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 8-503 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, Macon, Clark, Coles, Edgar, Fulton, Macon, Montgomery, Morgan, Moultrie, Pike, Sangamon, Schuyler, Scott and Shelby, Illinois.	)	Docket No. 12-0598

DIRECT TESTIMONY OF INTERVENOR PAULA D. COOLEY

NOW comes Intervenor Paula D. Cooley, through her attorneys, and files her direct testimony in this proceeding in the form of the Affidavit attached as Cooley-Exhibit 1.

DATED this 28th day of March, 2013

By: /s Christopher M. Ellis

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Cooley – Exhibit 1

ILLINOIS COMMERCE COMMISSION

DOCKET NO. 12-0598

DIRECT TESTIMONY

OF

PAULA D. COOLEY

Submitted On Behalf Of

INTERVENOR PAULA D. COOLEY

MARCH 28, 2013

EXHIBIT

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ILLINOIS COMMERCE COMMISSION

DOCKET NO. 12-0598

AFFIDAVIT OF PAULA D. COOLEY

Paula D. Cooley, having been first duly sworn on her oath deposes and says as follows:

1. My name is Paula D. Cooley. I own, in my own name or through a corporation, and manage various tracts of farmland in Macon County, Illinois. Some tracts are farm ground now in the seventh generation of family ownership.

2. I understand that ATXI has targeted all farms owned by me, or my family, with the exception of two tracts in Casner, Illinois, as being on either ATXI's primary or alternate routes for the Illinois Rivers Project.

3. I attended a meeting at the Mt. Zion Lions Club in Mt. Zion, Macon County, Illinois in 2012, wherein ATXI cited "public necessity or public convenience" as its basis for the Illinois Rivers Project. At that meeting, ATXI also stated that the results of this project would be increased energy and reliability, and that there was a "need" for green energy. ATXI did not mention increased ROI or profits for Ameren and its subsidiaries. During this meeting, I asked ATXI what the project would cost and was told that it would cost approximately $1 Billion. That cost did not seem correct to me, so I asked if the stated cost was for the entire project. ATXI responded that the total cost would be closer to $5 Billion ($1 Billion was within Illinois and the rest of the cost would be outside of Illinois). Since the meeting at the Mt. Zion Lions Club, I have watched the media reporting consistently that the cost is $1 Billion.

4. I believe that ATXI is misinformed regarding the need for both increased energy and energy reliability in the Macon County area. *See* Rebecca Smith, *U.S. Electricity Use on Wane*, WALL ST. J., Jan. 2, 2013, at B1 attached hereto as Exhibit A. The following is a partial

list of Macon County area businesses which have either closed or have had to initiate downsizing:

Closures:

Bridgestone/Firestone
Hostess Bakery
The Prison
Borg Warner/Marvel-Schebeler
Excel
Decatur Foundry
StarTek
Schnuck's
K's Merchandise Mart
Circuit City
Decatur FAA Tower – slated for closure

Layoff/Downsized:

PPG
Ameren
Tate & Lyle
ADM
Caterpillar (currently in a second series of rolling layoffs in the last four years)

In addition, according to the general census, the Macon County population decreased by over 4,000 residents between 2000 and 2010.

5. While the Macon County area does experience occasional power outages, power is typically restored within a few hours.

6. I believe that ATXI has been misinformed regarding the "public" convenience or necessity surrounding the Illinois Rivers Project. Although ATXI states that this project does not involve federal monies, ATXI has failed to mention that the project has been made possible as a result of federal regulations. *See The Wind Power Tax*, WALL ST. J., Feb. 11, 2013, at A12, attached hereto as Exhibit B.

7. I believe that the ICC, legislature and Illinois Governor should require ATXI to adhere to its own assertion that it tries to follow existing highways, pipelines and rights-of-way, and tries not to take prime farmland. *See* map of the old Penn Central Railroad attached hereto as Exhibit C (showing that the old Penn Central Railroad has a right-of-way from approximately Hervey City, Illinois to Terre Haute, Indiana). It is my belief that failure to use this right-of-way would be a travesty to future generations. *See* Exhibit B ("The case has ramifications nationwide because the price tag for upgrading and expanding power lines to reach offshore and remote wind turbines could reach $150 billion. The green energy lobby and Obama Administration want to socialize these costs on the back of all rate payers.").

8. It is my belief that, as a result of this project, Ameren is benefiting to the detriment of its customers.

Dated: March 28, 2013

Paula D. Cooley

PAULA D. COOLEY

STATE OF ILLINOIS)
) SS
COUNTY OF MACON)

Signed and Sworn to before me, a Notary in the County and State aforesaid by Paula D. Cooley on this the 28th day of March, 2013.

"OFFICIAL SEAL"
LAUREN HAYES
NOTARY PUBLIC, STATE OF ILLINOIS
MY COMMISSION EXPIRES 12-07-2016

Lauren A. Hayes
NOTARY PUBLIC

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 8-503 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, Macon, Clark, Coles, Edgar, Fulton, Macon, Montgomery, Morgan, Moultrie, Pike, Sangamon, Schuyler, Scott and Shelby, Illinois.	)))))))))))	Docket No. 12-0598

NOTICE OF FILING

Please take notice that on March 28, 2013, the undersigned attorney caused the Direct Testimony of Intervenor Paula D. Cooley to be filed via e-Docket with the Chief Clerk of the Illinois Commerce Commission in the above-referenced proceeding.

By: /s Christopher M. Ellis
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THE WALL STREET JOURNAL.
WSJ.com

BUSINESS | January 2, 2013, 7:39 p.m. ET

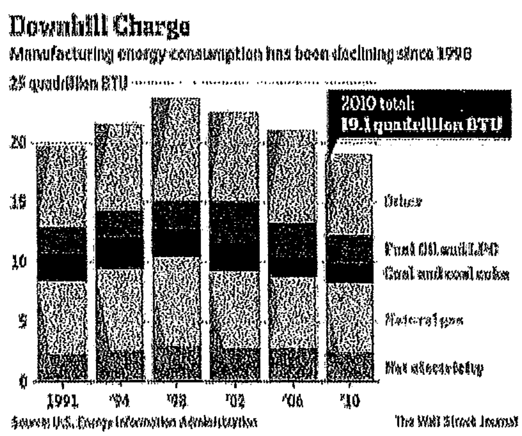
U.S. Electricity Use on Wane

By REBECCA SMITH

Americans are using more gadgets, televisions and air conditioners than ever before. But, oddly, their electricity use is barely growing, posing a daunting challenge for the nation's utilities.

The Energy Information Administration is projecting that electricity use in the U.S. will rise an average of just 0.6% a year for industrial users and 0.7% for households through 2040.

That's a far cry from the middle decades of the past century, when utilities could rely on electricity consumption growing by more than 8% a year. Even after the Arab oil embargo in 1973, the growth in electricity demand averaged 2% to 4% annually. But those days may be long gone.



In response to tepid demand, electricity production in the U.S. fell in 2008 and 2009, amid the recession, then ticked up slightly in 2010 before falling again in 2011.

For decades, electricity use was viewed as a barometer of economic growth, but the link has become less clear cut in recent years, partly because of a big push to make major appliances and other products, such as compact fluorescent lightbulbs and high-efficiency motors, that use less electricity.

The erosion of U.S. manufacturing also has contributed to the consumption slowdown. Industrial electricity use, which includes manufacturing, accounts for about a quarter of the nation's total. From 1998 to 2010, the electricity used for manufacturing fell 18% as industrial processes grew more efficient and companies produced fewer goods in the U.S.

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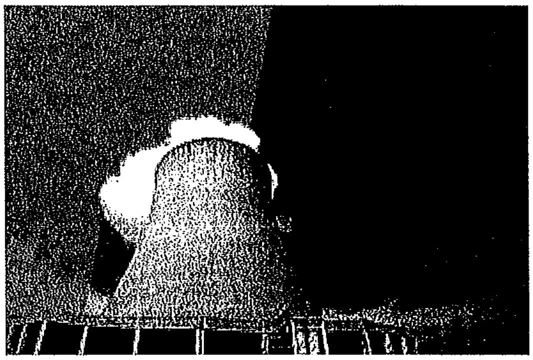
The slower pace of growth in electricity use



Associated Press

Exelon is among utilities cutting spending. Above, its plant in Byron, Ill.

may be helping the environment, since most of the nation's electricity still comes from burning fossil fuels. But it has power companies scrambling to trim spending or redirect capital investment, to improve their profits regardless of consumption patterns.

Some companies, including Public Service Enterprise Group Inc. and Northeast Utilities, are pouring money into high-voltage transmission lines—superhighways for electricity—because federal regulators are allowing them to collect above-average returns from customers on those outlays to encourage new investment in the nation's aging power networks.

Others are slashing spending, including Exelon Corp., which is cutting investment in nuclear-plant expansions by more than $1 billion and in renewable-energy projects by $1.3 billion from now until 2015 as it tries to avoid a credit downgrade. The Chicago-based company is even hinting at the previously unthinkable: cutting its dividend.

"Even with all the actions we've taken, our balance sheet is stressed...and we have no other meaningful levers to pull," Chris Crane, Exelon's chief executive, told investors in November. He added that the company may be forced to lower its payout, which offers investors a return of 7%, based on the company's current stock price. Analysts expect it to reduce the return to closer to 5%.

Many utilities with regulated and unregulated operations are redirecting spending to their regulated side, where regulators practically guarantee them a profit. PSEG plans to triple its investment in its fully regulated electricity-transmission business to $2.4 billion in 2014 from less than $866 million in 2008.

Ralph Izzo, the company's CEO, recently told investors that he likes spending on power transmission, because "it's not dependent on [electricity] load growth." Part of his motivation is the return on equity of 11.7% to 12.9% set by the Federal Energy Regulatory Commission.

New Orleans-based Entergy Corp. plans to spin off its power-transmission business into a new company that will join the Midwest Independent System Operator, a regional power-grid operator. Doing so would place it under FERC rules, and make the new company eligible for potentially higher profits.

"They don't see any light at the end of the tunnel and are making adjustments," Daniel Krueger, managing director of power generation for the consulting firm Accenture in Chicago, said of the companies' shifting strategies.

New England's biggest utility company, Northeast Utilities, expects to invest $3.5 billion of shareholder equity in its transmission business by 2017, versus about $2 billion today. It also has said it is planning to cut spending for operations and maintenance by 3% annually at utilities it owns in Connecticut, Massachusetts and New Hampshire from 2013 to 2015.

Nick Akins, CEO of American Electric Power Co., which has the nation's biggest high-voltage transmission network, said he is focused on projects that can be built quickly, mostly connecting utilities it owns in 13 states.

Mr. Akins said he wants to avoid the bruising battles that delayed or doomed big projects in the past, like the 275-mile Potomac-Appalachian Transmission Highline project from West Virginia to Maryland. AEP and partner FirstEnergy Corp. dropped development plans for the complex project in 2011.

"Sometimes, we were just dreaming" that the companies could get enormous power lines built across multiple states, Mr. Akins said. He said AEP now is focusing on shorter projects blessed by federal regulators that eliminate grid bottlenecks. "It's where you want to put your money," he said.

Write to Rebecca Smith at rebecca.smith@wsj.com

A version of this article appeared January 2, 2013, on page B1 in the U.S. edition of The Wall Street Journal, with the headline: U.S. Electricity Use on Wane.

THE WALL STREET JOURNAL.
WSJ.com

REVIEW & OUTLOOK | February 10, 2013, 6:19 p.m. ET

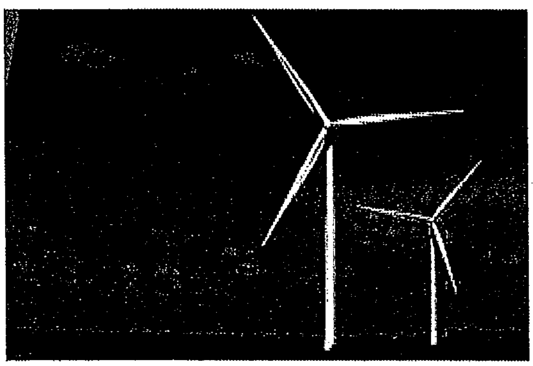
The Wind Power Tax

A regulator socializes transmission-line costs, and a utility fights back.

Should businesses and families have to pay higher electricity rates to underwrite the cost of wind energy they don't even use?

That is the issue as the Federal Energy Regulatory Commission takes up a complaint by Interstate Power and Light Co. (IPL) that 500,000 rate payers in Iowa and Minnesota will have to pay $170.5 million from 2008-2016 for transmission lines and upgrades to connect wind farms to the electric grid.

The utility provides compelling evidence that "the burden of these huge costs is unrelated to any benefits that may accrue to IPL and its customers." And they are paying even though they "have not experienced any material improvements to reliability or lower energy prices."



Reuters
Wind turbines on the Heil Family Farm, a wind farm, in Haverhill, Iowa.

The case has ramifications nationwide because the price tag for upgrading and expanding power lines to reach offshore and remote wind turbines could reach $150 billion. The green energy lobby and Obama Administration want to socialize these costs on the backs of all rate payers.

We criticized this stealth consumer tax two years ago ("The Great Transmission Heist," Review and Outlook, November 8, 2010). Michigan rate payers were asked to subsidize about 20% of the $16 billion cost to build wind-based power lines *outside the state* even though those customers received little benefit. These cost-shifting schemes would seem to violate the Federal Power Act, which says FERC should establish "just and reasonable" rates to cover transmission costs.

Yet in 2011 FERC issued new guidelines called "Order 1000" stating that pricing to cover transmission costs need only be "roughly commensurate" with benefits received —whatever that means. When we challenged FERC for straying from the user-pays

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principle, FERC chairman Jon Wellinghoff responded that his agency's pricing proposal "makes clear that only those who benefit from transmission facilities will be allocated the costs of such transmission investments."

Well, now we'll see. The dispute is over what constitutes a "commensurate" benefit. Interstate Power and Light says it doesn't use the wind power, so it shouldn't pay for it. The green lobby and FERC counter that rate payers benefit from the overall "reliability" of the electric grid.

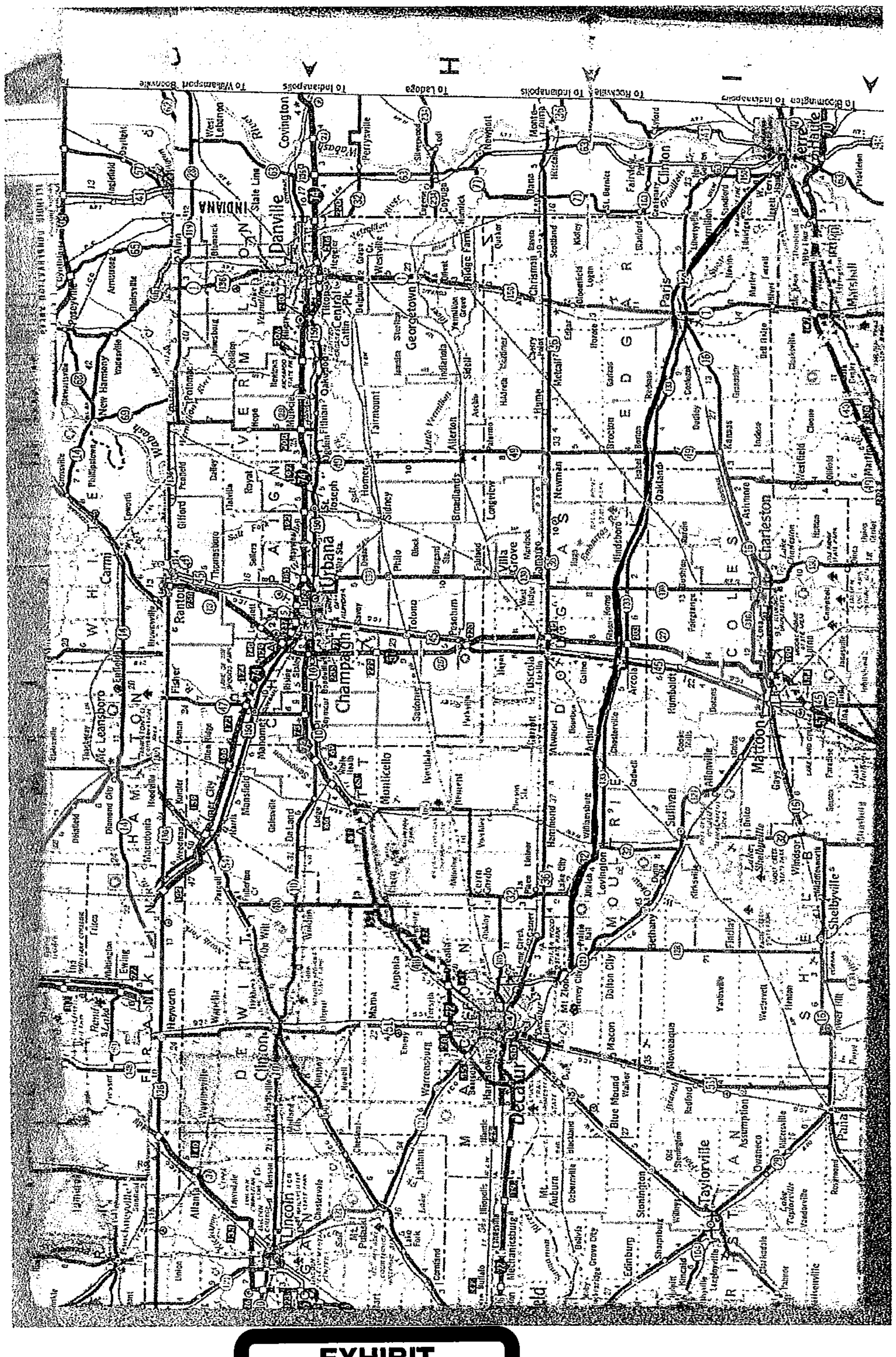
But this is like arguing that Oklahomans should pay to fix potholes in Manhattan because this enhances the national transportation system. In any case, wind power is one of the least reliable sources of electricity due to its intermittency. In states like Colorado, wind has to be backed up by coal or natural gas plants, not the opposite.

It's no secret why FERC is likely to rule against the homeowners in Iowa and Minnesota. The Obama Administration's green vision is to make wind and solar an ever-larger share of U.S. electricity production, regardless of costs. Think high-speed rail for the electric power network. The only way to make that happen without a political backlash is to spread the costs far and wide.

Wind and solar power are too expensive to compete with natural gas, coal, nuclear and hydropower without government help. The wind lobby already won an extension of its $12 billion production tax credit as part of the recent tax increase. More than half the states also have renewable energy standards forcing residents to purchase wind power. And now the greens want another subsidy for transmission lines.

In the Interstate Power and Light case, FERC has an opportunity to reinstate the user-pays principle. If FERC won't do that, Congress should step in for consumers and define "just" and "reasonable" pricing for the windy Mr. Wellinghoff.

A version of this article appeared February 11, 2013, on page A12 in the U.S. edition of The Wall Street Journal, with the headline: The Wind Power Tax.



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