ATXI Exhibit 1.0

ILLINOIS COMMERCE COMMISSION

DOCKET NO. 12-_____

DIRECT TESTIMONY

OF

MAUREEN A. BORKOWSKI

Submitted On Behalf

Of

AMEREN TRANSMISSION COMPANY OF ILLINOIS

NOVEMBER, 2012

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I. INTRODUCTION AND WITNESS QUALIFICATIONS

Q. Please state your name, business address and present position.

A. My name is Maureen A. Borkowski. I am Senior Vice President, Transmission at Ameren Services Company ("Ameren Services") and I serve as the President and Chief Executive Officer of Ameren Transmission Company of Illinois ("ATXI").

Q. Please summarize your educational background and professional experience.

A. In 1979, I graduated cum laude from the University of Notre Dame, Notre Dame, Indiana with a Bachelor of Science degree in Mechanical Engineering. Following graduation, I was employed by Anheuser-Busch, Inc. as an engineer in the Corporate Industrial Engineering Department. I began my employment with Ameren, then Union Electric Company, in May, 1981. I served in various engineering, supervisory and managerial roles with responsibilities including sales and demand forecasting; demand-side planning; interconnection arrangements; transmission policy and tariff design; power marketing; and retail access policy, and implementation. In 2000, I left my employment with Ameren, and started my own consulting business, Borkowski Enterprises, Inc., an energy consulting firm providing utility clients with expert witness and advisory services in areas relating to electric transmission and power

marketing. I returned to Ameren in 2005 as Vice President, Transmission for Ameren Services with responsibility for transmission planning and policy. I was named President and Chief Executive Officer of Ameren Transmission Company upon its creation in 2010. In 2011, I was named Senior Vice President, Transmission for Ameren Services.

I am currently a board member of the North American Transmission Forum. I recently concluded a two year term as Chairman of the Board of Directors of SERC Reliability Corporation and still serve on the SERC board. In 2009 and 2010, I represented the Investor Owned Utility Sector on the North American Electric Reliability Corporation Members Representative Committee. I am currently a member of the Edison Electric Institute ("EEI") Reliability Executive Advisory Committee, the EEI CEO Business Continuity Task Force, and the EEI Energy Delivery Executive Advisory Committee. I have previously testified before this Commission and before the Federal Energy Regulatory Commission, the Missouri Public Service Commission, and the Iowa Utilities Board.

Q. What are your duties and responsibilities in your present position?

A. My responsibilities include the management of ATXI and oversight of the development and planning of the Illinois Rivers Project. As the Senior Vice President, Transmission of Ameren Services, my responsibilities include the planning, operation, design, construction, and maintenance of the high voltage transmission system of Ameren's transmission owning companies including ATXI, Ameren Illinois Company d/b/a Ameren Illinois ("Ameren Illinois"), and Union Electric Company d/b/a Ameren Missouri ("Ameren Missouri"). I am also responsible for transmission policy and regulatory activities, including our participation as

transmission owning members of the Midwest Independent Transmission System Operator, Inc. ("MISO").

II. PURPOSE AND SCOPE

Q. Are you familiar with the Project proposed in the Petition filed by Ameren Transmission Company of Illinois in this proceeding?

A. Yes. ATXI is seeking a Certificate of Public Convenience and Necessity ("Certificate") and a Section 8-503 Order from the Illinois Commerce Commission ("Commission") authorizing it to construct, operate and maintain a 345 kilovolt ("kV") electric transmission line, approximately 375 miles in length (the "Transmission Line"), and related facilities, including the construction or expansion of nine substations, in an area extending from the Mississippi River near Quincy, Illinois eastwards across the state to the Indiana State line, and including portions connecting the Sidney and Rising Substations and the Meredosia and Ipava Substations. As used throughout the testimony of the ATXI witnesses in this proceeding, such facilities, including substations, together with the Transmission Line, constitute the Illinois Rivers Project (the "Project").

Q. What is the purpose of your testimony?

A. As President of ATXI, I have overseen the Project's development and planning. The purpose of my testimony is to provide an overview of ATXI and the Project. I also introduce the other ATXI witnesses providing testimony in this filing.

III. BACKGROUND OF ATXI

Q. Please describe ATXI.

A. ATXI (formerly named Ameren Illinois Transmission Company) is an Illinois public utility dedicated to electric transmission infrastructure investment. ATXI presently owns the Illinois portion of the Rush-Baldwin 345 kV transmission line, which connects the Baldwin switchyard owned by the Ameren Illinois with the Rush Island switchyard owned by Ameren Missouri. ATXI, along with Illinois Power Company (now Ameren Illinois), has previously been granted certificates of public convenience and necessity to construct transmission projects in Illinois in Docket Nos. 06-0179 and. 06-0706. ATXI is also a transmission owning member of MISO.

Q. What is ATXI's management structure?

A. I serve as ATXI's president and Chief Executive Officer. Ameren Services, acting as agent for ATXI, provides ATXI with all required planning, design, construction, engineering and other services. With respect to the Project, there is a dedicated project team at Ameren Services that will oversee and manage the construction and operation of the Project, as described in more detail by ATXI witness, Mr. Jeffrey V. Hackman.

IV. THE PROJECT

Q. Please generally describe the Project.

A. The Project consists of approximately 375 miles of new 345kV electric transmission line, the Transmission Line, together with related facilities, including new or expanded substations. 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

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 Illinois portion of the Project, nine substations will be built or expanded and six 345/138 kV transformers will be installed. As will be described more in depth by ATXI witness Mr. Jerry Murbarger, the Transmission Line is proposed to primarily consist of single shaft self-supported steel poles designed for a single, 3000A, 345 kV circuit, along a 150 foot right of way. These facilities and related construction are consistent with industry-wide standards. As discussed by Mr. Hackman, the expected total cost of the Project, for the Primary Route, is approximately $1.091 billion. For ease of discussion in ATXI's testimony, the Transmission Line has been divided into portions based on the proposed substations. These portions are:

- Mississippi River to Quincy;
- Quincy to Meredosia
- Meredosia to Ipava;
- Meredosia to Pawnee;
- Pawnee to Pana;
- Pana to Mt. Zion;
- Mt. Zion to Kansas;
- Kansas to the Indiana state line; and
- Sidney to Rising.

Q. What is the background of the Project?

A. Illinois (and other Midwestern states) has enacted requirements for the supply of renewable energy, particularly wind. In 2002, MISO, in keeping with its responsibility for

regional transmission planning, reliability assurance and managing competitive electricity markets throughout its footprint, began to investigate the transmission required to integrate renewable wind energy and provide the best value to consumers. 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. As a result of these studies, MISO has identified and approved for construction a regionally planned portfolio of 17 Multi-Value Projects ("MVPs"). The MVPs were included in the MISO 2011 Transmission Expansion Plan, which was approved by the MISO Board of Directors on December 8, 2011. The MVP projects are the culmination of more than eight years of planning to find a regional transmission solution to drive value across the region while meeting local energy, policy, and reliability needs. The Project is made up of four of these MVP transmission projects. As such, the Project provides additional connectivity across the grid, reducing congestion and enabling access to a broader array of resources by loads in Illinois and elsewhere. These improvements increase market efficiency and competitive supply. The Project is also designed to provide reliability benefits to the Project area in Illinois, operational benefits and economic benefits to the State of Illinois.

Q. What are the benefits of the Project?

A. There are several, which, taken together demonstrate that the Project is necessary to provide adequate, reliable, and efficient service and will promote the development of an effectively competitive electricity market. Each of these benefits is discussed in more detail in the testimonies of ATXI witnesses, Mr. Rodney Frame, Mr. Dennis D. Kramer and Mr. Hackman:

- The Project will ensure the continued adequate and reliable operation of the transmission system in the Project Area and will provide additional connectivity across the 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 electricity supply.

- The Project will accommodate the construction of more generation capacity within the MISO Illinois region (and elsewhere) and increase import capability into the MISO Illinois region. As a result, there will be more electricity supply available to serve MISO Illinois 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. As Mr. Frame concludes in his testimony, the lower wholesale prices will result in lower retail prices as well—as retail suppliers pass on to their customers the lower wholesale bulk power purchase costs they experience as a result of the Project.

- The Project provides for the integration of wind energy in both Illinois and in areas remote from Illinois, to support the satisfaction of the Illinois Renewable Portfolio Standards.

- The Project improves reliability to the Project Area, including areas with increasing load growth.

- The Project reduces transmission losses on the system, improving the efficiency of both energy and capacity delivery.

- When constructed, the Project also will provide operational benefits, including enhanced import capability to allow Illinois customers access to wholesale markets in normal operations and more robust sources in emergencies, more redundancy in the system to accommodate needed maintenance and repairs of the bulk electric system infrastructure, increased voltage support to several communities, and increased reliability due to the creation of new paths for power flows.

The Project is part of the MVP portfolio, which will allow for a more efficient dispatch of generation resources and enhances competition throughout the MISO footprint. In sum, will facilitate the delivery of renewable energy required to meet Illinois public policy mandates, resolve numerous reliability constraints, and provide economic and efficiency benefits due to reduced production costs and reduced losses in Illinois and across the MISO system.

Q. Are there other benefits to Illinois of the Project?

A. Yes. In these difficult economic times, the Project is an important source of investment and employment for the State. The Project represents an approximately $1 billion investment by ATXI, that will create hundreds of direct construction and many other indirect jobs in the State of Illinois. While we have not calculated these amounts, the Project will also be a source of additional revenues for Illinois in the form of property, sales and income taxes.

Q. Please summarize how the Project will be financed.

A. ATXI, Mr. Darrell E. Hughes provides the explanation as to how the Project will be financed. In general the Project will be financed with a unilateral borrowing agreement currently in place and a long term borrowing from the parent company, Ameren Corporation whose approval is currently being sought from the Commission.

Q. Who bears the cost of the Project?

A. Under the MVP cost sharing approved by the Federal Energy Regulatory Commission, Illinois consumers will pay for approximately 9% of the cost of the Project, with the remainder paid for by other electricity consumers across the MISO footprint. (Ameren Illinois customers will pay approximately 7% of these costs. The remainder of the 9% allocated to Illinois consumers is paid for by the municipal and cooperative consumers in Illinois who are in MISO.) In other words, Illinois MISO customers will pay less than $100 million for a $1 billion project that will deliver them the wide array of benefits. How will ATXI construct and operate the Project?

The Project will be overseen and managed by Ameren Services personnel as discussed by Mr. Hackman. ATXI will employ independent contractors and consultants to build the Project. Ameren Services will also operate and maintain the Project on behalf of ATXI once the Project is complete. Ameren Services has managed the construction of other 345 kV transmission lines, including those for which ATXI has received a Certificate. ATXI is therefore capable of efficiently managing and supervising the construction process, and in utilizing Ameren Services has taken sufficient action to ensure adequate and efficient construction and supervision of the construction.

Q. Will ATXI comply with all applicable rules and requirements regarding the construction of the Transmission Line?

A. Yes, including Part 305 of the Commission's rules.

Q. Has ATXI selected a route for the Project?

A. Yes. ATXI has selected a primary and alternate route for each segment. The route selection process is described in more detail by ATXI witness, Ms. Donnell Murphy.

Q. Has ATXI addressed the historical, environmental and other potential impacts of the proposed Project?

A. Yes, they have. ATXI witness Ms. Murphy's testimony addresses Petitioner’s siting and route selection process and the impacts of the proposed Transmission Line. Ms. Murphy's testimony also addresses the status of necessary permits.

Q. Will ATXI obtain all necessary highway and railroad crossing permits from the Illinois Department of Transportation prior to construction?

A. Yes. This is also discussed in more detail by Ms. Murphy.

Q. Will ATXI obtain all necessary environmental permits along with river, stream and lake crossing permits from the Army Corps of Engineers prior to construction?

A. Yes, all environmental permits and permits to cross navigable waters will be obtained from the Army Corps of Engineers. These are discussed in more detail by Ms. Murphy.

Q. Has ATXI involved landowners, other stakeholders and members of the public in its routing selection process?

A. Yes, as described in more detail in Ms. Murphy's testimony. A list of all landowners potentially impacted by the primary and alternate routes has been provided with ATXI's Petition.

Q. What is the in service date for the Project?

A. As discussed by ATXI witness Mr. Kramer, the Project will be placed in service over several years, with the earliest in-service dates expected in 2016 and the final portion of the Project to be placed in service by the end of 2019.

V. <u>SECTION 8-406.1 REQUIREMENTS</u>

Q. Is ATXI seeking expedited approval of the Certificate?

A. Yes. Section 8-406.1 of the Public Utilities Act [220 ILCS 5/8-406.1] allows a utility to apply for a Certificate of Public Convenience and Necessity for a new high voltage electric transmission line under an expedited procedure.

Q. Has ATXI complied with all the provisions of Section 8-406.1 requiring additional information to support this Petition?

A. Yes. Subsections 8-406.1(a), (d), and (e) contain information requirements a utility must include in its application, publish in official State newspaper or on a dedicated Internet website. I have attached a checklist to facilitate verification that ATXI has provided all the required information under Section 8-406.1 as ATXI Exhibit 1.1. As ATXI Exhibit 1.1 shows, the information required under Section 8-406.1 has been provided in the Petition, direct testimony and exhibits submitted by ATXI. ATXI has paid the required fee to the ICC, as required by statute. ATXI will also publish notice of its Petition in the state newspaper within 10 days of the date of this filing.

Q. Has ATXI held the required public meetings?

A. Yes, as explained by ATXI witness Ms. Murphy, AXTI provided newspaper notice and held the required public meetings in all the counties where the Project is intended to be built. A Project website had also been established. As also explained by Ms. Murphy, ATXI has undertaken an extensive stakeholder involvement and public participation process when determining the Primary and Alternate Route for each segment.

VI. <u>SECTION 8-503 REQUIREMENTS</u>

Q. Is ATXI seeking a Commission order authorizing the Project be built pursuant to Section 8-503 of the Act?

A. Yes, as I indicated this to be the case at the outset of my testimony. Pursuant to Section 8-406.1(i) of the Act, "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).

Q. What is the standard set forth in Section 8-503 that is required to be met?

A. It is my understanding Section 8-503 of the Act provides whenever the Commission finds that additions to existing plant are necessary and ought reasonably to be made, or that a new structure or structures ought to be erected, the Commission "shall make and serve an order authorizing or directing that such additions . . . be made, or structure or structures be erected . . . ." 220 ILCS § 5/8-503. For the reasons set forth in ATXI's filing, the Project is necessary and the Commission should authorize its construction pursuant to Sections 8-503 and 8-406.1(i).

VII. IDENTIFICATION OF WITNESSES

Q. Please identify the witnesses providing testimony on behalf of ATXI.

A. Please see the table below.

Exhibit No.	ATXI Witness	Subject of Testimony
ATXI Ex. 1.0	Maureen Borkowski	Overview of ATXI and the Project
ATXI Ex. 2.0	Dennis Kramer	Benefits of the Project
ATXI Ex. 3.0	Jeffrey Hackman	Construction and cost of the Project
ATXI Ex. 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 Ex. 5.0	Rick Trelz	Real estate matters
ATXI Ex. 6.0	Darrell Hughes	Financing of the Project
ATXI Ex. 7.0	Jerry Murbarger	Transmission Line design
ATXI Ex. 8.0	Ronald Dyslin	Substation acquisition
ATXI Ex. 9.0	Rodney Frame	Benefits to retail electric competition

VIII. CONCLUSION

Q. Does this conclude your direct testimony?

A. Yes, it does.