Ameren Exhibit 10.0

ILLINOIS COMMERCE COMMISSION

DOCKET No. 12-0080

SURREBUTTAL TESTIMONY

OF

RICK L. FOSTER

Submitted On Behalf

Of

AMEREN ILLINOIS COMPANY
d/b/a Ameren Illinois

May 24, 2012

TABLE OF CONTENTS

Page No.

I. INTRODUCTION 1

II. RESPONSE TO STAFF WITNESS MR. ROCKROHR 1

III. CONCLUSION 10

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I. INTRODUCTION

Q. Please state your name and business address.

A. My name is Rick L. Foster and my business address is 370 South Main Street, Decatur, Illinois 62523.

Q. Are you the same Rick Foster who provided direct testimony and rebuttal testimony in this proceeding?

A. Yes, I am.

Q. What is the purpose of your surrebuttal testimony?

A. My surrebuttal testimony responds to ICC Staff witness Mr. Rockrohr's statements regarding AIC's plans for other transmission lines and a future distribution substation in the Champaign area.

II. RESPONSE TO STAFF WITNESS MR. ROCKROHR

Q. Briefly describe Mr. Rockrohr's recommendations in his rebuttal testimony.

A. Mr. Rockrohr testifies (p. 2) that a project is needed to reinforce AIC's 138 kV system to mitigate the risk of voltage collapse in the Champaign area in 2015. He agrees that constructing AIC's proposed 138 kV transmission line along AIC's preferred route would adequately and effectively mitigate the risk of voltage collapse in the Champaign area in 2015. However, Mr. Rockrohr recommends the Commission grant a certificate and order pursuant to Section 8-503 of the Act for the proposed transmission line with two modifications: (1) AIC should use dual circuit structures for the 3-mile route segment immediately south of the Bondville Route 10 Substation; and (2) the line should be routed parallel to I-57 and then along Curtis Road between Duncan Road and Mattis Avenue. Mr. Rockrohr believes these modifications enable AIC to reduce the combined overall cost of at least two, perhaps three planned transmission line projects: (1) the 138 kV transmission line project that is the subject of this docket; (2) a future 345 kV Sidney to Rising transmission line; and (3) a future 138 kV line to supply a new distribution substation near the intersection of Curtis Road and Interstate 57.

Q. Please summarize your response.

A. AIC will construct the transmission line with Mr. Rockrohr's modifications if so ordered by the Commission, as long as AIC can clearly obtain full cost recovery for the modified route construction, including the dual circuit structures. However, I believe it is important that the Commission, should it adopt Mr. Rockrohr's recommendations, be fully aware of the concerns about those modifications raised in AIC's rebuttal testimony and also in the surrebuttal of myself, Mr. Murbarger and Ms. Murphy. These concerns include:

- The reliability concerns with a common route for the Transmission Line and Sidney to Rising 345 kV line;

- The need to acquire additional land rights to accommodate the 150 foot right-of-ways required for a 345 kV transmission line along any common route segment;

- The $3 million in cost savings Mr. Rockrohr identifies related to construction of dual circuit structures is entirely dependent on the assumption that the Commission approves the Sidney to Rising 345 kV line along the same three mile segment of the preferred route of the Transmission Line;

- As discussed by Ms. Murphy, the fact that Mr. Rockrohr's second modification disregards stakeholder input received during the public meeting process; and

- Mr. Rockrohr's second modification would place the Transmission Line in closer proximity to 108[1] residential houses and would require AIC to obtain certain additional land rights.

I also note Mr. Rockrohr's second recommended modification is based on what I believe is a misunderstanding of my rebuttal testimony. Mr. Rockrohr states the "chief reason" for his second recommended modification is an "understanding that, if AIC does not install a transmission line along this section of Curtis Road [east from I-57] as part of this project, it is likely that AIC will do so in a few years." In rebuttal, I explained (pp.

[1] Mr. Rockrohr incorrectly states there would be 168 residents within 500 feet of the existing wood poles. (ICC Staff Ex. 3.0, pp. 13-14.) There are 108 residents within 500 feet of the existing wood poles. (AIC Response to Staff data request ENG 3.03)

10-11) that the rejected mitigation project options did not provide for an additional source into the vicinity of the I-57-Curtis Road interchange (where a potential future distribution substation may be located), and so would possibly require a new 69 or 138 kV line extension to be constructed to meet future load growth. Mr. Rockrohr appears to have understood this to mean that AIC was intending to extend a transmission line along the section of Curtis Road near the I-57 interchange "in a few years," no matter what. This is not correct: my point on rebuttal was that selection of one of the rejected options would have required this additional source. However, by selecting the preferred mitigation option (and the Primary Route), AIC eliminated the need for this additional source into the Curtis Road / I-57 area. In other words, AIC's Primary Route already eliminates the additional source Mr. Rockrohr was concerned about.

Q. Please respond to Mr. Rockrohr's concern that AIC's primary route may not be the least cost option if the Commission takes AIC's other planned transmission lines into account.

A. Mr. Rockrohr states that he is concerned that AIC's primary route is not the least cost option if the Commission takes AIC's other planned transmission lines into account. He interprets Section 8-406.1(f) to not require that the utility only consider each project independently, but consider other planned projects as well. He reads the statute as requiring AIC to consider all transmission projects that will be constructed in the same geographic area within a reasonable planning horizon, and produce and propose alternatives that will result in the lowest aggregate cost for all of those projects. Mr. Rockrohr also states the Commission should consider the proposed transmission line and

a future Sidney to Rising 345 kV line in this docket so that it can identify the alternative that would result in the lowest overall cost.

Q. Do you agree?

A. No. I do not believe that this interpretation is appropriate, particularly for this case, when the Sidney to Rising 345 kV line is a separate project undertaken for a separate purpose. Further, I have been advised by counsel that Mr. Rockrohr's interpretation of Section 8-406.1(f) is overly broad. Section 8-406.1(f) requires the Commission to grant a certificate if it finds a "Project" (singular) will promote the public convenience and necessity and that this "Project" is necessary to provide adequate, reliable, and efficient service to the AIC's customers and is the least-cost means of satisfying the service needs of AIC's customers. Mr. Rockrohr's interpretation effectively expands the statute to include requirements that the Commission must consider multiple projects (plural) in aggregate spanning an undefined time period, within an undefined geographic region. Taken to its logical extreme, Mr. Rockrohr's position would require the Commission to examine every potential transmission line throughout AIC's service territory in every certificate application.

Q. Does AIC nevertheless undertake the type of comprehensive planning that Mr. Rockrohr suggests should happen?

A. Yes. As I explained in my direct and rebuttal testimonies, AIC's planning process considers other potential projects for an area and over AIC's planning horizons. That process produced the recommended Project for which Commission approval is now sought. As I stated previously, the proposed Transmission Line represents the best, and

least cost option, for mitigating the risk of voltage collapse in the Champaign area by 2015. To the extent there is concern about the relative cost of AIC's proposed alternate route, other mitigation options are inferior in their ability to address the voltage collapse risk in a timely manner and might produce, once route design and public participation processes are complete, alternate routes just as expensive as the one in this proceeding.

Q. Do you have other concerns about Mr. Rockrohr's application of Section 8-406.1?

A. Yes. Again, although I am not an attorney, I do not believe that the concept of "least cost" means only what is the lowest dollar cost – the language in Section 8-406.1 that a project must be the "least-cost means of *satisfying the service needs* of the public utility's customers" indicates other factors can be considered when determining if a project is least cost. I also have concerns about his interpretation of the Act related to alternate rights of way.

Q. Please explain.

A. Mr. Rockrohr states he does not understand Section 8-406.1(a)(1)(B)(viii) of the Act to mean that alternate rights-of-way included in AIC's filing must be associated with the same mitigation option and have the same terminals. While I am not an attorney, counsel has informed me that Section 8-406.1 of the Act requires AIC to provide and identify a primary right-of-way and one or more alternate rights-of-way for the "Project" (singular). Since AIC has selected a single mitigation option project, the statute would require the alternate rights of way to be selected for that "project," not that project and some other "project."

Q. You testified previously that use of dual circuit structures for the 138 kV and 345 kV transmission lines may decrease the combined costs for the projects, but could increase the cost recovered from AIC's customers in Illinois because the 138 kV transmission line is not eligible for MISO cost sharing. How did Mr. Rockrohr respond?

A. Mr. Rockrohr recommended that if the Commission is concerned about the potential costs sharing issues, it should include a provision in its final order that "specifies that AIC is to include no more than 50% of the cost for the dual circuit structures in its final costs for the 138 kV Bondville Route 10 to Southwest Campus transmission line." (ICC Staff Ex. 3.0, p. 7.)

Q. Do you agree with this recommendation?

A. No. Mr. Rockrohr's proposal could potentially result in a portion of the cost of the dual circuit structures being stranded and not recovered from anyone. As indicated above, if ordered by the Commission to construct dual circuit towers, AIC would do so, as long as there will clearly be full cost recovery. Mr. Rockrohr's proposal, however, creates the potential that there would not be full cost recovery. If dual circuit structures are constructed, and the Sidney to Rising 345 kV line utilizes the dual circuit structures, the added cost of the dual circuit towers would be expected to be allocated between the two projects in accordance with applicable MISO requirements. However, if the dual circuit structures are constructed, and the Sidney to Rising 345 kV line does not utilize the dual circuit structures, the cost of the dual circuit structures above the 50% cap proposed by Mr. Rockrohr could end up not being assigned to any project and so not

recovered. AIC cannot agree to construct the dual circuit structures if the full cost may not be recovered, and so cannot agree with Mr. Rockrohr's recommendation.

Q. Mr. Rockrohr also states that AIC "could simply construct the two lines within these common segments at the same time, or construct the 345 kV line first, so that the cost sharing concern would diminish or disappear." How do you respond?

A. AIC cannot simply build the 345 kV line first because AIC has not received a certificate or route approval from the Commission. Also, any delay in the construction of the Transmission Line will result in added risk of voltage collapse in the Champaign area, as Mr. Rockrohr acknowledges.

Q. Mr. Rockrohr nevertheless contends that a delay in the in service date of this Project could be reasonable. Do you agree?

A. Absolutely not. Mr. Rockrohr testifies that that "the incremental risk of voltage collapse that would result if AIC waited until 2016 to complete the 138 kV line instead of completing the line in 2015 would be reasonable if the delay is necessary to avoid unfair cost sharing for the dual circuit structures." However, AIC has determined that service needs require the Transmission Line be in service by 2015 to avoid the risk of voltage collapse. As a result, delay is not appropriate. AIC believes any delay is and would be disruptive to the service that the customers in the Champaign area require. As I discussed above, "least cost" includes factors other than simply dollars spent, and Mr. Rockrohr appears to dismiss the fundamental premise that AIC must provide adequate and reliable service to its customers. Postponing the construction of the Transmission Line while

waiting upon a final order regarding any future line puts the Champaign area at risk of voltage collapse. AIC disagrees that any such postponement and incremental risk would be “reasonable.”

Q. Mr. Rockrohr states AIC has plans to supply costumers near the intersection of Curtis Road and Interstate 57 with a new 69 kV or 138 kV line to supply a new substation. Is this correct?

A. No, as I explained above, Mr. Rockrohr's statement stems from his misunderstanding of my rebuttal testimony. I stated that the project options rejected by AIC did not provide for an additional source in the vicinity of the I-57-Curtis Road interchange, and therefore AIC may be required to construct a new 69 or 138 kV line to meet future load growth if those project options had been selected. AIC's proposed Primary Route, however, provides this source. AIC has no plans to build a 138 kV line to supply a new distribution substation in this area. In fact, whether or not a new distribution substation will be needed at all is entirely predicated upon load growth in the area. If a new distribution substation is needed it will be supplied by a 69 kV line, utilizing a 69/12 kV transformer to transform the voltage. Also the location will likely be closer to Rising Road than Interstate 57 (by "in the vicinity", I mean within a mile or two). Moreover, if AIC were to utilize the existing wooden structures along Curtis Road to build the Transmission Line, AIC would then have no option but to construct a new 69 kV line on new poles. Use of AIC's Primary Route, as proposed, would eliminate the need for new dedicated 69 kV line structures.

III. CONCLUSION

Q. Does this conclude your prepared surrebuttal testimony?

A. Yes, it does.