requesting additional time, until December 20, 2024, to file its recommendation, and on that same date the Commission issued its *Order Extending Time for Recommendation*, establishing that Staff's recommendation shall be filed no later than December 20, 2024

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9. On November 15, 2024, ATXI filed a Motion Requesting Local Public Hearings and for Expedited Treatment, explaining that, during informal discussions with counsel for Commission Staff and other parties regarding a procedural schedule, Staff disclosed that it would like local public hearings to be scheduled in December to allow Staff to consider any public testimony submitted at such local public hearings in its recommendation to the Commission due on December 20, 2024.

10. On November 19, 2024, the Commission issued its *Order Setting Local Public Hearings*, scheduling an in-person local public hearing for December 9, 2024, and a virtual local public hearing via video and telephone conference for December 10, 2024. The December 9 and December 10, 2024, local public hearings were held as scheduled.

11. On December 20, 2024, Staff filed its *Staff Recommendation* as well as what it referred to as "Staff's memorandum, attached hereto and incorporated by reference, address[ing] ATXI's application for a certificate using the Commission's Tartan criteria, and recommends the Commission issue an order authorizing ATXI's request for a CCN to construct, install, own, operate, maintain, and otherwise control and manage transmission facilities in, around, and between the counties of Worth, Gentry, and DeKalb, Missouri, subject to Staff's ... recommended conditions" The *Staff Recommendation* also recommended that the Commission hold another virtual local public hearing for landowners who were not affected by the Company's proposed route (referred to as DO-28) but would have been affected by one of the route alternatives previously considered by the Company (referred to as DO-27) so as to provide an opportunity to those landowners to express their concerns, if any, on the route. Staff noted that it "discussed this recommendation with ATXI, the Applicant did not oppose Staff's recommendation for an additional LPH for affected landowners." *Staff Recommendation*, p. 2, fn. 6.

12. On December 31, 2024, the Commission issued its *Order Setting Local Public Hearing and Directing Notice*, scheduling an additional virtual local public hearing for January 16, 2025. The January 16, 2025, virtual local public hearing was held as scheduled.

13. On January 24, 2025, the Commission issued its *Order Directing Filing* setting February 7, 2025, as the date for ATXI and any other party who wishes to respond to the *Staff Recommendation*.

Response to Staff Recommendation

14. Given Staff's recommendation to grant the requested CCN subject to certain conditions, ATXI has been engaged in discussions with Staff and the other parties to this proceeding to explore resolving ATXI's request for a CCN on the basis of the *Staff Recommendation*, with potential modifications to some of Staff's recommended conditions, without pre-filed testimony and an evidentiary hearing and briefing. Staff has been and continues to be willing to engage in discussions regarding revisions to its proposed conditions but has not indicated, at this time, a willingness to pursue or enter into a stipulation.

15. ATXI does not have issues with most of Staff's proposed conditions, but does have issues and concerns with some of Staff's proposed conditions, as set forth below:

- a. <u>Condition 1</u>. ATXI has no objection to this condition but has proposed some minor non-substantive clean-up edits to Staff.
- b. <u>Conditions 2, 3, and 4</u>. ATXI has no objection to these conditions.
- c. <u>Condition 5</u>. ATXI has no objection to this condition but has proposed some minor non-substantive clean-up edits to Staff to clarify that the filing is to be made in the instant proceeding and that the filing is to occur when acquisition of the necessary land rights is finalized.

- d. <u>Condition 6</u>. ATXI has no objection to this condition but has proposed a minor non-substantive clean-up edit to Staff to clarify that the filing is to be made in the instant proceeding.
- e. <u>Condition 7</u>. ATXI has no objection to the condition to obtain and file government approvals and permits but submits that the timing requirements of this condition should be modified to require ATXI to obtain such approvals and permits before beginning construction and file them with the Commission prior to placing the Projects in service. These revisions would better accommodate the timing of when and how permits and approvals are issued while continuing to ensure required permits and approvals are obtained and provided to the Commission in a timely manner.
- f. <u>Conditions 8, 9, 10</u>. ATXI has no objection to these conditions.
- g. Condition 11. ATXI proposes deletion of Condition 11 on the grounds that it is not necessary since the referenced time-limited provisions from the 3rd Order Modifying the 2012 Report and Order in Case No. EO-2011-0128 have been replaced by non-time limited provisions in the 4th Order Modifying the 2012 Report and Order in Case No. EO-2011-0128. In the alternative, ATXI has proposed edits and clarifications to Staff to clarify that Condition 11 applies with respect to the transmission facilities to be constructed as part of the FDIM and MMRX Projects and to replace the time-limited provisions from the 3rd Order Modifying the 2012 Report and Order in Case No. EO-2011-0128.

- h. Condition 12. This condition states that Staff recommends the Commission's granting of a CCN for Phase 1 Projects be conditioned on a CCN being granted for Phase 2. The intent and meaning of this condition is not clear, and may or could be interpreted to require ATXI to wait for approval of the CCN for Phase 2 and could result in a delay with respect to constructing the Phase 1 Projects and a corresponding delay in Missouri realizing the reliability and economic benefits provided by the Projects. ATXI has proposed alternative language that should address the concern expressed by Staff by having ATXI acknowledge that the Commission retains the authority to reopen this docket based on the outcome of the proceeding for Phase 2 of the Program while also clarifying that Condition 12 shall not restrict ATXI's ability to exercise the authority granted in the CCN for the Phase 1 Projects, including engineering, environmental permitting, easement acquisition, right-of-way clearing, access, and line or substation construction until such time as the Commission reaches a determination with respect to Phase 2 of the Program, or thereafter assuming Phase 2 is approved. Absent making clear that Condition 12 does not restrict the Company's ability to proceed to implement the CCN, this condition should not be adopted.
- <u>Condition 13</u>. As noted above, the Commission has already issued an order scheduling the additional local public hearing recommended by Staff per this condition, and the additional local public hearing has been held as scheduled. Accordingly, Condition 13 need not and should not be further incorporated into a Commission order granting the CCN.

- j. <u>Condition 14</u>. This condition proposes to impose new requirements for future, unspecified projects unrelated to the current Phase 1 Projects with respect to the maintenance of interactive route maps on ATXI's website(s). As a result, ATXI submits that these requirements are not reasonable or necessary to the issue of whether the Phase 1 Projects are in the public interest. To the extent that new requirements are thought to be appropriate or necessary, the proper means to implement such requirements is through a rulemaking that applies to all utilities. Having said that, ATXI's goal and intent is to keep all stakeholders and directly affected landowners informed. ATXI is not opposed to such a condition if its intent and scope are more clearly defined, the projects to which such condition applies are limited to transmission line projects of sufficient size to warrant the related expense (such as transmission line projects requiring a CCN and qualifying as Multi-Value Projects), the condition has a reasonable expiration date sufficient to allow a rule to be adopted if deemed appropriate (e.g., 5 years), and the condition makes clear that it applies prospectively and any deficiencies with respect to maintaining such maps pursuant to this condition shall not invalidate the CCN for the Phase 1 Projects. ATXI has proposed specific language to Staff as part of its ongoing discussions with Staff.
- k. <u>Condition 15</u>. This condition proposes to impose new requirements for future, unspecified projects unrelated to the current Phase 1 Projects with respect to including instructions for accessing the website and maps referenced in Condition 14. ATXI incorporates by reference its response to Condition 14. Having said that, ATXI has no objection to a requirement to include, for all projects

referenced in Condition 14, instructions for accessing the website and maps referenced in Condition 14 on all required notifications sent to affected landowners; provided, however, that the condition make clear that it shall be applied prospectively and expire five (5) years from the date of the CCN Order for the FDIM and MMRX Projects, and any deficiencies with respect to including instructions for accessing the website and map pursuant to this condition shall not invalidate the CCN for the Phase 1 Projects. ATXI has proposed specific language to Staff as part of its ongoing discussions with Staff.

1. <u>Condition 16</u>. This condition proposes to require ATXI, for all future transmission line projects in Missouri, to periodically refresh its search of property records throughout the pendency of a CCN case. Like Conditions 14 and 15, this condition proposes to impose new requirements for future, unspecified projects unrelated to the current Phase 1 Projects with respect to refreshing the required search of property records. ATXI incorporates by reference its response to Condition 14. Having said that, ATXI is not opposed to a condition which requires it to refresh its data used to identify the owners of land directly affected by a proposed transmission line project provided the requirement is revised to require a single refresh per project after an application is filed (there is no need or purpose to continually refresh that data throughout the pendency of a CCN case), the condition makes clear that it shall be applied prospectively and expires five (5) years from the date of the CCN Order for the FDIM and MMRX Projects, and any deficiencies with respect to meeting this condition shall not invalidate the CCN for the Phase 1

Projects. ATXI has proposed specific language to Staff as part of its ongoing discussions with Staff.

16. As reflected by the foregoing discussion of Staff's proposed conditions, ATXI believes in good faith that discussions to date have been productive and are likely to lead to limited revisions to Staff's proposed conditions that will be mutually acceptable to Staff, ATXI, and other parties. If for some reason that is not the case, additional testimony, hearings, and briefing may be both needed and helpful—although it appears that the scope of contested issues in this proceeding will be limited to the issues intended to be addressed by Staff's proposed conditions. Whether there are any contested issues will be further informed by other parties' responses and any replies. Accordingly, ATXI requests that the Commission either schedule a prehearing conference or require a joint status report, on or after February 21, 2024, to address whether any contested issues remain, including with respect to Staff's proposed conditions following any revisions agreed to or accepted by Staff and, if contested issues remain, a proposed procedural schedule for the balance of the case.

WHEREFORE, ATXI respectfully requests the Commission continue the schedule in this proceeding and either schedule a prehearing conference or require a joint status report, on or after February 21, 2024, to address whether any contested issues remain, including with respect to Staff's proposed conditions following any revisions agreed to or accepted by Staff and, if contested issues remain, a proposed procedural schedule for the balance of the case. Alternatively, the Commission should grant the CCN for the Phase 1 Projects without conditioning such grant on an approval in any other proceeding and without the other conditions to which ATXI objects as indicated above.

Dated: February 7, 2025

Respectfully submitted,

Isl Carmen L. Fosco

Attorney for Ameren Transmission Company of Illinois

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ATTORNEYS FOR AMEREN TRANSMISSION COMPANY OF ILLINOIS

CERTIFICATE OF SERVICE

The undersigned certifies that a true and correct copy of the foregoing document was served on the persons on the Missouri Public Service Commission's service list in this case via electronic mail (e-mail) on February 7, 2025.

> <u>/s/. Carmen L. Fosco</u> Carmen L. Fosco