

Exhibit No.:
Issues: Updated Production Cost
Model Results
Witness: Timothy D. Finnell
Sponsoring Party: Union Electric Company
Type of Exhibit: Surrebuttal Testimony
Case No.: ER-2007-0002
Date Testimony Prepared: February 27, 2007

MISSOURI PUBLIC SERVICE COMMISSION

CASE NO. ER-2007-0002

SURREBUTTAL TESTIMONY

OF

TIMOTHY D. FINNELL

ON

BEHALF OF

**UNION ELECTRIC COMPANY
d/b/a AmerenUE**

**St. Louis, Missouri
February, 2007**

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1 power costs, and off-system sales revenues. The sales and losses were updated after errors
2 were discovered in the sales and losses initially used by the Staff. The Company and Staff
3 worked together to correct those errors, resulting in an agreement on the sales and losses to
4 be used in both the Company's and Staff's calculation of fuel costs, variable production
5 costs, and off-system sales revenues.

6 **Q. How did the new sales and losses affect the Company's production cost**
7 **modeling?**

8 A. Substantially more MWhs (approximately 590,000 MWhs) were needed to
9 serve native load which reduced MWhs available for off-system sales by a similar volume
10 (590,000 MWhs).

11 **Q. What changes were made to the coal and nuclear fuel costs?**

12 A. The coal costs were updated to reflect the January 1, 2007 true-up coal costs.
13 The true-up coal costs have been reviewed by Staff witness John Cassidy and are being used
14 in the Staff's calculation of the fuel costs, variable purchase power costs and off-system sales
15 revenues. The nuclear fuel costs are based on the nuclear fuel costs contained in AmerenUE
16 witness Randall Irwin's Surrebuttal Testimony.

17 **Q. What changes were made to the off-system sales energy prices?**

18 A. The off-system energy prices are based on the analysis of off-system energy
19 prices from AmerenUE witness Mr. Shawn Schukar and reflect the adjustments and
20 corrections made to Staff witness Michael Proctor's prices, as initially addressed in Mr.
21 Schukar's January 31, 2007 Rebuttal Testimony. This results in an increase over the
22 normalized level of off-system sales prices originally sponsored by Mr. Schukar.

1 **Q. What updates were made to the equivalent availability factors for the**
2 **coal units?**

3 A. We compared the six-year average (2000-2005) equivalent availability against
4 the equivalent availability from the Company's PROSYM model and found a small
5 difference between the two calculations. We have updated the PROSYM model inputs so
6 that the model hits the new equivalent availability targets. The six-year average equivalent
7 availabilities were reviewed by Staff witness John Cassidy and will also be used as
8 equivalent availability targets for the Staff's production cost model.

9 **Q. What are the updated fuel costs, purchase power cost, and off-system**
10 **sales revenues based on the changes previously described?**

11 A. The fuel costs are \$586 million, the purchase power costs are \$28 million, the
12 off-system sales revenues are \$311 million, and the off-system sales margins are \$185
13 million.

14 **Q. Does this conclude your Rebuttal Testimony?**

15 A. Yes, it does.

**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI**

In the Matter of Union Electric Company)
d/b/a AmerenUE for Authority to File)
Tariffs Increasing Rates for Electric)
Service Provided to Customers in the)
Company's Missouri Service Area.)

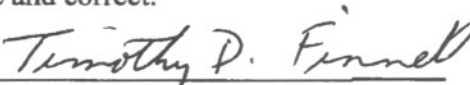
Case No. ER-2007-0002

AFFIDAVIT OF TIMOTHY D. FINNELL

STATE OF MISSOURI)
) ss
CITY OF ST. LOUIS)

Timothy D. Finnell, being first duly sworn on his oath, states:

1. My name is Timothy D. Finnell. I work in St. Louis, Missouri and I am employed by Ameren Services Company as Supervising Engineer, Pricing and Analysis.
2. Attached hereto and made a part hereof for all purposes is my Surrebuttal Testimony on behalf of Union Electric Company d/b/a AmerenUE consisting of 3 pages, which has been prepared in written form for introduction into evidence in the above-referenced docket.
3. I hereby swear and affirm that my answers contained in the attached testimony to the questions therein propounded are true and correct.


Timothy D. Finnell

Subscribed and sworn to before me this 26th day of February, 2007.


Notary Public

My commission expires: May 19, 2008

