In the Matter of the Application of Ameren Transmission Company of Illinois for a Certificate of Convenience and Necessity under Section 393.170.1, RSMo, Relating to Transmission Investments in North Central Missouri

STATE OF MISSOURI PUBLIC SERVICE COMMISSION

At a session of the Public Service Commission held at the Commission's office in Jefferson City on the 16th day of July, 2025.

Case No. EA-2025-0087

ORDER GRANTING CERTIFICATE OF CONVENIENCE AND NECESSITY

Issue Date: July 16, 2025

Effective Date: August 15, 2025

On December 11, 2024, Ameren Transmission Company of Illinois (ATXI) filed an application with the Commission seeking an order granting a certificate of convenience and necessity (CCN) pursuant to Section 393.170.1, RSMo. Concurrent with the filing of the application, ATXI filed the direct testimony of nine witnesses. The CCN requested by ATXI would authorize ATXI to construct, install, own, operate, control, manage, and maintain slightly over 200 miles of 345 kV transmission lines across the State of Missouri – referred to as the Denny-Zachary-Thomas Hill-Maywood Project, or DZTM Project.

The application states that the DZTM Project constitutes the second phase (Phase 2) of the Northern Missouri Grid Transformation Program (the Program), which represents the Missouri jurisdictional portion of three of the 18 Multi-Value Projects (MVPs) approved by the Midcontinent Independent System Operator, Inc. (MISO) as part of its Long Range Transmission Planning (LRTP) Tranche 1 Portfolio incorporated into

the 2021 MISO Transmission Expansion Plan. Phase 2 is designed to be operated in conjunction with the entire LRTP Tranche 1 Portfolio, including the other two LRTP Tranche 1 projects in Missouri, the Fairport-Denny-Iowa/Missouri Border (FDIM) Project and the Maywood-Mississippi River Crossing Project, which constitute Phase 1 of the Program and are the subject of another pending Commission case -- Case No. EA-2024-0302.

The application also requests permission and authority to transfer an undivided 49% interest in certain transmission facilities for the DZTM Project to the Missouri Joint Municipal Electric Utility Commission d/b/a Missouri Electric Commission (MEC) before those facilities are placed into service, pursuant to Section 393.190.1, RSMo, Commission Rule 20 CSR 4240-2.060, and Commission Rule 20 CSR 4240-10.105. In addition, the application seeks waivers of the rate schedule filing requirements of Commission Rule 20 CSR 4240-20.105, the annual reporting requirement of Commission Rule 20 CSR 4240-10.145, the depreciation study requirement of Commission Rule 20 CSR 4240-3.175, and the reporting requirements of Commission Rule 20 CSR 4240-3.175, and the reporting requirements of commission Rule 20 CSR 4240-3.175 will not provide retail service to end-use customers and will not be rate-regulated by the Commission.

The Commission directed notice of the application and established an intervention deadline. MISO, MEC, Renew Missouri Advocates d/b/a Renew Missouri, Clean Grid Alliance, and Sierra Club applied to intervene in the case. The Commission granted those intervention applications on January 23, 2025.

On April 22, 2025, and April 23, 2025, the Commission held local public hearings.

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On June 2, 2025, the Staff of the Commission (Staff) filed its *Staff Recommendation*. In it, Staff recommends the Commission issue an order authorizing ATXI's request for a CCN to construct, install, own, operate, control, manage, and maintain the DZTM Project. Staff also recommends that the Commission: (1) grant ATXI permission and authority to transfer an undivided 49% interest in the DZTM Project assets to MEC; (2) approve the double circuit option for the design and route of the Denny-to-Zachary (DZ) segment of the project; and (3) waive the above-mentioned filing and reporting requirements. Staff's recommendations were made subject to the Commission adopting 17 conditions included with the *Staff Recommendation*.

On June 16, 2025, all eight parties to this matter filed a *Joint Status Report* which states that ATXI and Staff have agreed to revisions to the conditions filed by Staff on June 2, 2025. Subject to those revised conditions, ATXI, Staff, MISO, MEC, Renew Missouri, Clean Grid Alliance, and Sierra Club support, and OPC does not oppose, approval of the requested CCN and other requested approvals and waivers.

ATXI is an "electrical corporation" and a "public utility" as defined in Subsections 386.020(15) and (43), RSMo (2016). The Commission may grant an electric corporation a CCN to operate after determining that the operation is "necessary or convenient for the public service."¹ The Commission articulated criteria (known as the "Tartan criteria")² to be used when evaluating applications for utility certificates of convenience and necessity in *In Re Intercon Gas, Inc.*³

¹ Section 393.170.3, RSMo (Supp. 2024).

² See Report and Order, *In re Application of Tartan Energy Company, L.C., d/b/a Southern Missouri Gas Company, for a Certificate of Convenience and Necessity*, Case No. GA-94-127, 3 Mo. P.S.C. 3d 173 (September 16, 1994).

³ 30 Mo P.S.C. (N.S.) 554, 561 (1991).

The *Intercon* case combined the standards used in several similar certificate cases, and set forth the following criteria: (1) there must be a need for the service; (2) the applicant must be qualified to provide the proposed service; (3) the applicant must have the financial ability to provide the service; (4) the applicant's proposal must be economically feasible; and (5) the service must promote the public interest.

Staff advises that the DZTM Project with its recommended conditions satisfies these criteria.

There is a need for the service in that the DZTM Project is necessary to complete Phase 2 of the Missouri jurisdictional portions of MISO's LRTP Tranche 1 Portfolio. MISO's LRTP Tranche 1 Portfolio is an initiative aimed at benefiting the entire MISO region which includes a portion of Missouri. MISO has shown through extensive study that the Tranche 1 portfolio, including the DZTM Project, will resolve forecasted thermal issues⁴ in Missouri, increase transfer levels across MISO's region, and improve grid resiliency during extreme weather events.

ATXI is an affiliate of Ameren Corporation. The Commission has previously granted CCNs, dating back to 2015, that were developed as part of the MISO's MVPs in Missouri and Illinois, stemming from MISO's LRTP initiative to develop an updated regional transmission trunk-line – also referred to as a "transmission backbone." Phase 2 of the Program is similar to the type of infrastructure that was built as part of the Mark Twain Transmission Project and Illinois Rivers Project by ATXI (i.e., construction of 345 kV transmission lines). Given the resources and construction expertise ATXI had

⁴ "Thermal issues, in reference to transmission elements, refers to situations where transmission lines or equipment become overloaded due to high levels of electrical current and become overheated. This can lead to reduced efficiency and failures." Memorandum to *Staff Recommendation*, p. 11, filed June 18, 2025.

available to construct these two similar and recent projects, Staff concludes that ATXI is qualified to construct, install, own, operate, maintain, and otherwise control and manage the DZTM Project.⁵

Staff notes that ATXI is a transmission-only company with a low business risk profile. ATXI will only need to finance 51% of the final costs of both the FDIM Project and the competitive portion of the DZTM Project, which lowers the total amount ATXI will need to finance long-term to \$397.9 million. Considering the proposed cost, which is less than 2% of Ameren Corporation's and ATXI's capital expenditures over five years, and the financial impact of the projects, Staff concludes that ATXI has the financial ability to own, operate, and maintain the DZTM Project.⁶

Staff notes in its recommendation that the Federal Energy Regulatory Commission (FERC) has reviewed and approved the revenue requirement for recovery through the MISO Tariff, thus providing ATXI with a means to recover Phase 2 DZTM Project development and operation costs. Because of that, Staff believes that the benefits of the proposed DZTM Project to ATXI likely exceeds ATXI's costs, making the project economically feasible.⁷

In evaluating whether the DZTM Project promotes the public interest, Staff considered the other Tartan criteria, ATXI's routing study, public engagement, and the proposed route selection. Staff concludes that the DZTM Project promotes the public interest, particularly if the Commission approves the double circuit option for the design and route of the DZ segment of the project, noting that it would require significantly less

⁵ Memorandum to *Staff Recommendation*, pp. 17-18, filed June 18, 2025.

⁶ Memorandum to Staff Recommendation, pp. 19-21, filed June 18, 2025.

⁷ Memorandum to *Staff Recommendation*, pp. 21-23, filed June 18, 2025.

right-of-way acquisition and is highly preferred by the affected landowners over the single circuit option.⁸

The Commission has reviewed the application for the DZTM Project, the *Staff Recommendation*, the *Joint Status Report*, and the proposed conditions attached to that report. The Commission concludes that the DZTM Project meets the Tartan criteria and will grant a CCN for the project, subject to the recommended conditions, including the approval of the double circuit option for the design and route of the DZ segment of the project.

The Commission will also grant ATXI permission and authority to transfer an undivided 49% interest in the DZTM Project assets to MEC and will waive the filing and reporting requirements, as requested by ATXI.

THE COMMISSION ORDERS THAT:

1. ATXI is granted a certificate of convenience and necessity to construct, install, own, operate, control, manage, and maintain the transmission lines detailed in its application, subject to the conditions listed in Appendix A, attached to this order, and shall implement the double circuit option for the design and route of the Denny-to-Zachary segment of the project.

2. ATXI is granted a waiver of the rate schedule filing requirements of Commission Rule 20 CSR 4240-20.105, the annual reporting requirement of Commission Rule 20 CSR 4240-10.145, the depreciation study requirement of Commission Rule 20 CSR 4240-3.175, and the reporting requirements of Commission Rule 20 CSR 4240-3.175, and the reporting requirements of Commission Rule 20 CSR 4240-3.190, all for good cause.

⁸ Memorandum to *Staff Recommendation*, pp. 23-41, filed June 18, 2025.

3. ATXI is granted permission and authority to transfer an undivided 49% interest in and to the DZTM Project assets to the Missouri Joint Municipal Electric Utility Commission d/b/a Missouri Electric Commission, in accordance with the terms of the Joint Ownership Agreement, (which is attached to the filed direct testimony of witness Nick Rudis).

- 4. This order shall become effective on August 15, 2025.
- 5. This case shall close on August 16, 2025.



BY THE COMMISSION

Tancy Dippell

Nancy Dippell Secretary

Hahn, Ch., Coleman, Kolkmeyer, and Mitchell CC., concur.

Seyer, Regulatory Law Judge

<u>EA-2025-0087</u> <u>Staff Proposed Conditions with ATXI/Staff Agreed Revisions</u>

Right-of-way Acquisition and Micro-siting:

- Throughout the right-of-way acquisition process, ATXI¹ will use all reasonable efforts to follow the route(s) approved by the Commission in response to the Company's Application (depicted in Appendix E², Appendix F, and, Appendix G of the Application). But ATXI will be allowed to deviate from the approved depicted route(s) in two scenarios:
 - a. First, if surveys or testing do not necessitate a deviation, ATXI may deviate from the depicted route on a particular parcel if ATXI and each landowner on which the deviation will run agree. Either ATXI or landowner may initiate such a request to deviate.
 - b. Second, if ATXI determines that surveys or testing require a deviation, ATXI will negotiate in good faith with the affected landowner and if agreement can be reached, ATXI may deviate from the approved depicted route on that parcel, as agreed with the affected landowner(s).

With respect to any parcel other than the identified parcels where ATXI desires to locate the line, whether because testing or surveys necessitate acquisition of an easement on that parcel or for other reasons (e.g., a request from adjacent landowners), ATXI will negotiate in good faith with the landowner of each affected parcel over which ATXI has determined an easement is needed or desired and, if agreement is reached, may deviate from the approved depicted route by locating the line on the affected parcel(s) but will notify the Commission of the deviation and parcels affected prior to construction on that parcel.

If testing or surveys necessitate acquisition of an easement on such other parcel(s) and agreement is not reached, despite good faith negotiations, ATXI will file a request with the Commission to allow it to deviate from the approved depicted route onto the affected parcel(s) and shall, concurrently with the filing of its request with the Commission, send a copy of its request to the owner(s) of record of the affected parcel(s) via U.S. Mail, postage prepaid, as shown by the County Assessor's records in the county where the affected parcel is located, or at such other address that has

¹ All capitalized terms in these Staff Proposed Conditions with ATXI/Staff Agreed Revisions shall be defined as those terms are defined in Staff's memorandum attached to the Staff Recommendation (filed June 2, 2025, as Item 65 on EFIS for File No. EA-2025-0087).

² Appendix E depicts routes for the two configuration options on the Denny-Zachary line segment (DZ Segment): the double circuit option (DZ Double Circuit Option) and the single circuit option (the DZ Single Circuit Option). Should the Commission approve the DZ Double Circuit Option, the approved route shall be consistent with the Double Circuit Proposed Centerline in Appendix E. Should the Commission approve the DZ Single Circuit Option, the approved route shall be consistent with the Single Circuit Option, the approved route shall be consistent with the Single Circuit Option, the approved route shall be consistent with the Single Circuit Option, the approved route shall be consistent with the Single Circuit Option.

been provided to ATXI by the owner(s). ATXI shall fully explain in that request why ATXI determined the change in route is needed and file supporting testimony with its request and the name(s) and addresses of the owner(s) to whom it provided a copy of its request. After Commission notice of the opportunity for a hearing on the issue of whether the change in route should be approved is given to the owner, Staff and OPC, and after an opportunity to respond, the Commission will grant or deny the request.

- 2) Absent a voluntary agreement for the purchase of the property rights, the transmission line shall not be located so that a residential structure currently occupied by the property owners will be removed or located in the easement, including for electrical code compliance purposes.
- 3) Prior to the commencement of construction on a parcel, ATXI will secure an easement, which will include a surveyed legal description showing the precise dimension, including the length and width, for the permanent transmission line easement area for each affected parcel. In addition, ATXI will track each easement grant by way of a spreadsheet that identifies each parcel by Grantor and County, and which contains the recording information for each parcel. Upon securing all necessary easements for the Project, ATXI will file a copy of the spreadsheet with the Commission, to which a map will be attached. For each parcel, the map and the spreadsheet will include a unique indicator that allows the Commission to see where on the map that parcel is located.
- 4) ATXI shall follow the construction, clearing, maintenance, repair, and right-of-way practices consistent with what was proposed by the Company for the Phase 2 projects.³

Reporting requirements:

- 5) ATXI shall file with the Commission in this case a legal description of the line segments when acquisition of the necessary land rights is finalized.
- 6) ATXI shall file the final Joint Ownership Agreement and Joint Use Agreement with the Commission in this case within 30 days of executing the agreements.
- 7) ATXI shall file the specific impact, if any, of the proposed transfer of the assets to be constructed on the tax revenues of the political subdivisions in which the proposed structures, facilities, or equipment are located.⁴ The Joint Ownership Agreement, Schedule A, may satisfy this reporting condition if it additionally identifies the political subdivisions in which the proposed structures, facilities, or equipment are located.
- 8) ATXI shall obtain all required government approvals and permits e.g., any applicable land disturbance permits, Missouri State Highway Commission permits, or US Army Corps of Engineers permits before beginning construction on the part of the Project (DZTM)

³ Provided in ATXI Schedule MH-D6 filed with Matt Hoven's Direct Testimony.

⁴ 20 CSR 4240-10.105(F).

where the approvals and permits are required, and shall file such approvals and permits with the Commission before beginning construction or, for approvals and permits obtained less than 90 days before beginning construction, within 90 days of receipt.

- 9) ATXI shall file with the Commission any agreement between ATXI and the pipeline companies that have assets being crossed by the Project (DZTM).
- 10) ATXI shall file with the Commission the annual report it files with FERC.
- 11) ATXI shall file any vegetation management filing made to FERC, NERC, or a regional reliability organization in EFIS as a non-case related filing.⁵
- 12) ATXI shall obtain acknowledgement from Ameren Missouri that they remain bound by the following provision from the 4th Order Modifying the 2012 Report and Order in Case No. EO-2011-0128 with respect to the transmission facilities to be constructed as part of the Project (DZTM):

For transmission facilities located in Ameren Missouri's certificated service territory that are constructed by an Ameren affiliate and that are subject to regional cost allocation by MISO, for ratemaking purposes in Missouri, the costs allocated to Ameren Missouri by MISO shall be adjusted by an amount equal to the difference between:

(I) The annual revenue requirement for such facilities that would have resulted if Ameren Missouri's Commission-authorized ROE and capital structure had been applied and there had been no construction work in progress ("CWIP") (if applicable), or other FERC Transmission Rate Incentives, including Abandoned Plant Recovery, recovery on a current basis instead of capitalizing pre-commercial operations expenses and accelerated depreciation, applied to such facilities and

(II) The annual FERC-authorized revenue requirement for such facilities. The ratemaking treatment established in this provision will, unless otherwise agreed or ordered, continue as long as Ameren Missouri's transmission system remains under MISO's functional control.

Other:

13) Staff and ATXI acknowledge the Commission retains the authority to reopen this docket based on the outcome of the proceeding for Phase 1 of the Program. This condition shall not restrict ATXI's ability to exercise the authority granted in the CCN for the Phase 2 Project, 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 1 of the Program, or thereafter assuming Phase 1 is approved. ATXI acknowledges that Staff may recommend any conditions or take any position it deems necessary in its recommendation regarding the Phase 1 program.

⁵ 20 CSR 4240-23.030(5).

- 14) ATXI shall, for all future transmission line projects in Missouri which require a CCN and also require a public meeting pursuant to 20 CSR 4240-20.045(6)(K)3, develop and maintain, using best efforts, route maps on its website(s) showing preferred and alternative routes that are known at that time and still under active consideration by the ATXI, as well as any related study areas. These maps shall include parcel boundaries and satellite or aerial imagery (which shall be the default view when there are optional base maps which may be viewed) in sufficient detail for affected landowners to locate their property. These maps shall be maintained from at least the date of any public meeting(s) held, when required, and shall display preferred and known alternative routes proposed in its application or discussed in its written testimony from the date an application is filed through the effective date of the Commission's Report and Order ruling on the subject CCN application (CCN Order) or the date ATXI discontinues development of the project, whichever occurs first. If public meetings are not required to be held, ATXI shall post maps beginning on the date it provides notice of the application to affected landowners. This condition shall be applied to all ATXI applications for a CCN filed after the Commission grants a CCN in this proceeding, should be considered independently, and any deficiencies related to this condition should not, on its own, affect the validity of a CCN granted in this proceeding.
- 15) ATXI shall, for all projects referenced in Condition 14, include instructions for accessing the website and maps referenced in Condition 14 on all required notifications sent to affected landowners. This condition shall be applied to all ATXI applications for a CCN filed after the Commission grants a CCN in this proceeding, should be considered independently, and any deficiencies related to this condition should not, on its own, affect the validity of a CCN granted in this proceeding.
- 16) ATXI shall, for all projects referenced in Conditions 14 and 15, refresh its data used to comply with 20 CSR 4240-20.045(6)(K)1 that identifies the owners of land directly affected by the requested certificate, including the preferred route and any known alternative route, and entitled to receive notice of its application. The refresh of the data shall be conducted within 90 days after filing an application for a CCN to confirm the identified parcels and owners of land directly affected by the requested certificate as of the date notice of the application was issued pursuant to 20 CSR 4240-20.045(6)(K)1 and (6)(K)2. If such refresh identifies a person entitled to receive notice of the application to whom ATXI did not send such notice, ATXI shall provide a notice to such person(s) in accordance with 20 CSR 4240-20.045(6)(K)4. This condition shall be applied to all ATXI applications for a CCN filed after the Commission grants a CCN in this proceeding, should be considered independently, and any deficiencies related to this condition should not, on its own, affect the validity of a CCN granted in this proceeding.
- 17) If the Commission grants a CCN in this proceeding, ATXI shall provide a notice to all landowners along the Denny to Zachary line segment previously notified of its Application in this proceeding (whether or not the landowner is directly affected by the final route selected by the Commission) within 30 days of the effective date of the Commission's Order granting a CCN in this proceeding. Any such notice shall include the requirements set forth in 20 CSR 4240-20.035(6)(K)2 and indicate whether the Commission approved the single circuit or double circuit option.

STATE OF MISSOURI

OFFICE OF THE PUBLIC SERVICE COMMISSION

I have compared the preceding copy with the original on file in this office and I do hereby certify the same to be a true copy therefrom and the whole thereof.

WITNESS my hand and seal of the Public Service Commission, at Jefferson City, Missouri, this 16th day of July 2025.



ry Dippell

Nancy Dippell Secretary

MISSOURI PUBLIC SERVICE COMMISSION July 16, 2025

File/Case No. EA-2025-0087

MO PSC Staff

Staff Counsel Department 200 Madison Street, Suite 800 P.O. Box 360 Jefferson City, MO 65102 staffcounselservice@psc.mo.gov

Office of the Public Counsel (OPC) Marc Poston 200 Madison Street, Suite 650 P.O. Box 2230 Jefferson City, MO 65102

opcservice@opc.mo.gov

Ameren Transmission

1901 Chouteau Avenue

P.O. Box 66149, MC 1310

St. Louis, MO 63166-6149

Company of Illinois

jkumar@ameren.com

Jason Kumar

Ameren Transmission **Company of Illinois** Eric Dearmont 11333 Craqwold Rd. St. Louis, MO 63162 edearmont@ameren.com

Ameren Transmission

Company of Illinois Carmen Fosco 180 North LaSalle Street, Suite 2020 Chicago, IL 60601 fosco@whitt-sturtevant.com

Clean Grid Alliance

Elizabeth Wheeler 570 Asbury Street Suite 201 St. Paul. MN 55104 ewheeler@cleangridalliance.org

Clean Grid Alliance Judith Willis P.O. Box 106088

Jefferson City, MO 65110 jaw@anniewillislaw.com

Chicago, IL 60601

Ameren Transmission

Company of Illinois

Albert Sturtevant

sturtevant@whitt-sturtevant.com

180 North LaSalle St., Ste. 2020

Midcontinent Independent

System Operator, Inc. (MISO) Max Meyer 2985 Ames Crossing Road Eagan, MN 55121 mmeyer@misoenergy.org

Midcontinent Independent

System Operator, Inc. (MISO) William Steinmeier 2031 Tower Drive Jefferson City, MO 65109 wds@wdspc.com

MO PSC Staff

Andrea Hansen 200 Madison Street Jefferson City, MO 65101 andrea.hansen@psc.mo.gov

Sierra Club

Caitlin Stiltner 319 N 4th St St. Louis, MO 63102 cstiltner@greatriverslaw.org **Missouri Electric Commission Douglas Healy** 3010 E. Battlefield, Suite A Springfield, MO 65804 doug@healylawoffices.com

Renew Missouri

Nicole Mers 915 Ash Street Columbia, MO 65201 nicole@renewmo.org

Missouri Electric Commission Peggy Whipple 3010 East Battlefield, Suite A Springfield, MO 65804 peggy@healylawoffices.com

Sierra Club

Sarah Rubenstein 319 N. 4th Street, Suite 800 St. Louis, MO 63102 srubenstein@greatriverslaw.org Enclosed find a certified copy of an Order or Notice issued in the above-referenced matter(s).

Sincerely,

Nancy Dippell Nancy Dippell Secretary

Recipients listed above with a valid e-mail address will receive electronic service. Recipients without a valid e-mail address will receive paper service.