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

1		SURREBUTTAL TESTIMONY	
2		OF	
3		TIMOTHY D. FINNELL	
4		CASE NO. ER-2007-0002	
5	Q.	Please state your name and business address.	
6	A.	My name is Timothy D. Finnell. My business address is One Ameren Plaza,	
7	1901 Choute	eau Avenue, St. Louis, Missouri 63166-6149.	
8	Q.	Are you the same Timothy D. Finnell that filed Direct and Rebuttal	
9	Testimony in	this proceeding?	
10	A.	Yes, I am.	
11	Q.	What is the purpose of your Surrebuttal Testimony in this proceeding?	
12	A.	I am updating AmerenUE's fuel costs, variable purchase power costs, and off-	
13	system sales	revenues and margins in part to reflect a number of corrections agreed upon	
14	with the Cor	nmission's Staff.	
15	Q.	Why are these costs being updated?	
16	A.	These costs are being updated due to changes in the following assumptions:	
17	(1) updated 1	monthly sales and losses, (2) updated coal costs and nuclear fuel costs, (3)	
18	updated off-	system energy prices, and (4) updated equivalent availability factors for the coal	
19	units.		
20	Q.	What changes were made to the monthly sales and losses?	
21	A.	AmerenUE has agreed to use the updated sales and loss data developed by	
22	Staff witness	s Mr. Shawn Lange for the twelve-month period ending June 2006. The monthly	
23	sales and losses are being used in the Staff's calculation of the fuel costs, variable purchase		

- 1 power costs, and off-system sales revenues. The sales and losses were updated after errors
- 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.
 - Q. How did the new sales and losses affect the Company's production cost
- 7 modeling?

6

- 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).
- 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
- 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
- witness Randall Irwin's Surrebuttal Testimony.
- 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 equivaler	at availability from the Company's PROSYM model and found a small
5	difference be	tween the two calculations. We have updated the PROSYM model inputs so
6	that the mode	el 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 av	vailability targets for the Staff's production cost model.
9	Q.	What are the updated fuel costs, purchase power cost, and off-system
10	sales revenu	es 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 sa	ales 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 Case No. ER-2007-0002					
AFFIDAVIT OF TIMOTHY D. FINNELL					
STATE OF MISSOURI)					
CITY OF ST. LOUIS) ss					
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					
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 Timothy D. Finnell	y				
Subscribed and sworn to before me this 26 day of February, 2007. West Public Public					
CAROLYN J. WOODSTOCK Notary Public - Notary Seal STATE OF MISSOURI Franklin County My Commission Expires: May 19, 2008					