

**Ameren Transmission Company of Illinois's
Response to ALJs Data Requests
Docket No. 12-0598**

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 8-503 of the Public Utilities Act, to Construct, Operate and Maintain a New High Voltage Electric Service Line and Related Facilities in Various Counties in the State of Illinois.

Data Request Response Date: 12/19/2012

ALJ 1.01

- a) Why is the construction of a 345 kilovolt (“kV”) transmission line between Sidney and Rising, Illinois part of the Illinois Rivers Project?
- b) Please explain why the construction of this transmission line can not be considered on a standalone basis in a separate docket.
- c) In order to reduce the number of issues to be resolved under the shortened statutory deadline, would ATXI be willing to withdraw the Sidney to Rising portion of its Illinois Rivers Project? If not, please explain why.

RESPONSE

**Prepared By: Dennis D. Kramer
Title: Manager, Transmission Policy & Planning
Phone Number: 314-554-2238**

- a) The construction of a 345 kV transmission line between Sidney and Rising is part of the Illinois Rivers Project because it is an integral part of the transmission upgrades needed to promote the development of an effectively competitive electricity market and provide reliability benefits of the Project. Sidney Rising was approved by MISO as a part of the MVP portfolio for Illinois. All of the line segments that compose the Illinois Rivers Project, including Sidney to Rising, were examined and analyzed simultaneously during the MISO MTEP process. It is necessary to include all the identified line segments in the Project in order for the ATXI and Ameren Illinois systems to continue to provide reliable service, for the reasons described by MISO witness Jeff Webb in his testimony submitted November 8, 2012 as follows:

Pages 18 and 19, lines 358 – 370,

Did MISO perform analyses to determine the effectiveness of the Illinois Rivers Project in providing adequate, reliable, and efficient services and promoting the development of an effective competitive and efficient electric market?

“Yes”

Please summarize those findings.

“As explained more fully later in my testimony, the MVP portfolio analyses evaluated the expected future conditions on the MISO regional grid. Our analyses found that the Illinois River Project will be needed in order to ensure the

continued reliable operation of the ATXI and Ameren Illinois transmission systems in the future.”

Pages 19 and 20, lines 379 – 391,

Please describe in more detail the reliability analyses performed and the needs identified in Illinois in the MISO regional analysis if the Illinois River Project is not built.

“A reliability analysis, as I described earlier was conducted to identify transmission system equipment loadings and voltages with respect to safe equipment design tolerances. The MISO reliability analysis of the ATXI system and the Ameren Illinois system included steady state analysis of thermal loading and voltages, as well as system stability. The analyses identified numerous thermal loading, voltage, and stability issues that will occur for the projected future system if the Illinois River Project is not completed. The Illinois Rivers Project addresses these issues by strengthening supply to the existing 138 kV transmission system across south-central Illinois, and by providing alternative 345 kV paths to relieve heavy power flows from west to east across the state.”

Pages 31 and 32, lines 624 – 655,

What is the impact on the MISO regional plan if one of the projects that received MISO approval does not get constructed as planned?

“The purpose of the very extensive planning functions of MISO is to involve all stakeholders in a process that will derive the most cost-efficient expansion plan that will meet local and regional needs for reliability, optimize access to economical power sources, and deliver other important values that benefit the ultimate consumer and society. The MTEP amounts to the design of a very complex system that will serve both short- and long-term needs of the bulk electric grid in a coordinated manner. If one key element of the expansion plan, especially a ‘backbone’ element, such as this Project, designed for both reliability and economic attributes, is not constructed it could require considerable re-design involving possible delay, additional expense, and impacts to the reliable addition of new generation supplies and service to load.”

More specifically, what would be the system impacts if the Illinois Rivers Project were not constructed as planned?

“In the context of this Project, if the Project was not constructed as planned, it would result in the inability of the existing ATXI and Ameren Illinois systems to continue to provide reliable service. As I have described, the MISO analyses of the Project identified numerous 345 kV and 138 kV transmission facilities that will be loaded above safe operating levels or below adequate voltage levels without the Project. In addition, the MISO MVP analysis identified economic benefits to Illinois as I have described that would not be able to be adequately distributed to Illinois without the Project.”

Based upon the results of MISO planning studies, as well as your review and analyses, outlined in your discussion above, how would you summarize the MISO recommendations for the Project?

“We believe that the Project as proposed by ATXI is a necessary project that meets the local load serving needs of the system in the Illinois Rivers area and that also fits well as a component of the MISO Regional Plan for the continued development of a reliable and efficient regional transmission.”

Further, as explained by Mr. Kramer (ATXI Ex. 2.0, p. 26-27), the reliability benefits of the Project must be viewed in the context of the Project as a whole, not as discrete, severable benefits for limited, defined geographic areas. In other words, the reliability benefits of the Project flow from the construction of the entire Project, including Sidney Rising, and not any individual component by itself.

And as explained by Ms. Borkowski (ATXI Ex. 1.0, p.6), 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. These improvements and benefits are maximized for the Project as a whole, and not in distinct segments. (See also ATXI Ex. 1.0, pp. 7-8)

While ATXI has made no specific study, it stands to reason that segregating this line from the Project will create some amount of delay, rework, more of the same public hearings which in the end means more costs. The affected public is already on notice and any prolonged delay adds to the uncertainty that already exists.

In addition, Sidney Rising has one of the earliest in service dates of the Project components (see below). Therefore, it is necessary to include it as part of the Illinois Rivers project, to ensure that construction of this component is accomplished in the required time frame.

- b) The Sidney Rising transmission line is an integral part of the Illinois Rivers project and the reliability benefits it will deliver. Consideration in a separate docket would cause delay for the Sidney Rising line, and any delay in approval could place the 2016 in service date for this part of the Project at risk. This in turn could jeopardize the timely achievement of the reliability benefits.

The sequencing of the construction of the Project line segments is very important. Without proper sequencing of in-service dates, temporary system overloads could be

created which would impact system operations. Additionally, proper sequencing will help prevent the creation of system congestion that could potentially decrease the economic benefits of the energy market. Therefore MISO and Ameren Services have determined the preferred construction sequence, as shown on ATXI Exhibit 2.4, will help minimize the disruption of the transmission system during construction and commissioning of the Project. The Sidney – Rising line segment needed in-service date is 2016, which is in the first year of the overall Project construction schedule.

A preliminary modeling assessment determined that if the 2016 segments of the Illinois Rivers Project are completed on schedule but the Sidney – Rising line is not in service in 2016, there will be overloads on some 345 and 138 kV system equipment for certain contingency events. These system overloads would not occur if the Sidney – Rising line is in service in 2016. Therefore it is critical that the Sidney-Rising line remain on schedule. This assessment clearly illustrates the interconnected nature of the transmission system and the need to appropriately sequence the construction of multi-year system improvements. The appropriate in-service date for Sidney-Rising is 2016.

Also, previous studies have indicated that in order to address many of the post-contingency overloads in Illinois will require both the Sidney –Rising line as well as the Pawnee-Pana-Mt. Zion-Kansas-Sugar Creek 345 kV line. These issues will remain if the Sidney – Rising line is separated from the Illinois Rivers project.

In order to achieve the needed in-service dates, ATXI has utilized for the Project the expedited statutory approval process available to it under Section 8-406.1 of the Public Utilities Act . Separate consideration of the Sidney Rising line would require that the Section 8-406.1 process be repeated for that line. This would involve repeating the newspaper and mailing notices, repeating the three public meetings in the county, and possibly repeating meetings with community representatives. This process would add approximately 6 months to the timeframe for the application process, which would put the line's in-service date at considerable risk and disrupt the MISO and Ameren Services preferred construction sequence.

ATXI also disagrees with a dismissal of the Sidney-Rising segment, and a later re-filing, for the reasons that such action creates unnecessary public confusion and uncertainty. As required under the expedited statutory process, ATXI dutifully and timely held a series of public open houses, providing the required notices throughout the affected communities. ATXI also conducted extensive stakeholder meetings beyond what was required by Section 8-406.1. ATXI representatives have met with many of the affected landowners and other stakeholders. All of these affected landowners and stakeholders expect that the resolution of the ATXI's request for a CPCN will take place in this docket. To simply set aside the process, which has been ongoing for nearly a year, and restart it again, can only lead to public confusion and uncertainty as to Commission's intentions. Further, the affected landowners have been notified, and some have retained legal counsel to represent their interests in this case. In fact ATXI has received discovery from some of the affected landowners. They will, possibly, bear additional legal fees and costs in having this segments dropped from this case, monitoring the pre-filing process once more, and then file another petition, repeating appearances at status hearings, responding to motions, and conducting the same discovery. For these reasons, the Sidney – Rising line segment cannot be considered on a standalone basis in a separate docket.

- c) No. The discussion above explains why it is necessary for the Sidney – Rising portion of the Project to remain in the Illinois Rivers Project. All portions of the Project are needed to maintain system reliability as described above. The rapidly approaching needed in-service date combined with the additional delay that would result due to the requirement to restart the application process would create an unacceptable risk to achieving the needed in-service date.

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Data Request Response Date: 12/19/2012

ALJ 1.02

- a) Why is the construction of a 345 kV transmission line between Ipava and Meredosia, Illinois part of the Illinois Rivers Project?
- b) Please explain why the construction of this transmission line can not be considered on a standalone basis in a separate docket.
- c) In order to reduce the number of issues to be resolved under the shortened statutory deadline, would ATXI be willing to withdraw the Ipava to Meredosia portion of its Illinois Rivers Project? If not, please explain why.

RESPONSE

**Prepared By: Dennis D. Kramer
Title: Manager, Transmission Policy & Planning
Phone Number: 314-554-2238**

- a) See the Company's response to ALJ data request 1.01. As with Sidney to Rising, the construction of a 345 kV transmission line between Meredosia and Ipava is part of the Illinois Rivers Project because it is an integral part of the transmission upgrades needed to promote the development of an effectively competitive electricity market and provide reliability benefits of the Project. It was approved by MISO as a part of the MVP portfolio for Illinois. All of the line segments that compose the Illinois Rivers Project, including Meredosia to Ipava, were examined and analyzed simultaneously during the MISO MTEP process. It is necessary to include all the identified line segments in the Project in order for the ATXI and Ameren Illinois systems to continue to provide reliable service.
- b) See the Company's response to ALJ data request 1.01. As with the Sidney Rising transmission line, the Meredosia to Ipava line is an integral part of the Illinois Rivers project and the reliability benefits it will deliver. Consideration in a separate docket would cause delay for the Meredosia to Ipava line and potentially disrupt the construction sequencing as discussed above, and any delay in approval could place the 2017 in service date for this part of the Project at risk. This in turn could jeopardize the timely achievement of the reliability benefits, for the same reasons as discussed with respect to Sidney Rising above.

In addition, a preliminary modeling assessment determined that if the 2016 and 2017 segments of the Illinois Rivers Project are completed on schedule but the Ipava – Meredosia line is not in service in 2017, there will be overloads on some 138 kV system equipment for certain contingency events. These system overloads would not occur if the

Ipava-Meredosia line is in service in 2017. Therefore it is critical that the Ipava - Meredosia line remain on schedule. This assessment clearly illustrates the interconnected nature of the transmission system and the need to appropriately sequence the construction of multi-year system improvements. The appropriate in-service date for Ipava – Meredosia is 2017.

- c) No. The discussion above explains why it is necessary for the Meredosia to Ipava portion of the Project to remain in the Illinois Rivers Project. All portions of the Project are needed to maintain system reliability as described above. The rapidly approaching needed in-service date combined with the additional delay that would result due to the requirement to restart the application process would create an unacceptable risk to achieving the needed in-service date.