

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

In the Matter of the Application of Union Electric)
Company d/b/a Ameren Missouri for Permission and)
Approval and a Certificate of Public Convenience and)
Necessity Authorizing it to Construct, Install, Own,)
Operate, Maintain and Otherwise Control and Manage)
A 345,000-Volt Electric Transmission Line in Cape)
Girardeau County, Missouri)

File No. EA-2013-0089

STAFF'S RECOMMENDATION

COMES NOW the Staff of the Missouri Public Service Commission ("Staff"), by and through the undersigned counsel and files *Staff's Recommendation* for approval of Union Electric Company's d/b/a Ameren Missouri ("Ameren Missouri") Application for a Certificate of Public Convenience and Necessity (CCN) to construct a 345,000-volt electric transmission line in Cape Girardeau County, Missouri, and in support of its recommendation, states as follows:

1. On, December 6, 2012, Ameren Missouri filed an Application with the Missouri Public Service Commission ("Commission") for a CCN authorizing it to construct, install, own, operate, maintain and otherwise control and manage a 345,000-volt electric transmission line in Cape Girardeau County, Missouri. Ameren Missouri requests that the Commission approve its Application at the Commission's earliest convenience but in no event later than May 1, 2013.

2. The Commission issued an Order on December 10, 2012 directing the Commission's data center to send notice of the Application to potentially interested persons and entities as well as parties to Ameren Missouri's then on-going rate case in File No. ER-2012-0166 and set an intervention deadline of January 2, 2013. In that same Order the Commission directed Staff to investigate and file a report and recommendation regarding the Application no later than April 5, 2013. This filing complies with that Order.

3. On December 28, 2012, the International Brotherhood of Electrical Workers and the Operating Engineers Union filed an Application to Intervene. The requests to intervene were approved by the Commission on January 10, 2013.

4. The Commission is authorized to approve Applications for CCN pursuant to Section 393.170 RSMo (2000).

5. Staff has completed its investigation and determined that Ameren Missouri's request is necessary and convenient to public service, and therefore recommends the Commission approve Ameren Missouri's Application. The results of Staff's investigation are attached hereto as Appendix A, Staff's Memorandum.

WHEREFORE Staff files *Staff's Recommendation* for the Commission's review and consideration.

Respectfully submitted,

/s/ Goldie Tompkins
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Missouri Public Service Commission
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CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing *Staff Recommendation* have been transmitted electronically to all counsel of record this 5th day of April, 2013.

/s/ Goldie Tompkins

MEMORANDUM

TO: Missouri Public Service Commission Official Case File
Case No. EA-2013-0089 – In the Matter of the Application of Union Electric Company d/b/a Ameren Missouri for Permission and Approval and a Certificate of Public Convenience and Necessity Authorizing it to Construct, Install, Own, Operate, Maintain and Otherwise Control and Manage a 345,000-Volt Electric Transmission Line in Cape Girardeau County, Missouri.

FROM: Alan J. Bax - Tariff, Safety, Economic and Engineering Analysis

<u>/s/ Daniel I. Beck 04/05/13</u> Energy Department / Date	<u>/s/ Goldie Tompkins 04/05/13</u> Staff Counsel's Office / Date
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SUBJECT: Staff Memorandum Recommending Approval of Application

DATE: April 5, 2013

STAFF RECOMMENDATION

The Staff of the Missouri Public Service Commission (“Staff”) recommends that the Missouri Public Service Commission (“Commission”) approve Union Electric Company d/b/a Ameren Missouri’s (“Ameren Missouri”) Application for a Certificate of Public Convenience and Necessity (“CCN”) thereby authorizing Ameren Missouri to construct, install, own, operate, maintain, and otherwise control and manage a 345 kV electric transmission line in Cape Girardeau County, Missouri, finding the transaction is in the public interest pursuant to Section 393.170 RSMo. 2000, 4 CSR 240-2.060 and 4 CSR 240-3.105.

OVERVIEW

On August 24, 2012, pursuant to 4 CSR 240-4.020(2), Ameren Missouri filed a Notice of its intention to file an application for a CCN (“Application”), pursuant to Section 393.170 RSMo. 2000, to seek authorization to construct, install, own, operate, maintain, and otherwise control and manage a 345 kV electric transmission line in Cape

Girardeau County, Missouri. On December 6, 2012, Ameren Missouri filed its Application, requesting a line certificate for the portion of an electric transmission line, anticipated to be routed from Ameren Missouri's existing Lutesville Substation to a new Heritage Substation located northwest of Cape Girardeau, a portion of which lies outside of its current certificated area.

On December 10, 2012, the Commission issued an Order directing Staff to identify any other entity that should receive notice of the Application and setting an intervention deadline of January 2, 2013. In addition, Staff was ordered to file a Recommendation by April 5, 2013.

The International Brotherhood of Electrical Workers Locals 2, 309, 649, 702, 1439, and 1455, the AFL-CIO, and the International Union of Operating Engineers Local 148, (referenced together as "Unions"), filed for intervention on December 28, 2012. Their request was approved by the Commission in an Order dated January 10, 2013.

Ameren Missouri is current on all assessment fees and annual report filings. Staff is not aware of any pending actions or unsatisfied judgments against Ameren Missouri concerning customer service or rates occurring within three years of this filing.

DISCUSSION

In periodic updates regarding transmission projects discussed with Staff in recent years, Ameren Missouri has noted its intention to improve its transmission system in Southeast Missouri in order to enhance the reliability of service to Ameren Missouri's customers in and around Cape Girardeau, Missouri. The Lutesville to Heritage 345 kV electric transmission line project ("transmission line project") is designed to meet this identified need for enhanced service reliability. The transmission line project is part of a

regional transmission expansion plan, approved by the Midwest Independent Transmission System Operator, Inc. (“MISO”). In addition to the construction of a new, approximately fourteen mile 345 kV electric transmission line, the transmission line project includes:

- a. A new substation northwest of Cape Girardeau, Missouri to be referenced as the Heritage Substation;
- b. Upgrades to the existing Lutesville substation;
- c. The relocation, upgrade, and construction of 161 kV transmission lines located on the east side of the transmission line project; and
- d. Upgrades to the existing Wedekind and Cape Girardeau substations.

All of these additional facilities lie within the current certificated area of Ameren Missouri, as does approximately the eastern half of the intended route of the new 345 kV line. The western half of this 345 kV line, approximately six miles, is not within the current certificated area of Ameren Missouri (Schedule AJB-1) and is the subject of its Application.

Prior to its Notice filed with the Commission last August, Ameren Missouri had begun the process of route selection, conducting an initial public meeting on August 2, 2012, in Cape Girardeau. Ameren Missouri shared a preliminary map depicting potential routes for the new 345 kV Lutesville-to-Heritage line (Schedule AJB-2), having previously purchased the real estate on which the new Heritage substation would be constructed. This map displays more than 100 potential line segments. Ameren Missouri invited all property owners within 300 feet of a proposed line segment to the public meeting. Nearly 70% of those invited attended this open house.

Comments received during this open house were analyzed, and later utilized in reducing the number of possible routes. This revised map, attached as Schedule AJB-3, was the subject of a second open house conducted on October 16, 2012. All property owners originally notified concerning the first open house were contacted with the updated information, and were either invited to participate in a second open house or provided an explanation as to why a particular line segment was no longer under consideration.

Upon analyzing all feedback received during this process, the final route was determined, as depicted on the map attached as Schedule AJB-4. This information was included in Ameren Missouri's Application.

In its Application, Ameren Missouri noted that the transmission line project was being installed to address certain North American Electric Reliability Council ("NERC") Category C contingency events, such as voltage contingencies during certain peak times. Ameren Missouri noted its intent to use 75-100 foot tall, H-frame structures within a 150 foot wide easement. In addition, Ameren Missouri included an overall cost estimate, which was divided into categories, and a list of other utility facilities that the transmission line project was anticipated to cross. Ameren Missouri also identified what it thought to be the top five risks associated with the transmission line project along with methods to mitigate these risks.

In its July 11, 2012 Order Granting Certificate of Convenience and Necessity approving Entergy Arkansas Incorporated's request for a CCN in File No. EA-2012-0321, the Commission, at page 2, listed five criteria that it used in determining

whether construction and operation were either “necessary or convenient for the public service¹”:

- 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 proposed service;
- 4) The applicant’s proposal must be economically feasible; and
- 5) The service must promote the public interest².

This project is needed to address reliability concerns in this portion of Ameren Missouri’s electric system. In its Application, Ameren Missouri states that “This project is required to meet the Company’s transmission needs and ensure reliability to the region. Specifically, this project will prevent the voltage collapse that could result in an outage to over 320 megawatts (“MW”) of load in the Cape Girardeau area... .”

Ameren Missouri is qualified to construct, install, own, operate, maintain, and otherwise control and manage the transmission line project and is financially able to provide this service.

Staff believes that the project is economically feasible taking note of Ameren Missouri’s Response to Staff’s Data Request No. 1. Ameren Missouri contends that this qualifies as a regionally funded project under the MISO tariffs. Approximately 86.9% of the cost of the project will be charged to Ameren Missouri’s retail and wholesale customers with the remaining 13.1% divided amount the remaining MISO members.

In Staff’s opinion, this project will address reliability concerns in this portion of Ameren Missouri’s system in Southeast Missouri and, as a consequence, recommends that the Application for a line certificate in Cape Girardeau County, Missouri be

¹ Section 393.170 RSMo. 2000.

² *In Re Tartan Energy Company*, Case No. GA-94-127, Report and Order, 3 Mo.PSC.3d 173, 177 (1994).

approved as being in the public interest and that the Commission direct Ameren Missouri to update its associated tariffs accordingly.

CONCLUSION

As previously noted, Staff recommends that the Commission approve Ameren Missouri's Application for a line CCN authorizing it to construct, install, own, operate, maintain, and otherwise control and manage a 345 kV electric transmission line in Cape Girardeau County, Missouri, finding the transaction is in the public interest pursuant to Section 393.170 RSMo. 2000, 4 CSR 240-2.060 and 4 CSR 240-3.105. As elaborated above, Ameren Missouri meets each of the five criteria noted in recent Commission Orders in which the Commission approved an application for a CCN. In its Application, in accordance with 4 CSR 240-3.105, Ameren Missouri included a list of electric and telephone lines that the intended line would cross, a drawing of an H-Frame structure intended to be used in the construction of the 345 kV line, and a list of governmental agencies it has contacted. The Application also included a final route for the project and an explanation of its need to address reliability concerns in Southeast Missouri. Ameren Missouri should update the applicable tariffs if the Commission approves its Application. Staff is not making a recommendation as to rates as this will be addressed in Ameren Missouri's next general rate case proceeding and suggests that the Commission note that no ratemaking matter is being addressed in this proceeding.

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Volt Electric Transmission Line in Cape)
Girardeau County, Missouri)

Case No. EA-2013-0089

AFFIDAVIT OF ALAN J. BAX

STATE OF MISSOURI)
) ss
COUNTY OF COLE)

Alan J. Bax, of lawful age, on oath states: that he participated in the preparation of the foregoing Staff Recommendation in memorandum form, to be presented in the above case; that the information in the Staff Recommendation was given by him; that he has knowledge of the matters set forth in such Staff Recommendation; and that such matters are true to the best of his knowledge and belief.



Alan J. Bax

Subscribed and sworn to before me this 5th day of April, 2013.




Notary Public

A vertical scale bar labeled "Feet" is positioned on the right side of the map. The scale has markings at 4,000, 2,000, 0, and 4,000 feet, with the 0 mark in the center.

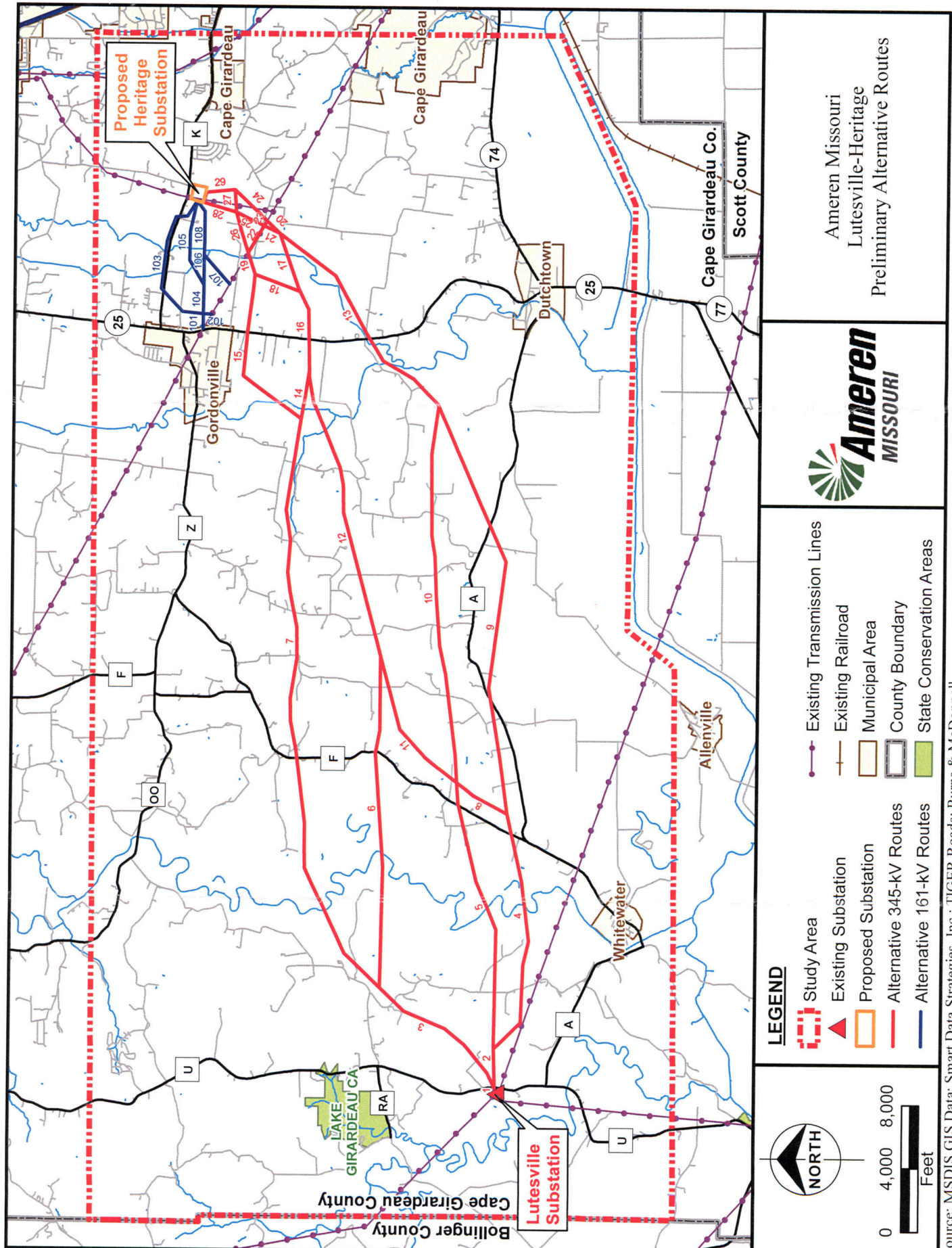


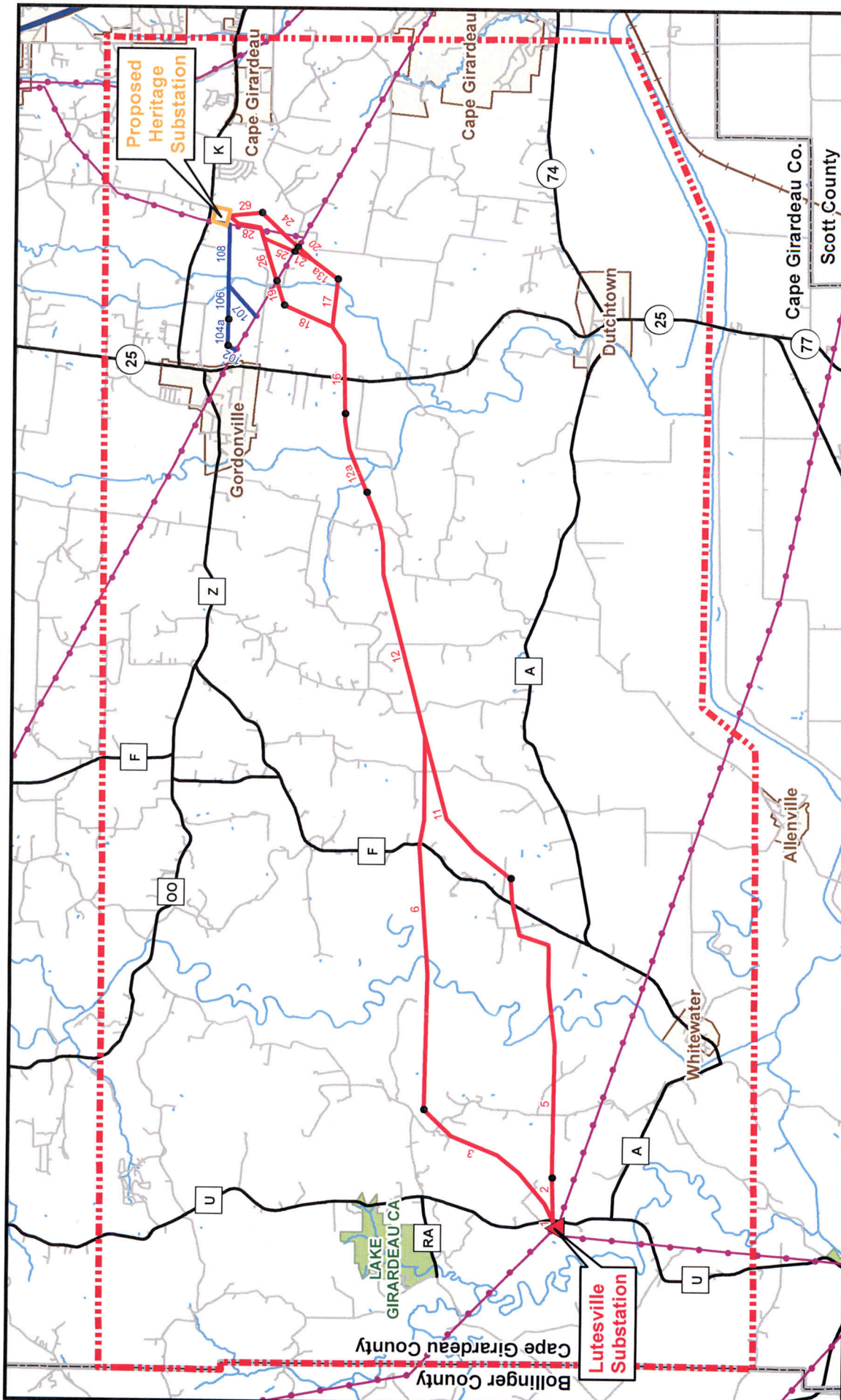
Ameren
MISSOURI

Ameren Missouri Lutesville-Heritage Final Routes

November 16, 2012

Source: 2012 Aerial Photography; National Hydrography Dataset; MSDIS GIS Data; Smart Data Strategies, Inc.; TIGER Roads; Burns & McDonnell.





LEGEND

- ▬ Study Area
- ▲ Existing Substation
- ▭ Proposed Substation
- ▬ Alternative 345-kV Routes
- ▬ Alternative 161-kV Routes

- ▬ Existing Transmission Lines
- ▬ Existing Railroad
- Municipal Area
- County Boundary
- State Conservation Areas

Ameren Missouri
Lutesville-Heritage
Final Alternative Routes

NORTH

0 4,000 8,000
Feet

October 01, 2012

