

**STATE OF ILLINOIS
ILLINOIS COMMERCE COMMISSION**

AMEREN TRANSMISSION COMPANY OF ILLINOIS)
)
Petition for a Certificate of Public Convenience and)
Necessity, pursuant to Section 8-406.1 of the Illinois)
Public Utilities Act, and an Order pursuant to Section 8-) Docket No. 12-_____
503 of the Public Utilities Act, to Construct, Operate and)
Maintain a New High Voltage Electric Service Line and)
Related Facilities in the Counties of Adams, Brown,)
Cass, Champaign, Christian, Clark, Coles, Edgar, Fulton,)
Macon, Montgomery, Morgan, Moultrie, Pike,)
Sangamon, Schuyler, Scott and Shelby, Illinois.)

VERIFIED PETITION

Pursuant to Section 8-406.1 of the Illinois Public Utilities Act (“Act”), 220 ILCS 5/8-406.1, Ameren Transmission Company of Illinois (“ATXI” or the “Company”) hereby petitions the Illinois Commerce Commission (“Commission”) for issuance of a Certificate of Public Convenience and Necessity (“Certificate”) authorizing ATXI to construct, operate and maintain a new 345 kV electric transmission line (“Transmission Line”) and related facilities, including certain new or expanded substations, within portions of the State of Illinois. This Petition refers to the Transmission Line and related facilities collectively as the “Project” or “Illinois Rivers Project.” ATXI also requests issuance of an order pursuant to Sections 8-406.1(i) and 8-503 of the Act, 220 ILCS 5/8-406.1(i) and 5/8-503, authorizing or directing construction of the Project.

To facilitate expedited review of this Petition, ATXI is providing in its filing the information required by Section 8-406.1(a) of the Act. A checklist identifying where this information is located in ATXI’s filing is attached as ATXI Petition Exhibit F, and a summary of required engineering data is attached as ATXI Petition Exhibit G.

In support of this Petition, ATXI states:

INTRODUCTION

1. ATXI (formerly named “Ameren Illinois Transmission Company”) is an Illinois corporation and wholly-owned subsidiary of Ameren Corporation (“Ameren”). ATXI owns, operates, controls and manages within the State of Illinois certain transmission facilities for the furnishing or delivery of electricity, and is therefore a “public utility” within the meaning of Section 3-105(a)(1) of the Act.

2. Ameren Services Company, Inc. (“Ameren Services”) is a Missouri corporation and wholly owned subsidiary of Ameren. Ameren Services provides administrative support and services to Ameren and its operating companies, affiliates and subsidiaries, including ATXI and Ameren Illinois Company d/b/a Ameren Illinois (“Ameren Illinois”), an Illinois corporation that owns and operates within the State of Illinois certain electric distribution and transmission facilities and is also a “public utility” within the meaning of Section 3-105(a)(1) of the Act. These services include the planning and operation of transmission facilities owned by ATXI and Ameren Illinois.

3. Midwest Independent Transmission System Operator, Inc. (“MISO”) is one of seven not-for-profit, member-based Regional Transmission Organizations (“RTO”) authorized by the Federal Energy Regulatory Commission (“FERC”) to administer the bulk power system on a regional basis. MISO is responsible for transmission planning, reliability assurance and managing competitive electricity markets throughout a footprint encompassing eleven states, including Illinois, and one Canadian province. MISO provides independent, equal and non-discriminatory access to the transmission system to ensure efficient markets and reliability of the grid. ATXI is a transmission-owning member of MISO.

4. Illinois and other Midwestern states have enacted Renewable Portfolio Standard (“RPS”) requirements for the supply of renewable energy, particularly wind. Since at least 2002, MISO has been investigating the transmission required to integrate renewable wind energy. As renewable energy mandates increased, the demand for renewable energy grew and additional regional studies were conducted to determine the transmission necessary to support these policy objectives.

5. Additionally, FERC Order No. 890, issued March 15, 2007, established transmission planning requirements applicable to all public utility transmission providers, including Independent System Operators and RTOs such as MISO. In furtherance of its transmission planning and reliability assurance functions mandated by FERC Order No. 890, MISO has identified and approved for construction a regionally planned portfolio of seventeen Multi-Value Projects (“MVPs”). These projects are the culmination of more than eight years of planning to find a regional transmission solution to meet regional RPS requirements, and provide economic value across the region while also meeting local energy and reliability needs. Under MISO’s standards, each MVP project must: (i) reliably or economically support state and federal energy policy mandates; or (ii) provide multiple types of economic value across multiple pricing zones, in which the portfolio’s benefits exceed its costs; or (iii) mitigate reliability and economic issues, addressing economic issues in a manner that provides value over multiple pricing zones.

6. In approving MISO’s planning approach and methodology for identifying MVP projects, FERC characterized MISO’s efforts as “an important step in facilitating investment in new transmission facilities to integrate large amounts of location constrained resources, including renewable generation resources, to further support documented energy policy

mandates or laws, reduce congestion, and accommodate new or growing loads.” See Order, 133 FERC ¶ 61,221 at 3 (Dec. 16, 2010).

7. The Illinois Rivers Project represents four of the seventeen MVPs identified by MISO. The Project will provide additional connectivity across the electrical transmission grid, reducing congestion and enabling access to a broader array of resources by loads in Illinois and elsewhere. These improvements will increase market efficiency and competitive supply, and will provide opportunity for economic benefits well in excess of the portfolio costs. The Project will further provide local reliability benefits to the Project area and economic benefits to the State of Illinois.

PROJECT DESCRIPTION

8. This Petition seeks a Certificate authorizing ATXI to construct, operate and maintain the Project, consisting of approximately 375 miles of new 345 kV electric transmission line, together with certain new or expanded substations. The Project will be situated in portions of the counties of Adams, Brown, Cass, Champaign, Christian, Clark, Coles, Edgar, Fulton, Macon, Montgomery, Morgan, Moultrie, Pike, Sangamon, Schuyler, Scott and Shelby.

9. The proposed Transmission Line will be routed from a new substation near Palmyra, Missouri across the Mississippi River to Quincy, Illinois and will continue east across Illinois to the general areas of Meredosia, Pawnee, Pana, Mt. Zion, and Kansas, and then across the Indiana border to Sugar Creek, Indiana, with portions from Sidney to Rising, Illinois and from Meredosia to Ipava, Illinois. In connection with the Project, nine substations will be built or expanded in Illinois, and six 345/138 kV transformers will be installed. ATXI determined the general location of each of the substations to be built or expanded in order to best provide enhanced reliability and transmission support to the existing transmission facilities that currently deliver energy throughout Illinois.

10. In accordance with 220 ILCS 5/8-406.1(a)(1)(B)(viii), ATXI has identified two routes for the Transmission Line: the “Primary Route” and the “Alternate Route.” ATXI has conducted a comprehensive route siting and analysis to support its selection of the Primary and Alternate Routes. The proposed Primary Route represents the best combination of engineering feasibility, cost, efficiency and mitigation of impacts on surrounding areas. A map of the proposed Primary Route, including the location of substations and related facilities, is provided as ATXI Petition Exhibit A¹ and is legally described in ATXI Petition Exhibit B.

11. In connection with the Project, ATXI will need to acquire easements for the Transmission Line, including all necessary and appurtenant land rights, and sites for the new or expanded substations. As designed, both the proposed Primary Route and Alternate Route will require new permanent easements of 150 feet in width, which is necessary to maintain all National Electrical Safety Code clearances. ATXI may, depending upon route designation and final design, require additional access or temporary construction easements. ATXI requests that the Commission expressly find that the requested right-of-way width of 150 feet is reasonable and appropriate.

12. The total easement area for the Primary Route will contain approximately 6,800 acres. The total easement area for the Alternate Route will contain approximately 7,100 acres. The majority of the easement area will only have over-hanging wires. The construction of single shaft steel poles with no permanent “down guys” or anchors will reduce the amount of land removed from cultivation. In addition, the existing plans call for placing the structures near or adjacent to existing property lines or use lines (i.e. agricultural field lines).

¹ The information required by 83 Ill. Adm. Code § 305.50(a)-(c) is also provided on ATXI Petition Exhibit A.

13. ATXI representatives have notified the following agencies regarding the Project, its potential impact, and compliance with relevant regulations: Illinois Environmental Protection Agency, Illinois Department of Natural Resources, Illinois Nature Preserves Commission, Illinois Historic Preservation Agency, Illinois Department of Transportation, Illinois Department of Agriculture, Federal Aviation Administration, United States Army Corps of Engineers, U.S. Environmental Protection Agency, and the United States Fish and Wildlife Service. ATXI is working with these agencies to secure regulatory approvals where necessary.

14. ATXI continues to assess the Transmission Line's impact on cultural, historical and archeological resources and endangered species. ATXI will use this information to work with relevant agencies to minimize or avoid impacts to historical and archeological resources and endangered species.

CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY

15. Section 8-406.1(f) of the Act requires the Commission to grant the requested Certificate "if the Project will promote the public convenience and necessity" as determined by three criteria: (i) need for the project; (ii) managerial, supervisory and technical capability; and (iii) financial capability. 220 ILCS 5/8-406.1(f).

The Need for the Project

16. Section 8-406.1(f)(1) requires "[t]hat the Project is necessary to provide adequate, reliable, and efficient service to the public utility's customers and is the least-cost means of satisfying the service needs of the public utility's customers or will promote the development of an effectively competitive electricity market that operates efficiently, is equitable to all customers, and is the least cost means of satisfying those objectives." 220 ILCS 5/8-406.1(f)(1).

17. The Project is necessary to provide adequate, reliable and efficient service and is the least cost means of satisfying the service needs of transmission customers within the MISO

footprint. The Project is an integral part of a portfolio of MVPs that was approved by the MISO Board of Directors, and that will enable the reliable delivery of renewable energy, including wind power, within the MISO footprint.

18. The Project will promote the development of an effectively competitive electricity market that operates efficiently, is equitable to all customers, and is the least cost means of satisfying those objectives. The MVP portfolio allows for a more efficient dispatch of generation resources, opening markets to competition and spreading the benefits of low cost generation throughout the MISO footprint. The Project will allow the construction of more generation capacity within the MISO Illinois region and increase import capability into the MISO Illinois region. As a result, there will be more electricity supply available to serve MISO Illinois region customers than in the absence of the Project, and prices in the competitive wholesale electricity markets operated by MISO, including in the MISO Illinois region specifically, will be lower.

19. The Project also is needed in order to ensure the continued adequate and reliable operation of the transmission system in the Project area and to provide additional connectivity across the grid, reducing congestion and enabling access to a broader array of resources by loads in Illinois and elsewhere. The improvement will increase market efficiency and competitive supply options.

20. When constructed and integrated into the MISO grid, the Project will provide additional transmission capacity, local reliability benefits and local area voltage support in Illinois. If the Project were not constructed as planned, the reliability issues identified would have to be addressed by the development and construction of other new transmission projects. Thus, because the Project will provide local reliability benefits and voltage support, and the need

for future projects to address these identified local reliability issues will be eliminated by the implementation of the Project, the Project is necessary to provide adequate, reliable and efficient electric service to Illinois consumers.

21. The Project will facilitate the satisfaction of RPS requirements adopted by Illinois and other states within the MISO footprint. The Project provides for the integration of wind power from both Illinois and more remote areas with better wind quality to support the satisfaction of the RPS requirements. Without the Project, certain existing and planned wind development within the MISO portion of Illinois would need to be curtailed, in addition to curtailment of baseload coal generation, in order to maintain reliable system loading levels. The Project will also help to address reliability issues related to existing generation plant closures and possible future retirements of coal-fired plants due to environmental legislation or regulations.

Managerial, Supervisory and Technical Capability

22. Section 8-406.1(f)(2) requires “[t]hat the public utility is capable of efficiently managing and supervising the construction process and has taken sufficient action to ensure adequate and efficient construction and supervision of the construction.” 220 ILCS 5/8-406.1(f)(2).

23. ATXI is capable of efficiently managing and supervising the construction process and has taken sufficient action to ensure adequate and efficient construction and supervision of the construction. ATXI, jointly with Ameren Illinois, has been previously authorized to construct and operate electric transmission lines in Illinois in Commission Docket Nos. 06-0179 and 06-0706. Ill. Power Co., Docket 06-0179, Order (May 16, 2007); Ill. Power Co., Docket 06-0706, Order (Mar. 11, 2009).

24. ATXI will utilize Ameren Services and outside contractors to manage the design, construction and operation of the Project on behalf of ATXI. ATXI will also utilize union contractors to perform the construction. Ameren Services, on behalf of ATXI, has many years of experience successfully managing the construction of transmission lines and related projects.

25. Ameren Services has documented corporate project oversight policies and procedures consistent with American National Standards Institute (“ANSI”) standards. These policies and procedures will govern all phases of the Project to ensure that the construction is adequate and efficient and that supervision of the construction also is adequate and efficient. In addition, the Transmission Line will be constructed in accordance with all applicable federal and state regulations and orders of the Commission, including 83 Ill. Admin. Code Part 305 and the National Electrical Safety Code.

Financial Capability

26. Section 8-406.1(f)(3) requires “[t]hat the public utility is capable of financing the proposed construction without significant adverse financial consequences for the utility or its customers.” 220 ILCS 5/8-406.1(f)(3).

27. ATXI is capable of financing the Project without significant adverse financial consequences. The total estimated expected cost of the Project is approximately \$1.092 billion for the Primary Route, and approximately \$1.168 billion for the Alternate Route. In the early years of construction, the majority of the Project’s cost will be financed with equity and debt supplied by ATXI’s parent company, Ameren. During construction, debt funding will include short-term and long-term intercompany loans from two lending arrangements between ATXI and Ameren. As construction proceeds, ATXI will pay off existing short-term debt with additional

long-term debt in a similar manner to other utilities regulated in the State of Illinois. Ameren also will provide funds to ATXI through periodic equity infusions.

28. ATXI also will self-fund a portion of the Project with retained earnings. ATXI's transmission facilities are part of the transmission facilities under the functional control of MISO. ATXI receives revenues for its facilities, and will receive them for this Project, under the MISO Open Access Transmission, Energy and Operating Reserve Markets Tariff. This is a source of earnings for ATXI currently. These revenues will increase as the Project is constructed due to construction work in progress funding. These funds are a source of equity, and will offset the need for Ameren to directly lend funds or to infuse equity.

29. Because ATXI does not have any standalone credit ratings, the impact of the Project's construction (at least in the early years) will be reflected solely in the credit ratings of Ameren. The Project's costs would only add 7.3% to 7.8% of Ameren's total capitalization as of September 30, 2012. In total, Ameren is well-capitalized, and Ameren has access to funding necessary to finance the Project.

30. In addition, the Project will be placed in service in phases, with the earliest in-service dates expected in 2016 and the final portion of the Transmission Line to be placed in service by the end of 2019. Increased transmission revenue will provide adequate cash flow to fully support the amount of debt and equity used to finance the Project during construction.

31. ATXI will have the ability to obtain its own credit rating as the Project is constructed. Increasing levels of cash flow in comparison to the amount of debt and equity on its balance sheet would be positive indicators for the credit rating agencies. A strong, investment grade ATXI credit rating would open sources of external debt for ATXI and may lower its cost of financing ultimately.

NOTIFICATIONS AND INFORMATIONAL REQUIREMENTS

32. Pursuant to 83 Ill. Admin. Code § 200.150(h) and in accordance with past Commission directives, a list containing the names and addresses of each owner of record of privately owned tracts of land, upon or across which the proposed Primary Route of the Transmission Line will be constructed, as disclosed by the records of the tax collectors of the pertinent counties, is included as ATXI Petition Exhibit C. ATXI Petition Exhibit C also includes a separate list of the names and addresses of each landowner whose property would be crossed by the proposed Alternate Route, as well as certain other persons or entities potentially impacted by the Project or by connections to the Project.

33. The Informational Packet required by 83 Ill. Admin. Code § 300.20 was originally submitted to the Commission on April 20, 2012.

34. In accordance with 83 Ill. Admin. Code Part 300, all landowners from whom rights-of-way must be acquired, as shown by the Records of the Tax Collector, will be sent a notice letter and “Statement of Information from the Illinois Commerce Commission Concerning Acquisition of Rights of Way by Illinois Utilities,” at least fourteen (14) days prior to any contact by ATXI representatives for the purpose of seeking a right-of-way. The information contained in the letter and the Statement of Information will comply with the requirements of 83 Ill. Admin. Code Part 300.

35. ATXI representatives will, subsequent to the 14-day notice mentioned previously, contact landowners, in person if possible, and discuss the Project in detail and inform them of the reason for the contact and the purpose of the Project, in accordance with the requirements of Part 300. Compensation will be offered and the basis of that compensation will be explained to the affected landowners. Appraisals will be provided as applicable. ATXI representatives will be available for discussion and negotiation as required by each landowner. Because ATXI is

responsible for the restoration of, or payment for, its damages to the property of landowners and tenants, each landowner will be notified prior to commencement of construction, and each property will be assessed for damage by ATXI. Each landowner will be provided an ATXI representative to contact to report damages.

36. Information required under to 83 Ill. Admin. Code §§ 305.50(a)-(c) is provided on ATXI Petition Exhibit A. A list of names of utilities owning or operating railroad, electric supply and communication lines along the Primary Route, as required by 83 Ill. Adm. Code § 305.50(d), is included in ATXI Petition Exhibit D. Pursuant to 83 Ill. Admin. Code § 305.60, notice of the filing of this Petition has been sent to the utilities and railroads whose names and addresses are set forth in the list in ATXI Petition Exhibit D.

37. A copy of this Petition also has been sent to all municipalities, counties and townships within 1.5 miles of the proposed Primary Route. A list of the municipalities, counties and townships to whom the notice has been sent is attached as ATXI Petition Exhibit E.

38. Concurrently with this filing, ATXI is submitting to the Clerk of the Commission an application fee of \$100,000 to be paid into the Public Utility Fund, as required by Section 8-406.1(a)(2) of the Act.

39. In accordance with Section 8-406.1(a)(3), ATXI has held a minimum of three pre-filing public meetings to receive public comment concerning the Project in each county where the Project is to be located, no earlier than six months prior to the date of this filing. The public meetings were held between May and October 2012. Notice of each public meeting was published in a newspaper of general circulation in each county once a week for three consecutive weeks beginning no earlier than one month prior to the date of the first public meeting. Copies of the notices are included with the filing as ATXI Exhibit 4.8.

40. ATXI also provided written notice of each public meeting, including a description of the Project, to the clerk of each county where the Project is to be located. Copies of the county clerk notices are included with the filing as ATXI Exhibit 4.7.

41. ATXI also invited a representative of the Commission to each pre-filing public meeting.

42. ATXI will publish notice of this Petition in the official State newspaper within 10 days following the date the Petition is filed in accordance with Section 8-406.1(d).

43. As required by Section 8-406.1(e), ATXI established a dedicated website for the Project at www.ilriverstransmission.com at least three (3) weeks prior to the first public meeting. The website address was and will be included in all public notices associated with the Project.

44. ATXI is not seeking eminent domain authority in this proceeding. ATXI will seek to acquire all necessary land rights by negotiation. However, to the extent land rights cannot be acquired after reasonable attempts to do so, ATXI will seek approval to exercise eminent domain.

REQUEST FOR ORDER PURSUANT TO SECTION 8-503

45. Section 8-406.1(i) of the Act provides, “a decision granting a certificate under this Section shall include an order pursuant to Section 8-503 of this Act authorizing or directing the construction of the high voltage electric service line and related facilities as approved by the Commission, in the manner and within the time specified in said order.” 220 ILCS 5/8-406.1(i).

46. For the reasons stated in this Petition, the Project is necessary to promote the development of an effectively competitive electricity market and/or to secure adequate service or facilities, and ought to be constructed. Therefore, the Commission should authorize or direct construction of the Project pursuant to Sections 8-406.1(i) and 8-503 of the Act.

SUMMARY OF TESTIMONY

47. ATXI supports this Petition with the pre-filed testimony of the following witnesses regarding the subject matters noted, which is filed simultaneously with this Petition:

<u>ATXI Exhibit No.</u>	<u>ATXI Witness</u>	<u>Subject of Testimony</u>
ATXI Exhibit 1.0	Maureen A. Borkowski	Overview of ATXI and the Project
ATXI Exhibit 2.0	Dennis D. Kramer	Benefits of the Project
ATXI Exhibit 3.0	Jeffrey V. Hackman	Construction, substation site selection, operational benefits and cost of the Project
ATXI Exhibit 4.0	Donnell Murphy	Siting and route selection process for the Transmission Line, the public input process, and the status of necessary permits and regulatory approvals
ATXI Exhibit 5.0	Rick D. Trelz	Real estate matters
ATXI Exhibit 6.0	Darrell E. Hughes	Financing of the Project
ATXI Exhibit 7.0	Jerry A. Murbarger	Transmission Line design
ATXI Exhibit 8.0	Ronald Dyslin	Substation site acquisition
ATXI Exhibit 9.0	Rodney Frame	Benefits to retail electric competition

REQUEST FOR RELIEF

WHEREFORE, Ameren Transmission Company of Illinois respectfully requests that the Illinois Commerce Commission: (i) grant a Certificate as discussed herein; (ii) enter an order pursuant to Sections 8-406.1(i) and 8-503 of the Act, 220 ILCS 5/8-406.1(i), 5/8-503, authorizing or directing construction of the Project; and (iii) grant such other and further relief as the Commission deems just and necessary and as requested herein.

Dated: November 7, 2012

Respectfully submitted,

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d/b/a Ameren Illinois

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