

1 STATE OF MISSOURI  
2 PUBLIC SERVICE COMMISSION  
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6 TRANSCRIPT OF PROCEEDINGS  
7 Hearing  
8 March 29, 2007  
9 Jefferson City, Missouri  
10 Volume 38  
11  
12 In the Matter of Union )  
13 Electric Company d/b/a AmerenUE )  
14 for Authority to File Tariffs )  
15 Increasing Rates for Electric ) Case No. ER-2007-0002  
16 Service Provided to Customers )  
17 in the Company's Missouri )  
18 Service Area )  
19  
20  
21 MORRIS L. WOODRUFF, Presiding,  
22 DEPUTY CHIEF REGULATORY LAW JUDGE  
23 JEFF DAVIS, Chairman,  
24 CONNIE MURRAY,  
25 STEVE GAW,  
ROBERT M. CLAYTON III  
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1 P R O C E E D I N G S

2 JUDGE WOODRUFF: Let's come to order,  
3 please. Welcome back, everyone, to one more day of  
4 ER-2007-0002. And is there anything anyone wants to  
5 bring up before we get started on the first witness  
6 for the day?

7 (NO RESPONSE.)

8 JUDGE WOODRUFF: All right. I believe  
9 we indicated we'd start with Mr. Mill for the  
10 company.

11 Good morning, Mr. Mill. I believe this  
12 is your first time testifying in this case; is that  
13 right?

14 MR. MILL: Actually, I was up probably  
15 ten days ago, so I was probably sworn in then.

16 JUDGE WOODRUFF: Okay. All right.  
17 Well, then, you are still under oath. Thank you.

18 MR. MILL: Thank you. Have been all  
19 this time.

20 DIRECT EXAMINATION BY MR. FISCHER:

21 Q. Mr. Mill, yeah, you've already been  
22 sworn but I was just gonna let you know that your  
23 direct testimony's been marked 40, your rebuttal 41  
24 and your surrebuttal 42.

25 A. Thank you.

1           Q.       And you didn't have any corrections to  
2 either -- any of those pieces of testimony; is that  
3 correct?

4           A.       That's correct.

5                   MR. FISCHER: Judge, I would tender the  
6 witness. And I think this is the last time he'll be  
7 appearing so I'd move for the admission of those  
8 exhibits.

9                   JUDGE WOODRUFF: All right. 40, 41 and  
10 42 have been offered. Any objections to their  
11 receipt?

12                   (NO RESPONSE.)

13                   JUDGE WOODRUFF: Hearing none, they will  
14 be received into evidence.

15                   (EXHIBIT NOS. 40, 41 AND 42 WERE  
16 RECEIVED INTO EVIDENCE AND MADE A PART OF THE  
17 RECORD.)

18                   JUDGE WOODRUFF: Any party wish to  
19 cross-examine Mr. Mill?

20                   MS. VUYLSTEKE: Your Honor, I did but I  
21 also had a mini opening on this issue --

22                   JUDGE WOODRUFF: All right.

23                   MS. VUYLSTEKE: -- so whenever you  
24 permit me to, I will go ahead with that.

25                   JUDGE WOODRUFF: Why don't you go ahead

1 and do your mini opening now and then we'll go to  
2 cross.

3 MS. VUYLSTEKE: Okay.

4 JUDGE WOODRUFF: I'm sorry. I forgot  
5 about that from yesterday.

6 MS. VUYLSTEKE: AmerenUE's proposed  
7 economic development and retention rider is really  
8 just an illusion of an economic development rate.  
9 The company allowed its prior EDR to expire in 2006.  
10 It had a period in 2006 where it actually had no EDR  
11 available at all.

12 The new EDR which replaces the prior EDR  
13 that expired is so restrictive and can be applied so  
14 arbitrarily that it really can't be viewed by  
15 industry in this state as having any practical value  
16 as an incentive to locate or expand.

17 The prior EDR required the customer to  
18 meet very simple, measurable standards. Unlike the  
19 EDR that it replaces, the new EDR is designed for  
20 really -- or is susceptible to arbitrary  
21 interpretation. It's granted only by the grace of  
22 the company, and it lacks standards that customers  
23 can understand and rely upon. It's only available at  
24 the customer's option. The company determines in its  
25 sole discretion whether or not the requirements to



1     qualify have been met. The customer must jump  
2     through a number of hoops, including applying or  
3     presenting documentation acceptable to AmerenUE. It  
4     also has to provide an affidavit which would be very  
5     difficult as a practical matter, saying that it  
6     intends to change suppliers, move to another state.

7                     Given the period of time that it takes a  
8     company to look at different expansion options and  
9     given the fact that the EDRR expires in 18 months, I  
10    think that creates really an insurmountable obstacle  
11    for many companies that would otherwise be able to  
12    take advantage of this.

13                    AmerenUE has also reduced the discount  
14    and eliminated the prior contribution in aid of  
15    construction provision. The new EDR is much more  
16    difficult to -- to qualify for. It expires too  
17    quickly. It is not designed to provide transparency,  
18    simplicity and certainty to customers. It really is  
19    designed to allow AmerenUE an option to arbitrarily  
20    decide whether or not to offer it to customers as it  
21    sees fit.

22                    In 2006 alone, which is the year that  
23    AmerenUE decided to stop offering the EDR, the  
24    St. Louis area lost about 3,200 manufacturing jobs.  
25    Job growth in the St. Louis area is about half the

1 national average. Just in the past two years nine  
2 manufacturing plants have closed in Missouri and  
3 3,500 jobs have been lost just as a result of those  
4 closings.

5 Missouri has lost 25 percent of its  
6 manufacturing workforce in the past ten years. Ford  
7 is shutting down its Hazelwood manufacturing plant  
8 which will result in the loss of 1,600 jobs. Daimler  
9 Chrysler recently announced that it is going to be  
10 having a major layoff cutting 2,000 jobs in the St.  
11 Louis area.

12 The Commission is part of the Department  
13 of Economic Development. DED and the administration  
14 are promoting Missouri as a state that has the  
15 wonderful asset of relatively reasonable utility  
16 rates. There is even legislation sponsored by -- by  
17 the chairman of the rules committee, Shannon Cooper,  
18 that provides manufacture -- exemption from utility  
19 taxes for manufacturing.

20 Approving AmerenUE's proposed EDRR flies  
21 in the face of these efforts. It will do little or  
22 nothing to promote economic development and will  
23 actually take Missouri in the wrong direction. It is  
24 about as helpful for Missouri's prospects for  
25 economic growth as was Ameren's proposal to increase

1 rates by 43 percent in this case.

2 If we truly want to provide an economic  
3 development rate for the industries that are driving  
4 Missouri's economy, AmerenUE's prior, more workable  
5 and more simple EDR should be -- should replace this  
6 new proposal. Thank you.

7 JUDGE WOODRUFF: Thank you. For  
8 cross-examination I saw hands go up from Public  
9 Counsel, from the State and from MIEC and from MEG as  
10 well. MIEC is first on the list for cross.

11 CROSS-EXAMINATION BY MS. VUYLSTEKE:

12 Q. Good morning, Mr. Mill.

13 A. Good morning.

14 Q. Do you have a copy of the prior EDR in  
15 front of you? I have one, it's been actually marked  
16 as an exhibit already, so if it would be useful I'm  
17 gonna ask you some questions about it.

18 A. That would be fine. Thank you.

19 MR. FISCHER: Mr. Mill, please speak  
20 into that mic too so that everybody can hear you  
21 well.

22 BY MS. VUYLSTEKE:

23 Q. Now, Mr. Mill, do you know how many  
24 years did AmerenUE have that EDR in effect or  
25 something very similar to it?

1           A.       I believe it dates back to the early  
2 1990's.

3                   MS. VUYLSTEKE:   Okay.   Now I'd like to  
4 mark something as an exhibit.   I think it's MIEC 715.  
5 I apologize, I'm not positive about that.

6                   JUDGE WOODRUFF:   You're -- actually be  
7 717.

8                   MS. VUYLSTEKE:   Thank you.

9                   (EXHIBIT NO. 717 WAS MARKED FOR  
10 IDENTIFICATION BY THE COURT REPORTER.)  
11 BY MS. VUYLSTEKE:

12           Q.       Okay.   Mr. Mill, could you read the  
13 second paragraph of that letter?

14           A.       Beginning with "The company's current"?

15           Q.       Yes.

16           A.       "The company's current rider, EDR,  
17 economic development rider, is scheduled to terminate  
18 on March 31, 2005.   By this filing the company is  
19 proposing to extend the availability of this rider  
20 until March 31, 2006.   Such extension is requested so  
21 as to continue to demonstrate the company's full  
22 support to both the state and the community efforts  
23 in attracting new business and creating new jobs."

24           Q.       Now, Mr. Mill, when that EDR expired on  
25 March 31st, 2006, did you -- you did not request an

1 extension so as to continue to demonstrate the  
2 company's full support for attracting new business  
3 and creating new jobs?

4 A. I don't know if that was the reason --

5 Q. You didn't request an extension?

6 A. Yes, we did not request an extension.

7 Q. Does the company's proposed EDR tariff  
8 in this case provide that it is only available at the  
9 company's option?

10 A. No, I don't read it that way.

11 Q. Is that -- can you go back and take a  
12 look at the new tariff? And look under the portion  
13 that says "Availability."

14 A. I see that, but within the body of the  
15 tariff there are some requirements laid out and  
16 assuming customers meet those requirements --

17 Q. It does say, though, that it's only  
18 available at the company's option? It says that in  
19 the -- in the fourth sentence of the tariff, correct?

20 A. It says much more than that.

21 Q. Okay. But it does say it's only  
22 available at the company's option, yes or no; is that  
23 what the tariff says?

24 A. Those are a few words within the body of  
25 a much larger tariff.

1 Q. So the answer is yes?

2 A. Those words are on the page, yes.

3 Q. Where in the tariff are standards  
4 spelled out that would be used in deciding whether to  
5 grant the EDR at the company's -- at the company's  
6 option?

7 A. Well, under "Applicability," under that  
8 section, there's -- a customer has to achieve a  
9 certain level of load factor. They have to have at  
10 least 500 kilowatts of new load or retention load.

11 Q. Okay. You're telling me the different  
12 things that a customer has to show, but is there  
13 anything in the tariff that guides the company in  
14 deciding how it will exercise its option?  
15 Presumably, if it's in the company's sole option, it  
16 could deny the availability of this even to a  
17 customer that has met these qualifications?

18 A. Well, if the customer can furnish  
19 documentation to prove up to the company that they  
20 meet these requirements and there is a competing  
21 electric supply offer out there in another service  
22 territory, then they would provide that documentation  
23 to the company. And if -- if that documentation was  
24 satisfactory, they would qualify.

25 Q. Okay. Let's talk about the things that

1 the customer has to show or prove, then. Is the  
2 company's tariff available only to customers who can  
3 prove that other viable supply options outside the  
4 company's service territory have been offered?

5 A. Yes.

6 Q. Okay. Where in the tariff are standards  
7 spelled out for what would be considered a viable  
8 supply option?

9 A. It would really be up to the customer or  
10 prospective customer to provide us whatever evidence  
11 they felt could demonstrate that fact. That  
12 particular standard as to exactly what they have to  
13 show is not in here. But, you know, I've had  
14 experience with a similar tariff in Illinois, and  
15 customers typically do provide information that can  
16 demonstrate they do have a legitimate competing  
17 offer.

18 Q. So there are no standards in the tariff;  
19 there's no standard in the tariff that says what a  
20 viable supply option is? You're talking about  
21 something in Illinois but this tariff does not  
22 describe what standard the customer has to meet.

23 A. The customer has to furnish  
24 documentation.

25 Q. Right. Okay. Is the tariff available

1 to customers whose exit from the service area is  
2 imminent? Is that one of the availability criteria?

3 A. Yes, it can demonstrate that they are  
4 planning to -- they've announced or are planning to  
5 leave the service territory.

6 Q. Then where in the tariff is the word  
7 "imminent" defined?

8 A. I think they were -- we were just  
9 assuming a general understanding of that term.

10 Q. Does the tariff increase the load demand  
11 requirement from an average monthly billing demand of  
12 200 kW in the prior tariff to an average monthly  
13 billing demand of 500 kW?

14 A. Yes.

15 Q. Does the tariff require the company --  
16 excuse me, the customer to furnish the company with  
17 such documentation as is deemed necessary by the  
18 customers for the customers' intent to supply or  
19 select a viable electric supply option outside the  
20 company's service area?

21 A. Absolutely.

22 Q. Where in the tariff are there standards  
23 spelled out regarding what documentation that  
24 AmerenUE will require from the customer?

25 A. I don't see any language in here that



1 actually lays out standards. It does suggest an  
2 affidavit is a form of documentation.

3 Q. Okay. Where -- where in the tariff is  
4 there any standard that governs what's required to  
5 verify the customer's intent?

6 A. There's -- again, under this particular  
7 proposal, the company would review the body of  
8 information the customer provides, and obviously it  
9 also -- a prerequisite of this tariff also requires  
10 incentives being offered to this company by local,  
11 regional and state governmental economic development  
12 groups as part of this overall package.

13 And so that would be evidence as well,  
14 taking into consideration that, you know, this is a  
15 legitimate issue and other economic development  
16 agencies are also trying to retain or attract those  
17 customers.

18 Q. Does the tariff provide that the company  
19 in its sole discretion shall determine the  
20 acceptability of the information provided by the  
21 customer?

22 A. Yes.

23 Q. Where in the tariff are there standards  
24 provided regarding what will be acceptable to the  
25 company?

1           A.       Well, again, if the customer or the  
2   local, state, regional economic development groups  
3   are participating in the project, we would know that,  
4   that would be one element. An affidavit from the  
5   customer stating their intent, that's another  
6   element. Information regarding a competing power  
7   supply price would be another element.

8           Q.       But the customer can still provide all  
9   of those things and Ameren in its sole discretion  
10   could still refuse to allow the customer to take  
11   advantage of the rider; is that correct?

12          A.       There would be no reason to reject a  
13   customer who provided all the necessary information.

14          Q.       But you could do that under this tariff.  
15   It's in your sole discretion to determine whether to  
16   allow it, to determine the acceptability of the  
17   information provided; is that correct?

18          A.       We would reject it if the customer did  
19   not meet the satisfactory test for our folks  
20   reviewing a request. If they didn't provide a -- all  
21   the information, yes, we could reject it.

22          Q.       Does the EDR -- or excuse me, the  
23   current EDRR proposal require an affidavit that  
24   demonstrates the customer's intent to choose a  
25   provider outside the service area?

1           A.       Yes.

2           Q.       Did the prior EDR which expired in 2006  
3 contain a similar requirement?

4           A.       No.   That was an all-comers sort of  
5 right.

6           Q.       Did the prior EDR provide that the  
7 customer could obtain a contribution -- a waiver of a  
8 contribution in aid of construction under certain  
9 circumstances?

10          A.       Could you show me where that's at in the  
11 former rate?

12          Q.       Sure.

13          A.       That -- that is in the prior rate.   But  
14 that's also in our standard terms and conditions.

15          Q.       Okay.   But does Ameren's proposed EDRR  
16 tariff in this case contain any provision for a  
17 similar waiver, or is that eliminated from the new  
18 proposal?

19          A.       Well, it's not listed in the tariff but  
20 it's already in our terms and conditions.

21          Q.       Okay.   Does the rider provide that it's  
22 limited to customers who execute contracts with you  
23 prior to December 31st, 2008?

24          A.       Yes, the full term of the -- of the  
25 discounts would be applicable.

1           Q.       Okay. So the EDR tariff is gonna  
2     operate for about 18 months from the operation-of-law  
3     date in this case if it's approved?

4           A.       Well, actually, it's about a seven and a  
5     half year tariff, assuming the customers sign up the  
6     very last day the tariff would be in effect, assuming  
7     we did not extend it, that customer has 12 months on  
8     which to complete their construction and move into  
9     their new building or facility. And then the credits  
10    would apply for five years from that date. So from  
11    the operation-of-law date in this case, it has about  
12    seven and a half years' total life.

13          Q.       Mr. Mill, that's a confusing aspect of  
14    this rider. It states -- is this correct that it  
15    states under "Term," "This rider will be limited to  
16    customers executing contracts prior to December 31st,  
17    2008"?

18          A.       Yes, it states that.

19          Q.       So if a customer does not execute a  
20    contract prior to that date, they cannot take  
21    advantage of this rider unless you apply to renew the  
22    rider; is that correct? They have to execute that  
23    contract prior to that date?

24          A.       That is correct.

25          Q.       Okay. So this rider does terminate as

1 of that date?

2 A. To new customers making a request, yes,  
3 unless extended by the company.

4 Q. Okay. Does the company's proposed EDRR  
5 in this case take the discount down, reduce the  
6 discount from an average of 20 percent under the  
7 prior EDR to now 15 percent?

8 A. My understanding was under the existing  
9 or prior EDR, it was 15 percent as well.

10 Q. Okay. It had a term of five years under  
11 a contract and there were different provisions,  
12 correct, depending on how long you took advantage of  
13 the EDR; 30 percent in the first year, 25 percent in  
14 the second year, correct?

15 A. That had -- at one point that was the  
16 case, but there was a subsequent change and it became  
17 a flat 15 percent for five years. Originally there  
18 was that declining percentage decrease, and we -- and  
19 customers who previously had qualified for the  
20 declining percentage decreased, continued under that  
21 scale, under that -- that term sheet, but then  
22 subsequently it was changed to a flat 15 percent.

23 Q. Okay. So over time you have reduced the  
24 discount that was available and now you're keeping it  
25 at 15 percent even though in prior EDRs it had been

1 as high as 20 over a five-year period?

2 A. Well, that's -- that's not true. It was  
3 not 20 percent over a five-year period. Whereas, a  
4 decline in --

5 Q. After 20 percent?

6 A. Well, that's not true either because it  
7 really depends what a customer's load is in each of  
8 those future years as to what that waiting would  
9 bring. Assuming the first year, typically  
10 industrials still ramping up, my view would be that  
11 even though the first contract year way back when  
12 would have provided 30 percent discount, the load  
13 against which that would apply might be less than  
14 year three or year five load. So the waiting can't  
15 be a simple mathematical mean of -- of that scale.

16 Q. Okay. Now, we talked about the prior  
17 EDR -- excuse me. The current EDRR provides that the  
18 company in its sole discretion is gonna determine the  
19 acceptability of the information that the customer  
20 provides?

21 A. That's correct.

22 Q. Okay. Did the prior EDR have a similar  
23 provision?

24 A. I believe it did. The customer would  
25 have to demonstrate that they were increasing load by

1 at least 200 kW, that the new load of that customer  
2 would exceed the load factor requirement.

3 Q. Well, you're telling me the requirements  
4 that the customer had to meet, but where in the prior  
5 EDR did it say that the company in its sole  
6 discretion would determine the acceptability of the  
7 customer's information provided?

8 A. That was understood. They had to  
9 qualify for the rate and we always, for any rate,  
10 have the sole discretion determining whether or not a  
11 customer qualifies for the rate.

12 Q. So it's in the new tariff, it's in your  
13 new proposal, but it was not in your old one; those  
14 words "in its sole discretion" were not in the old  
15 one?

16 A. Words were not there, but in practice --

17 Q. Okay.

18 A. -- that's the way --

19 Q. That's fine.

20 A. -- it's operated.

21 Q. Was the expired EDR tariff available to  
22 customers locating new or expanding facilities in the  
23 company's service area that met load factor and  
24 billing demand requirements?

25 A. I'm sorry.

1 Q. The old --

2 A. I did not catch the first part of that.

3 Q. Okay. Sure. The prior EDR --

4 A. Yes.

5 Q. -- was available to customers who met

6 certain load growth and billing demand requirements.

7 Those were requirements that had to be met under the

8 old EDR?

9 A. Yes.

10 Q. Okay. Was the prior EDR available on

11 the basis of load growth rather than the customer's

12 proof of intent to leave the company's system?

13 A. Yes. We've added that new feature to

14 the EDRR that we're proposing here for retention.

15 That was not a feature in the old tariff.

16 Q. Okay. Are load growth and the amount of

17 load growth easy to determine from meter data?

18 A. Generally, yes, that would be the case.

19 But you have to remember --

20 Q. Thank you.

21 A. -- a customer's applying for this rate

22 ahead of time so they would show us typically their

23 plans or drawings for adding to their operation,

24 and --

25 Q. But those -- that's easy to determine



1     though. Meter data shows load growth, it shows  
2     billing demand, correct?

3             A.       It does show that, yes.

4             MS. VUYLSTEKE: Okay. Thank you.

5             JUDGE WOODRUFF: All right. Cross from  
6     MEG?

7     CROSS-EXAMINATION BY MS. LANGENECKERT:

8             Q.       Good morning, Mr. Mill.

9             A.       Good morning.

10            Q.       Are you aware that all parties agreed to  
11     and Ameren committed to develop a demand response  
12     rate in the settlement of the 2002 rate case?

13            A.       I am aware that there were a series of  
14     collaboratives after that case concluded. I cannot  
15     tell you the exact wording or intent. That would  
16     have been the stip on that particular item. So I  
17     don't know, in your words, if that's true or not.  
18     But I do know there's a collaborative process after  
19     that case.

20            Q.       Okay. Did you watch any of the hearings  
21     yesterday on line or did anyone tell you about the  
22     hearings?

23            A.       I had some updates about the hearings.  
24     I was unable to tune in yesterday.

25            Q.       Okay. We had the pleasurable experience

1 of having Mr. Hanser read the paragraph relating to  
2 the demand response option from the settlement  
3 stipulation. If you wouldn't mind, I'll ask you to  
4 do the same thing, although probably everybody could  
5 repeat it by heart at this point. It's No. 9.

6 A. Go ahead?

7 Q. Please.

8 A. Paragraph 9: "Demand response option.  
9 UE will make its best efforts to increase the amount  
10 of demand response options including interruptible  
11 load by 200 megawatts and to facilitate the  
12 infrastructure needed for customer participation such  
13 as special customer equipment including  
14 customer-owned generation. A plan to accomplish this  
15 will be developed as provided under Section 11 of  
16 this agreement and implemented by UE."

17 Q. Thank you.

18 A. Yeah. And I'm just accepting subject to  
19 check here that this came out of the stip --

20 Q. Okay.

21 A. -- because I just have one page.

22 Q. All right. I'll be happy to show it to  
23 you, Counselor. You can check and if you find a  
24 problem with it --

25 A. Thank you.

1           Q.       So the collaboratives that you discussed  
2     came out of that language, assuming that's from the  
3     stipulation?

4           A.       Yes.

5           Q.       Now, in those workshops to which you  
6     referred, I imagine you're aware that Ameren proposed  
7     a real time pricing rate to take the place of an  
8     interruptible rate?

9           A.       I am aware of that.

10          Q.       Okay. And do you know how many  
11     customers signed up for that rate?

12          A.       I don't believe anybody did.

13          Q.       Okay. Do you know how many AmerenUE  
14     customers in Illinois switched to the Illinois  
15     version of the tariff?

16          A.       Zero.

17          Q.       Okay.

18          A.       However, we have RTP now in Illinois and  
19     we have many customers under RTP.

20          Q.       Is that your CIPS program that is a lot  
21     more economically desirable for customers?

22          A.       Well, when they're facing the market  
23     price signals, real time pricing becomes a real  
24     option. When you're facing average price signals  
25     that are well below market price, it's not an option

1     that customers readily accept.

2           Q.     Okay. Well, we'll get to that in a  
3     minute.

4                     What response has Ameren projected for  
5     its proposed IDR pilot in Missouri?

6           A.     We've made no projections. We -- as far  
7     as the number of participants, I guess at this point  
8     we believe there are loads out there that could take  
9     advantage of it. But as far as whether or not they  
10    go forward and sign up, we don't know.

11          Q.     And you haven't done any studies or  
12    asked any of those loads why they haven't signed up?

13          A.     No.

14          Q.     Would you consider that the best efforts  
15    described in the stipulation that Ameren agreed to?

16          A.     For the proposed IDR or the RTP?

17          Q.     The RTP.

18          A.     The RTP, my understanding of the -- of  
19    the collaborative meetings, a number of meetings were  
20    spent discussing about a demand response, an  
21    interruptible program. Unfortunately, the upfront  
22    credit that was always discussed divided the parties  
23    in the meetings. The utility was focusing on demand  
24    credits that typically were more associated with  
25    market and -- and the -- as I recall, other parties

1 in the room were more interested in bringing back the  
2 prior credits from the old expired interruptible  
3 rate. We could never reach agreement on that. And  
4 at that point it seemed that, you know, my briefings  
5 on those meetings was that the focus tended to shift  
6 them to maybe RTP.

7 Q. And then -- so then an RTP program  
8 was --

9 A. An RTP then came out of that.

10 Q. Which no one signed up for?

11 A. Nobody signed up for it, yes.

12 Q. Okay. On page 12, line 23 of your  
13 direct testimony, you state, "The key elements of the  
14 evaluation of the IDR pilot will include examining  
15 the impact of the program on AmerenUE administrative  
16 processes." What does that mean?

17 A. Just a second. I'm -- I'm not where you  
18 are. Could you give me the cite again?

19 Q. Page 12, line 23, direct testimony on  
20 rate design and riders.

21 A. Yes, and my pagination might be  
22 different. Wendy, do you have a copy of --

23 Q. Would you like to see the line on mine?

24 A. Let me -- let me find my place here.

25 For some reason --

1 Q. Okay.

2 A. -- I'm not ending up --

3 Q. Computers will do that to us.

4 A. Okay. I was reading the full -- that's

5 just a phrase. Okay.

6 Q. What does that line mean, "Examining the

7 impact of the program on AmerenUE administrative

8 processes"? Or as Dr. Proctor would say,

9 "processes?"

10 A. Well, clearly, there's a considerable

11 backroom effort to --

12 Q. Backroom at AmerenUE?

13 A. Backroom -- backroom effort at AmerenUE

14 on how to bill and impute the credits customers would

15 see on an energy basis, you know, the eight-cent

16 credit that's part of that when customers actually

17 curtail. Possibly how they managed the -- actually

18 calling the curtailments and experiences along those

19 lines, recordkeeping on the 200-hour annual maximum

20 under those contracts. I presume that's what was

21 intended by that statement.

22 Q. And these all assume that someone signs

23 up for it?

24 A. Absolutely.

25 Q. Okay. What are the criteria for success

1 of the IDR pilot in Ameren's opinion?

2 A. Well, it's a -- it's a pilot program.  
3 Obviously, we'd like to see some participation. That  
4 would probably be regarded as -- as a better success  
5 than having zero participants sign up, at least from  
6 my perspective. And either way, my expectation is we  
7 will learn something about that program.

8 If customers don't sign up, we will try  
9 to gauge why they didn't sign up; if customers do  
10 sign up and take it, we will try to gauge their  
11 experience and our experience under the program.

12 Q. Well, you say you didn't gauge why  
13 people didn't sign up for the RTP, so do you feel  
14 that you've learned from that experience and you will  
15 try that with the IDR if you come up with the same  
16 lack of results?

17 A. I think RTP is a completely different  
18 product.

19 Q. But wasn't it what was proposed by  
20 Ameren in response to the settlement that said they  
21 would come up with interruptible load?

22 A. Yes, but what I mean by -- it's a  
23 different measurement, different types of programs.  
24 One program puts customers on real time pricing  
25 throughout the year. Here we're talking about a

1 program that, for a maximum of up to \$200 per year,  
2 they might be called to curtail load. And you know,  
3 they're just different programs, there's different  
4 features in both. There's different aspects of the  
5 backroom operation that would be evaluated.

6 Q. So you're saying even though you didn't  
7 do any analysis of the RTP, you don't consider that  
8 to be a fault of Ameren because they're so different?

9 A. Yeah. Here -- here we actually in the  
10 tariff intended to --

11 Q. Which tariff is that? I'm sorry.

12 A. The IDR tariff.

13 Q. Okay.

14 A. We actually intend to do an evaluation  
15 of the program.

16 Q. You didn't intend to do one in the RTP  
17 program?

18 A. That was -- that was -- I don't believe  
19 that was a part of that tariff.

20 Q. Okay.

21 A. It doesn't mean that had we had response  
22 to that tariff we wouldn't have done that, but there  
23 was nothing to evaluate in that particular instance.  
24 Here, even if there are no takers, I believe we're  
25 still committed to try to evaluate the program.



1           Q.       Okay. So there is a long series of  
2 meetings, many of which I attended and I know you did  
3 and Mr. Cooper and several other members of AmerenUE,  
4 and out of all those meetings through that process,  
5 there was never any intention to evaluate the program  
6 if no one signed up for it because it wasn't  
7 specifically agreed to? Wouldn't that be  
8 something --

9           A.       For the RTP --

10          Q.       Yes.

11          A.       -- which is what you're speaking about?

12          Q.       Right.

13          A.       I don't recall any discussion about  
14 evaluating the program. I don't know if it took  
15 place in those meetings. I -- certainly if it did,  
16 it was in meetings that I was not in attendance.

17          Q.       Okay. Wouldn't you believe that with  
18 all the meetings that occurred that would be a given,  
19 that there would be some evaluation of program  
20 whether people participated or not?

21          A.       I don't know.

22          Q.       Wouldn't that be good business sense to  
23 spend that much time and presumably money?

24          A.       I don't know.

25          Q.       Would you call the RTP tariff a success

1 despite no one having signed up for it?

2 A. Well, it tells us one thing: Customers  
3 don't have an interest in that tariff or in those  
4 real time prices.

5 Q. Okay.

6 A. So we did learn something.

7 Q. That's the only thing it tells you?

8 A. That's what it tells me, yes.

9 Q. Okay. Not that the program possibly  
10 wasn't structured to be desirable to the customers,  
11 whether intentional or not?

12 A. I don't know.

13 Q. Okay. Okay. I'd like you to imagine  
14 for a moment that AmerenUE proposed an IDR with a  
15 credit of ten cents and a duration of one year. Do  
16 you think customers would sign up for that?

17 A. Probably not. The ten cents is likely  
18 way too low.

19 Q. Okay. Do you believe that it's possible  
20 to design a rate by its terms will be unattractive to  
21 customers for the IDR (sic)?

22 A. You mean to purposely design a rate that  
23 the terms are unattractive, is that what you're  
24 suggesting?

25 Q. Well, I'm not imputing that it's

1 something that you're doing on purpose, but that it  
2 is possible to design one that customers won't want,  
3 whether it be too short of a period, whether it be  
4 too low of a credit, whether it be too onerous and  
5 the amount of times you can be interrupted; is that  
6 possible?

7 A. You know, each customer, I presume,  
8 would have to look at their own economics of whether  
9 or not a particular rate design makes sense for them.

10 Q. Naturally.

11 A. Apparently, customers under the RTP  
12 evaluated RTP, determine --

13 Q. I'm talking about the IDR, I'm sorry.

14 A. Okay. -- determine those economics were  
15 not viable. The IDR, I expect customers will  
16 undertake the same analysis. If they can shape their  
17 operations to qualify for this rate and benefit from  
18 the upfront credit, and then the ongoing energy  
19 credits during periods of interruption, then they may  
20 subscribe. It really comes down to customer  
21 economics.

22 Q. So it is possible to design one that's  
23 unattractive to customers, yes or no?

24 A. That could be the result.

25 Q. Okay. Are you aware that some utilities

1 feel that having a longer term IDR contract is so  
2 valuable to them that they provide a higher credit  
3 for it?

4 A. I'm not aware of that.

5 Q. Okay. I'd like to show you the --  
6 something I didn't bring up. One moment. The Kansas  
7 City Power & Light interruptible tariff, it's called  
8 MP Power Rider or MPower Rider that was approved by  
9 this Commission.

10 A portion of this tariff in EC-2006-0338  
11 indicates under "Customer Compensation": "For each  
12 curtailment fee, a customer shall receive a payment  
13 credit of a minimum of \$16 per kilowatt of  
14 curtailable load. Additional payments may be made  
15 for three-year or five-year contracts."

16 Would you agree that at least KCP&L sees  
17 a longer term contract as being more valuable to  
18 them, that they're willing to pay more for it?

19 MR. FISCHER: Objection. I think that  
20 calls for speculation. This witness wouldn't have  
21 any idea -- this witness wouldn't have any idea what  
22 KCP&L had in mind when they proposed that tariff.

23 BY MS. LANGENECKERT:

24 Q. If AmerenUE were to propose a longer  
25 term tariff, do you believe that it would be more

1     valuable for it to be able to plan and not know that  
2     they wouldn't have to buy CT's or power outside?

3             A.       It really depends on the capacity  
4     situation of the utility, how close they are to the  
5     need to add additional capacity. As to whether or  
6     not a longer term contract would be valuable, my --  
7     my tariff I'm proposing here is a pilot program, it's  
8     an experiment. It's not intended to be a permanent  
9     program. I believe that if there is to be a  
10    permanent program that would flow out the formal IDR  
11    process --

12            Q.       IDR, this --

13            A.       -- or IRP integrated resource planning  
14    process.

15            Q.       Is that in your testimony that you want  
16    the IDR to be a part of the IRP process?

17            A.       All I'm saying is, in my testimony this  
18    is a pilot program. This is not intended to be a  
19    permanent program. And all I'm suggesting is if  
20    there is to be a permanent program in place for  
21    demand response, it seems more appropriate that that  
22    permanent program ultimately come out of the formal  
23    planning process.

24            Q.       Well, we went through that formal  
25    planning process once before and came up with an RTP

1     that no one signed up for. What makes you think that  
2     it will be better this time?

3           A.     Well, I believe the IRP process would  
4     put the demand response programs through a rigorous  
5     analysis compared with all other DSM as supply-side  
6     options.

7           Q.     But didn't the last IRP process that --  
8     put them through any analysis at all, the RTP program  
9     which was supposed to be in place of the  
10    interruptible program that was agreed to in the 2002  
11    stipulation?

12          A.     I feel we're mixing cases here. You're  
13    talking about the stip that arose out of the last  
14    case?

15          Q.     Right. And the agreement -- the promise  
16    that Ameren made in that stip.

17          A.     What I'm talking about is the formal IRP  
18    process that I believe the company has committed to  
19    make their next filing next February.

20          Q.     So you're saying those collaboratives  
21    out of that stipulation were not as formal or as  
22    procedurally accurate as this IRP process will be?

23          A.     No. What I'm saying is that I don't  
24    recall anything necessarily in the -- that stip, that  
25    language I read as these programs being permanent for

1 the foreseeable future. What I'm talking about now  
2 is the IRP process where all resource options, DSM  
3 options are evaluated to determine which are the most  
4 cost-effective. That's probably the appropriate  
5 forum in which to decide -- you know, you were  
6 talking about Kansas City Power & Light having  
7 three-year, five-year contracts.

8 My view is that before we move to that  
9 level and a long-term commitment to demand response,  
10 it seems like they should pass the IRP screening  
11 process. And this program I'm offering today is of  
12 limited term and scope, duration, application, and  
13 it's more of an experiment to collect data on than  
14 really to serve as a permanent, ongoing demand  
15 response program.

16 Q. Okay. Did you submit testimony saying  
17 you thought that the IDR should be taken care of in  
18 the IRP?

19 A. I just did.

20 Q. And I commend you for that. Are you  
21 aware that Central Illinois Public Service Company,  
22 AmerenUE CIPS, service classification No. 7,  
23 interruptible power rate applicable to Metro East  
24 service area, are you aware of that? Do you do  
25 Illinois work at all or --

1           A.       I do a lot of Illinois work. I am aware  
2 of that tariff, yes.

3           Q.       Do you know what the credit is for that  
4 interruptible rate?

5           A.       That particular tariff is no longer in  
6 effect. It was suspended, it suspended operations,  
7 withdrawn, terminated, if you will, effective  
8 January 2nd this year, and it's no longer in  
9 existence.

10          Q.       Okay. Well, I have the tariff and I  
11 believe it was pulled off the website recently, but  
12 I'll accept that it has been removed. Can you tell  
13 me what it was?

14          A.       Yeah, effective January 2nd in  
15 Illinois --

16          Q.       No, what the -- prior to its removal if  
17 it -- if it was.

18          A.       Oh, with the credit --

19          Q.       Yeah, what their credit was --

20          A.       You're talking about the monthly credit?

21          Q.       -- CIPS credit.

22          A.       I believe it was five dollars. Is  
23 that --

24          Q.       No. In the summer it is -- well,  
25 actually, what you have is a -- I'm losing my --



1 well, I'll just show you.

2 A. Oh. That -- that is -- I thought you  
3 were referring to the interruptible rate in Illinois  
4 under the CIPS Metro East rate book that used to be  
5 in effect. That one there is their large primary  
6 service rate.

7 Q. Okay.

8 A. That has nothing to do with  
9 interruptible.

10 Q. Okay.

11 A. That's comparable to the 11-M tariff  
12 sheet in Missouri.

13 Q. Okay. And I'm sorry. Under that -- I  
14 was looking at the wrong sheet. Under that it shows  
15 that the demand charge per kilowatt hour of a million  
16 demand is \$13.97; is that correct?

17 A. Yeah. Again, I saw that on the sheet  
18 that tariff is no longer into -- in effect.

19 Q. Okay. All right. Now -- now I'll show  
20 you the sheet relating to the interruptible power  
21 rate. And you have an insurance power cost and then  
22 you have an interruptible power cost.

23 From the sheet I just looked at -- would  
24 Ameren's counsel like to see it?

25 MR. FISCHER: Go ahead.

1 BY MS. LANGENECKERT:

2 Q. Okay. It appears that the insurance  
3 power cost is 14.54 a kilowatt, and the interruptible  
4 power cost -- these are summer rates -- \$7.27 and the  
5 credit is \$7.27 per kilowatt. Did I accurately  
6 describe that for the summer?

7 A. Yes, on an annual average weighted  
8 basis, it's probably close to five dollars.

9 Q. Okay. And the winter rate is assurance  
10 power, \$8.55 and interruptible power, \$4.275?

11 A. Yes. So if you weight, the \$4.275 and  
12 the seven dollars across the four months, eight  
13 months, it's probably close to the five dollars.

14 Q. Okay. What information does AmerenUE  
15 have that its potential customers are similar to or  
16 different from customers using interruptible power in  
17 its CIPS Metro East service territory?

18 A. No customers are using interruptible  
19 power in the Metro East service territory. That  
20 tariff no longer exists.

21 Q. Okay. When this tariff expired was it  
22 at the beginning of this year, is that what you said?

23 A. Yes, January 2nd it no longer was  
24 effective.

25 Q. And your testimony in the case was filed

1 six months, five months prior to the expiration of  
2 this?

3 A. Yes.

4 Q. Okay. So this was in existence during  
5 the time your testimony was filed, but yet you felt  
6 that the Missouri service area was so different that  
7 its credits should be two dollars versus the average  
8 five dollars that you described for CIPS?

9 A. Yeah, the average five dollars in  
10 Illinois was just a historical artifact that was no  
11 longer in touch with -- with reality with the market  
12 prices. And I also knew at the time I wrote my  
13 testimony, and knew for a number of years prior to  
14 writing this testimony, that that tariff would no  
15 longer be in effect on January 2nd, 2007.

16 Q. Okay. So even though we come up with an  
17 IDR tariff in the IRP, it's possible it won't be  
18 permanent either?

19 A. That's subject to that case. I don't --  
20 and to the Commission. I don't know.

21 Q. All right. In your current Missouri IDR  
22 tariff, did you consider adding a minimum length of  
23 interruption to the tariff, say, 30 minutes or  
24 90 minutes?

25 A. And you're talking about actual

1 interruption, not -- not notice requirements; is that  
2 correct?

3 Q. Correct.

4 A. No, I didn't consider that.

5 Q. Okay. That is in many other  
6 interruptible tariffs around the United States. Why  
7 is that not something that was considered by Ameren  
8 in this pilot to see how customers would respond?

9 A. I don't believe there's anything in the  
10 tariff that would allow us to -- or prevent us from  
11 calling a 30-minute or 90-minute curtailment.

12 Q. No, there's not. There's also nothing  
13 that would prevent you from doing a two-minute  
14 interruption.

15 A. Right. However, there's -- there's --  
16 you know, up to 48 hours is -- you know, we -- we  
17 looked at the cap A. I presume under this particular  
18 tariff we would only call for a curtailment period as  
19 long as our operators felt we needed to call them  
20 before, so ...

21 Q. Right. But do you see where it could be  
22 difficult for a customer to be interrupted constantly  
23 up to 200 hours?

24 A. That's what we'll find out.

25 Q. But you'll find out how, if anyone signs

1 up for it?

2 A. Well, when we evaluate the program.

3 Q. And will you find out when you evaluate  
4 if no one signs up that that would be one of the  
5 reasons, that fear of constant interruption?

6 A. That would be my hope, that we would  
7 find out if there are no customers that sign up for  
8 this program, that we would try to figure out why,  
9 and that would be helpful.

10 Q. Okay. Is this evaluation that you  
11 described that you plan to do nebulous, or do you  
12 have it down on paper somewhere that people could  
13 look at to see what exactly you plan to evaluate  
14 after this pilot is over?

15 A. There's nothing that we have really  
16 that's anything in addition to the very last  
17 paragraph of the IDR tariff where we state that "We  
18 shall perform an evaluation which includes evaluation  
19 of the benefits of the pilot. The evaluation will  
20 document the level of participation in the pilot and  
21 any problems that the company experiences in  
22 implementing the pilot, and it shall be submitted to  
23 the Commission Staff, Office of Public Counsel and  
24 participating customers or their representatives no  
25 later than six months after the conclusion of this

1 pilot."

2 Q. But none of that refers to  
3 nonparticipation?

4 A. Well, my -- my commitment would be that  
5 even if we had zero participation, we will try to  
6 assess why and submit that evaluation.

7 Q. And you would put that commitment in  
8 writing as an Ameren representative?

9 A. Yeah. No matter what, if this tariff is  
10 placed into effect in this form, we will commit to  
11 doing an evaluation.

12 Q. But an evaluation beyond what you have  
13 described in your tariff?

14 A. Well, I think the evaluation probably,  
15 in my mind, covers the fact that -- a scenario where  
16 we would have nobody sign up. We would still try to  
17 evaluate the reasons why customers did not sign up.

18 Q. Okay. Where would that language be in  
19 that paragraph that you described?

20 A. Well, our commitment to -- to perform an  
21 evaluation.

22 Q. Right. But it describes several  
23 scenarios that will be included in that evaluation  
24 but nonparticipation is not one of them. The level  
25 of participation, document the level, but all that

1 means is saying how many people did or didn't  
2 participate. That doesn't say why.

3 A. Well, I'd be willing to commit to  
4 perform an evaluation of this program no matter what  
5 the level of participation is.

6 Q. Right. And that -- as stated here,  
7 would that evaluation include why no one could  
8 participate?

9 A. Well --

10 Q. You would analyze, talk to customers who  
11 could have participated and didn't, to see why?

12 A. A -- one level at the very bottom would  
13 be zero percent participation. And so we would -- my  
14 goal would be to survey some customers that may be  
15 candidates for such programs and find out why they  
16 didn't participate.

17 Q. Okay. And how many is "some," the  
18 "some" customers that you will survey?

19 A. I would say that probably meeting the  
20 requirements of this tariff, let's say there's at  
21 least a population of maybe ten customers out there.

22 Q. Okay. So would you put that language in  
23 this tariff? Would you --

24 A. I'd be willing --

25 Q. -- correct this tariff, update it?

1           A.       I'd be willing to do that.

2           Q.       All right. Did you consider adding a  
3   maximum number of interruptions to this tariff?  
4   We've talked about the minimum length of  
5   interruption. Did you consider a maximum number of  
6   interruptions other than the 200 hours?

7           A.       No.

8           Q.       Okay. Do you also see how that could be  
9   difficult for a customer to be interrupted hundreds  
10   of times?

11          A.       Well, it wouldn't be hundreds of times.

12          Q.       It could be under this tariff.

13          A.       Well, it's doubtful that we would  
14   curtail customers 300 times for something less than  
15   an hour. Operationally, typically, these -- these --  
16   you know, system conditions or market conditions,  
17   you -- typically last a number of hours during the  
18   day, not -- not less than one hour.

19          Q.       But as the tariff currently stands, a  
20   customer could be interrupted 200 hours in a year and  
21   could be interrupted 200 times for an hour or 400  
22   times for a half hour or on -- ad infinitum?

23          A.       Theoretically.

24          Q.       Okay. Are you aware that the current  
25   operation-of-law date if this case goes into a



1 Commission decision, it would be too late for any  
2 customers to sign up for the IDR until June 1, 2008?

3 A. Yes, I'm aware of that.

4 Q. Okay. So was it intentional this was a  
5 one-year pilot or did you assume that we'd have a  
6 settlement that would put this available on June 1st  
7 of 2007 -- sorry. That's a compound question. You  
8 can answer them independently.

9 A. Well, I'll ask -- I'll answer both of  
10 them. And actually, I recognize that that timetable  
11 seems unworkable. I'd be willing to slip that  
12 timetable to run it July 1 instead of June 1. That  
13 would allow the operation-of-law date to occur prior  
14 to the beginning of the contract period, and I think  
15 that would then resolve that issue. So I'd be  
16 willing to slip that timetable by a month.

17 Q. Okay. And so then there would be a  
18 two -- full-year pilot for you to analyze?

19 A. That's correct.

20 MS. LANGENECKERT: Thank you.

21 JUDGE WOODRUFF: Thank you. And I  
22 believe the State wished to cross?

23 CROSS-EXAMINATION BY MR. CARLSON:

24 Q. How you doing, Mr. Mill?

25 A. Good morning.

1           Q.       Is AmerenUE committed to economic  
2     development in the state of Missouri?

3           A.       Yes, we're very committed. We have a  
4     economic development department. We have the  
5     equivalent time of three full-time professionals that  
6     work in the state of Missouri on community  
7     development, community readiness as well as business  
8     development. We also have extensive resources on our  
9     internet site that a interested party could look at  
10    any town in our service area and actually print out a  
11    brochure on the local statistics and demographics of  
12    that area complete with pictures, available  
13    buildings --

14          Q.       Okay. That's great. We're getting kind  
15    of off the map here. Have you proposed this -- the  
16    new EDRR as part of economic development to encourage  
17    economic development?

18          A.       I would say to support economic  
19    development.

20          Q.       Okay.

21          A.       And to support our partners around the  
22    state and service territory.

23          Q.       Okay. And the old EDR, that has  
24    expired, correct, and that no one -- you can no  
25    longer sign up for it?

1           A.       Correct.

2           Q.       Okay. And so as of right now a customer  
3 cannot sign up for an EDR or something similar to it?

4           A.       Correct.

5           Q.       Okay. Then switch gears to the new EDR.  
6 What is the last date that a customer could sign up  
7 for the new EDRR that you have proposed?

8           A.       It would be the end of December 2008.

9           Q.       Okay. So then --

10          A.       Assuming it's not extended.

11          Q.       Right. So as it's written now as of  
12 January 1st 2009, after that, no one would be able to  
13 sign up for it, correct?

14          A.       Assuming it's not extended. We've had a  
15 history of extending these tariffs for one year or  
16 two years at a time.

17          Q.       Well, did you extend the one that  
18 recently expired?

19          A.       No, we did not.

20          Q.       Okay. Now, if you're doing the math as  
21 it's written now, the EDR, you can only sign up for  
22 it for a period of 18 months, correct? From roughly  
23 June of this year when the new rate goes into effect  
24 until December 31st, 2008?

25          A.       That's the sign-up window. Obviously

1 the benefits go well beyond that.

2 Q. Okay. Then if it was not extended,  
3 there would be no other economic development rider,  
4 correct?

5 A. Well, we have a second economic  
6 development rider we're proposing, I'm proposing in  
7 this case.

8 Q. Well, yeah, other than that, though,  
9 which is different than this one, right?

10 A. It's different but all I'm saying is in  
11 response to your question, you're assuming both of  
12 these riders terminate on December 31, 2008, in your  
13 question.

14 Q. I don't know if I assumed that, but  
15 let's move on. Now, as a general matter, the  
16 economic development rider is supposed to encourage  
17 economic development, right, or support, in your  
18 words?

19 A. Yeah, I think that's a better word.

20 Q. Okay. And then in your testimony you  
21 said that the economic development rider is  
22 beneficial to the system as a whole, correct?

23 A. Yes.

24 Q. Okay. So it would seem that it's a good  
25 thing, right?

1           A.       I think if customers win, it's good for  
2 AmerenUE and it's --

3           Q.       Okay.

4           A.       -- it's good for Missouri.

5           Q.       Uh-huh. Then since it's a good thing  
6 and with all that in mind, would you support, say,  
7 extending this tariff indefinitely, then, or until  
8 AmerenUE's next rate case?

9           A.       No. I believe that, you know, it should  
10 be -- I see no reason to change the duration of this.  
11 You know --

12          Q.       Well, let's say the Commission, in its  
13 power and its wisdom, decided that it wanted to not  
14 have an expiration date on it and set the date as of  
15 AmUE's next rate case which the general consensus say  
16 is anywhere from three to eight years. Wouldn't that  
17 continue to support economic development?

18          A.       Well, that's not my proposal. My  
19 proposal is that --

20          Q.       Well, I know what your proposal is. I'm  
21 asking would you support the Commission if they  
22 decided to extend this tariff until you are --  
23 AmerenUE's next rate case?

24          A.       I'm not in agreement with that.

25          Q.       Okay. But even though you're not in

1 agreement, even though you said it's a good thing and  
2 it supports economic development and it's beneficial  
3 to the system?

4 A. Well, things change. You know,  
5 clearly -- you know, you have to remember, first of  
6 all, AmerenUE's coming from the standpoint of having  
7 very low electric rates. So, you know, why should  
8 we, for the long-term, commit to a discount from  
9 already extremely low electric rates maybe if it's  
10 not necessary?

11 Q. Well, let me ask you this: If this was  
12 in effect, what is to prevent you from altering some  
13 of the other terms of it besides the expiration date  
14 or asking this Commission to alter some of those  
15 terms?

16 A. And that's precisely why we like the  
17 December 31, 2008 date, because it gives us a time --  
18 an opportunity to tweak this tariff, to adjust it to  
19 the market, to the needs.

20 Q. Okay. Okay. I'm gonna touch on a  
21 little bit of things we've talked over. Where in the  
22 tariff does it say that Ameren must award those  
23 discounts in a -- if a customer meets those  
24 qualifications?

25 A. Must award discounts?

1 Q. Must award it.

2 A. Well, I think the whole body of the  
3 tariff, at least my reading, encompasses that.  
4 Obviously, if the customer meets all the requirements  
5 and can demonstrate they have a competing electric  
6 offer and they're willing to include an affidavit to  
7 that effect, then they would qualify.

8 Q. Okay. So it's your testimony here under  
9 oath on the public record that if a customer met all  
10 these qualifications, AmerenUE must give the  
11 discounts in that tariff?

12 A. Yes.

13 MR. CARLSON: Okay. Thank you.

14 JUDGE WOODRUFF: Cross from Public  
15 Counsel?

16 MR. MILLS: Thank you.

17 CROSS-EXAMINATION BY MR. MILLS:

18 Q. Good morning, Mr. Mill.

19 A. Good morning.

20 Q. In looking over your direct testimony  
21 this morning, I see that you note that you've  
22 testified before the ICC and the FERC. Is this your  
23 first pleasure to be in front of the Missouri  
24 Commission in this case?

25 A. This is my second time, yes.

1 Q. Okay. But this is your first case?

2 A. Absolutely.

3 Q. Welcome.

4 A. Pleasure to be here.

5 Q. Now, my questions are gonna be just  
6 about the industrial demand response pilot. I'm not  
7 gonna get into the EDR issues too much. With respect  
8 to the IDR, is it essentially -- well, first of all,  
9 are you giving consideration to customers, to  
10 customers who qualify under the IDR program?

11 A. Well, they would receive a monthly  
12 demand credit.

13 Q. And in the event they curtail, they  
14 actually get payment for that as well?

15 A. That is correct.

16 Q. Okay. And do you view those as a  
17 consideration?

18 A. Unless you have a different definition.

19 Q. Okay. I don't think I do. And the  
20 purpose of that is to influence the customers'  
21 utilization patterns?

22 A. No. The purpose of this is to provide  
23 UE with some operational flexibility. If certain  
24 conditions arise, we'd have the opportunity to call a  
25 curtailment and the customers subscribing to the



1 service would then curtail, and that freed-up power  
2 then would be utilized.

3 Q. Okay. Isn't curtailing changing their  
4 utilization pattern?

5 A. Yeah, I guess that would be the case  
6 from the customers' perspective.

7 Q. Okay. Now, is the purpose of the IDR or  
8 one of the purposes to evaluate the cost-  
9 effectiveness of potential demand side resources?

10 A. It's to evaluate the cost-effectiveness  
11 of this demand side resource.

12 Q. This particular demand side resource?

13 A. Yes.

14 MR. MILLS: Okay. Your Honor, I'd like  
15 to have an exhibit marked.

16 (EXHIBIT NO. 462 WAS MARKED FOR  
17 IDENTIFICATION BY THE COURT REPORTER.)

18 BY MR. MILLS:

19 Q. Mr. Mill, I've just handed you what's  
20 been marked as Exhibit 462. And what I've done here  
21 is I've made a copy of the Commission's Promotional  
22 Practices Rule which is the first four pages of that  
23 exhibit, and then the last page is a single page out  
24 of Chapter 3 which is the final requirements pursuant  
25 to the Promotional Practices Rule.

1                   MR. MILLS: And Judge, just for  
2     simplicity's sake, I'd like to have the Commission  
3     take official notice of its Promotional Practices  
4     Rule which is Chapter 14, as well as 4 CSR 240-3.150  
5     which is the filing requirements for electric utility  
6     promotional practices. And those are the two pieces  
7     of the Commission's rules that I've put together in  
8     Exhibit 462.

9                   JUDGE WOODRUFF: If it's already part of  
10    the exhibit. Do we need to take separate notice of  
11    it?

12                  MR. MILLS: Well, I can either offer it  
13    as an exhibit or we can mark it as an exhibit and you  
14    can take official notice of it, either way. I just --

15                  JUDGE WOODRUFF: It probably would be  
16    easier just to go ahead and offer it as an exhibit.

17                  MR. MILLS: Okay. I'd like to offer  
18    this as Exhibit 462.

19                  JUDGE WOODRUFF: 462 has been offered.  
20    Any objections to its receipt?

21                  (NO RESPONSE.)

22                  JUDGE WOODRUFF: Hearing none, it will  
23    be received into evidence.

24                  (EXHIBIT NO. 462 WAS RECEIVED INTO  
25    EVIDENCE AND MADE A PART OF THE RECORD.)

1 BY MR. MILLS:

2 Q. Now, Mr. Mill, if I can get you to turn  
3 to page 12 of your direct testimony. And I'm looking  
4 specifically at the question that begins -- or the  
5 answer that begins at line 20. You state that, "We  
6 have not yet designed evaluation methods for this  
7 program"; is that correct?

8 A. Yes.

9 Q. And that was, of course, filed back in  
10 last July. Have you -- have you since then designed  
11 the evaluation methods for this program?

12 A. No.

13 Q. Okay. If I can get you to turn to the  
14 last page of Exhibit 462, and look at 4 CSR  
15 240-3.150 3(d) which is three quarters of the way  
16 down the far right column on that sheet. Does that  
17 not provide that for promotional practices that are  
18 designed to evaluate the cost-effectiveness of  
19 potential demand side resources, a description of the  
20 evaluation criteria, the evaluation plan and the  
21 schedule for the evaluation -- a schedule for  
22 completing the evaluation must be required and it  
23 must be filed with the promotional practice?

24 A. The words say that, yes.

25 Q. Okay. Thank you.

1           A.       I haven't read that whole section.

2   And --

3           Q.       Thank you.

4                   JUDGE WOODRUFF:  Sir, there's no --

5   there's no question pending.

6   BY MR. MILLS:

7           Q.       And if you -- if you haven't designed  
8   for any kind -- for any kind of a pilot program, if  
9   you haven't designed the evaluation ahead of time,  
10  isn't it possible that you will fail to capture  
11  important data that's necessary for evaluation?

12          A.       It's possible if it's not designed prior  
13  to the tariff taking effect.

14          Q.       Okay.  Are you intending to design the  
15  evaluation plan prior to the tariff taking effect?

16          A.       I would suggest that that would be a  
17  good idea.

18          Q.       I would suggest that too.  But  
19  wouldn't -- wouldn't it be helpful for the Commission  
20  in its -- in its deliberations on whether to approve  
21  this tariff to know whether or not you're going to  
22  have a -- a good evaluation of the program?

23          A.       Yes.

24          Q.       Okay.

25          A.       And I think --

1           Q.       And I asked Mr. Hanser this yesterday  
2   and I -- and -- and he said he didn't write this  
3   tariff. Did you write the tariff, the EDR tariff?

4           A.       I had a role in it. There were several  
5   other folks that helped write it as well.

6           Q.       Okay. What was your role?

7           A.       Well, I was kind of coordinating its  
8   drafting, but I had input from other rate design  
9   folks in my group as well as some corporate planning  
10  people.

11          Q.       Okay. Would you say you were the lead  
12  author?

13          A.       Yeah, I'll take responsibility for that.

14          Q.       Would you say you're the lead author?

15          A.       Yes, since it was in my -- my exhibit.

16          Q.       Okay. Now, did you write your testimony  
17  that talks about the IDR?

18          A.       Yes.

19          Q.       Okay. Now, I think in response to a  
20  question by Ms. Langeneckert you mentioned the  
21  operation-of-law date. What is the operation-of-law  
22  date in this case?

23          A.       It's in June. I don't know the specific  
24  date.

25          Q.       Okay. When do you expect -- assuming

1     that there isn't a settlement, that it goes -- that  
2     the Commission has to issue a Report and Order and  
3     then you file tariffs after that, when do you -- when  
4     do you anticipate the tariffs will be in effect  
5     implementing a Report and Order in this case?

6           A.     My expectation would be that the  
7     compliance tariffs would probably be filed within a  
8     week or two after the order in the case.

9           Q.     Okay.

10          A.     Whatever typically is customary after  
11     such a ruling.

12          Q.     Okay. Do you know whether those  
13     compliance tariffs will be filed with a 30-day  
14     effective date?

15          A.     I don't know.

16          Q.     Okay. In any event, it's not likely  
17     that tariffs will be in effect before June 1 of this  
18     year; is that true?

19          A.     That's my understanding.

20          Q.     Okay. And I think in response to that  
21     concern, you -- you offered up today to start the  
22     contract period for the IDR tariff on July 1 of this  
23     year; is that correct?

24          A.     Yes, that was my understanding, to  
25     satisfy an unintended effect of possibly starting the

1 tariff contract period prior to actually an order  
2 being issued by the Commission.

3 Q. Now, were you able to hear the testimony  
4 of Shawn Schukar in this case?

5 A. No.

6 Q. Okay. Well, assume with me that he  
7 testified that from -- do you know who Shawn Schukar  
8 is?

9 A. Yes, I do.

10 Q. He works for Ameren Energy, correct?

11 A. Correct.

12 Q. Essentially in charge of marketing  
13 capacity and energy for Union Electric, correct?

14 A. Yes.

15 Q. Okay. Assume with me that Mr. Schukar  
16 testified that it's hard to market regulatory  
17 capacity if you start as late as June, okay? Can you  
18 make that assumption?

19 A. I can assume that, no -- no knowledge of  
20 that.

21 Q. Okay. I'm just asking you to assume  
22 that. You don't have to have knowledge. Do you  
23 believe that it would be any easier if you started in  
24 July rather than June?

25 A. I don't know.

1           Q.       Okay. You have no reason to think it  
2 would get easier as you get further into the summer,  
3 do you?

4           A.       I just don't know.

5           Q.       Okay. Now, turning to the tariff itself  
6 which is attached to your testimony, and I'll just  
7 refer to the tariff sheet numbers. On sheet 217, the  
8 first list of items A through E at the top of that  
9 page, is it correct that unless one or more of those  
10 conditions are met or one of those conditions exist,  
11 that UE cannot call upon its interruptible load to  
12 curtail?

13          A.       Yes.

14          Q.       Okay. Now, the first one is fairly  
15 obvious. You anticipate that the company will set an  
16 annual system peak. What is your current peak  
17 record, do you recall?

18          A.       I -- I don't know for sure but I'd be  
19 willing to provide that information to you.

20          Q.       Okay. When was that set?

21          A.       I don't know.

22          Q.       Okay. Do you know when the last time  
23 you had transmission system constraints that would be  
24 positively impacted by load reductions?

25          A.       I would -- I would say that that does



1     happen from time to time. I don't know the last time  
2     that occurred.

3             Q.       Did it happen last summer?

4             A.       I don't recall last summer. I believe a  
5     couple summers ago there was some line relief  
6     requested. I just don't know. That's not my area.  
7     We have a lot of smart people that know that  
8     information. I don't.

9             Q.       Okay. Turning to C, when was the last  
10    time that a firm supply to noninterruptible customers  
11    was threatened?

12            A.       I don't know.

13            Q.       Do you -- do you recall any time in  
14    which a firm -- a customer's firm supply was -- other  
15    than storm outages or accidents, was interrupted due  
16    to system loads?

17            A.       I'm not personally aware, but those  
18    first two examples you gave could also qualify in a  
19    particular area where we needed to free up some power  
20    from one of these customers to serve native load.

21            Q.       And so you're saying that C could help  
22    in the event of a storm outage?

23            A.       I'm just saying that's a -- it's not  
24    excluded. It could.

25            Q.       Okay. Now, turning to D, "Load

1 reductions will avoid external purchase of a  
2 high-cost energy." And I talked to Mr. Hanser a  
3 little bit about this yesterday and he really didn't  
4 know. Is it -- is it Union Electric's intention that  
5 say, for example, the market is really high and UE  
6 wants to sell 100 megawatts into the market at a  
7 particular time but only has 50 megawatts of spare  
8 capacity. Is it your testimony that D would allow  
9 you to curtail service to IDR customers in order to  
10 free up capacity to sell into the market?

11 A. That's not my interpretation of it.

12 Q. Okay. Do you think that you would be  
13 allowed to do that?

14 A. I don't know if we'd be allowed to do  
15 that. That's not the intent.

16 Q. Okay. Are you willing to admit that you  
17 won't do that?

18 A. It's not the intent to curtail these  
19 customers to turn around and sell that freed-up power  
20 into the marketplace. I can't tell you that during  
21 the course of a curtailment in a particular hour  
22 there won't be sales going on. I don't know because  
23 you have to balance the system. But the intent is  
24 not to use this as a resource to sell into the  
25 market.

1           Q.       Okay. Okay. And let's talk about your  
2 testimony, page 11, line 18. You use the phrase  
3 "regulated capacity." Do you see that at the end of  
4 the partial sentence on line 18?

5           A.       Yes, I do.

6           Q.       Mr. Hanser testified yesterday that it's  
7 his understanding that that's generally synonymous  
8 with regulatory capacity; is that your understanding  
9 as well?

10          A.       Yes.

11          Q.       Okay. And do you use it synonymously  
12 here?

13          A.       Yes.

14          Q.       Okay. Now, part of the qualifications  
15 for the IDR tariff are based on a customer's load  
16 factor; is that correct?

17          A.       Yes.

18          Q.       And how do you understand the phrase  
19 "load factor"? How is that calculated?

20          A.       It's really taking their average demand  
21 throughout the year relative to their -- their peak.

22          Q.       Okay. And the IDR pilot is limited to  
23 customers who have a load factor of 65 or higher; is  
24 that correct?

25          A.       Yes.

1           Q.       Which means that, just to make things  
2     simple, if the -- if the -- if the customer's peak  
3     demand is 100 megawatts, then their average demand is  
4     65 megawatts; is that correct?

5           A.       In that example, yes.

6           Q.       In that example. Okay. So if the  
7     average is 65, at some times of the year it's higher  
8     than that, sometimes it's lower most likely?

9           A.       Yes.

10          Q.       All right. How do you calculate the  
11     customer's curtailment when it's called upon?

12          A.       The -- the -- the tariff calls for a  
13     calculation of their, I guess, average hourly usage  
14     throughout the course of the year, and if -- if it's  
15     necessary to adjust that for seasonal swings or  
16     differences, that would be taken into account as  
17     well. And then during their curtailment process, we  
18     would compute how much they freed up and apply eight  
19     cents a kilowatt hour to it.

20          Q.       Okay. So taking the customer -- the  
21     example we just talked about where the customer's  
22     load factor is 65 percent and their peak demand is  
23     100 megawatts, in that case would the baseline be the  
24     average or 65 megawatts?

25          A.       Yeah.

1           Q.       Okay.  So how -- how would UE know that  
2       during the curtailment period that the customer was  
3       not planning to use significantly below that 65  
4       megawatts anyway?

5           A.       We might not know that fact.  We -- we'd  
6       have hourly interval-type metering on the location so  
7       we could, you know, after the fact, you know, observe  
8       their load profile during the curtailment period but,  
9       yeah, if --

10          Q.       So you'll know what they did, but you  
11       won't know what they did in response to their call  
12       for curtailment?

13          A.       Not -- yeah, not precisely.  You gave  
14       the example what if the customer planned on dropping  
15       their load anyway during that period, and  
16       coincidentally, that was the same time you called for  
17       a curtailment.  We wouldn't know that.

18          Q.       Right.  Well, in the case of a  
19       65-percent-load-factor customer, their load by  
20       definition has a considerable amount of variability,  
21       does it not?

22          A.       I don't know.  It may not.  We have some  
23       customers that -- that have a fairly narrow band of  
24       demands, and then we have others that swing.  We just  
25       don't know in this hypothetical.

1           Q.       You have 65 percent load factors that  
2     have fairly narrow bands?

3           A.       Yeah, I'm sure we do, that, you know,  
4     may have, you know, anticipated operations. Now, be  
5     mindful that these conditions we have to assume  
6     typically would occur during the day. Obviously,  
7     yes. I mean, when you're looking at maybe their  
8     nighttime load, overnight load, that's where the  
9     swing would occur.

10                   But on a -- but on a -- I'm speaking in  
11    terms of the likelihood of these curtailments  
12    occurring during the daytime hours typically. That  
13    would be the expectation that the band is much  
14    narrower typically.

15           Q.       Okay. And in your tariff on sheet 218,  
16    the company has the discretion to adjust the average  
17    load level, is that correct, in sort of the middle of  
18    the paragraph headed "Energy credit"?

19           A.       Yes.

20           Q.       Okay. But in general the average load  
21    level is just a simple calculation, correct?

22           A.       Yes.

23           Q.       Under what circumstances would you  
24    adjust that simple calculation?

25           A.       Well, if -- if we have a customer that

1 demonstrates an interest in this tariff, we would  
2 examine their usage pattern, and if we determine that  
3 that average calculation required adjusting for  
4 seasonal purposes or other purposes, then that's when  
5 we would adjust it.

6 Q. So you would adjust it before you  
7 contract for the customer?

8 A. Yes, yes.

9 Q. Oh.

10 A. And you know, so the customer would be  
11 aware of that.

12 Q. Okay. So you wouldn't have a form  
13 contract for each customer? Would you have to  
14 negotiate this kind of thing with each customer?

15 A. We would have a form contract, we would  
16 have some blanks that would have to be filled in, and  
17 those values such as this, this value we're talking  
18 about right now would --

19 Q. Uh-huh.

20 A. -- we'd have to fill in a blank in the  
21 contract for that. And that would be understood  
22 between the company and the customer prior to the  
23 customer executing that agreement.

24 Q. Okay. Now, on page 12, line 12 of your  
25 testimony, you've got a question about benefits. And

1 the first part of the answer talks about reliability  
2 issues. Specifically what reliability issues are you  
3 discussing there?

4 A. I would say the -- the events we talked  
5 about in paragraphs -- in the tariff A through E or B  
6 through E, those sorts of things.

7 Q. Okay. Wouldn't a -- another benefit  
8 that you didn't discuss there be that it would allow  
9 UE to sell regulatory capacity that it otherwise  
10 wouldn't be able to sell?

11 A. I don't know.

12 Q. Okay. That's fair enough.

13 A. Yeah, I just don't know.

14 Q. Now, you used to have a form of  
15 industrial demands response program, did you not?  
16 Was that the old rider 10-M?

17 A. Yes.

18 Q. Okay. Now, did that expire or was it  
19 canceled?

20 A. That was canceled about the year 2000.

21 Q. Okay. Why was it canceled?

22 A. It was -- it was canceled because it no  
23 longer, I guess, was a -- was a viable tariff from an  
24 economic perspective, from the company's economic  
25 perspective. It just -- it provided little



1 flexibility for the company but yet paid a premium  
2 for the monthly credit relative to other  
3 alternatives.

4 Q. Okay. And why are you proposing a new  
5 one now?

6 A. Because, you know, demand response -- we  
7 think demand -- I believe demand response is  
8 important, and you know, I wanted to implement this  
9 program on a pilot basis to test it. As we heard  
10 some of my previous cross-examination, there's a --  
11 you know, a collaborative to discuss demand response,  
12 interruptible rates, if you will. My belief is that  
13 there are customers out there that may find this  
14 tariff attractive, and I'd like to find out if they  
15 do.

16 Q. Are you open to discussing features  
17 that -- like Ms. Langeneckert talked about this  
18 morning, for example, a minimum -- minimum off-time  
19 and a minimum -- a maximum number of interrupts per  
20 year?

21 A. I might be inclined to talk about the  
22 minimum curtailment period side of things so a  
23 customer recognizes we're not going to call them up  
24 one hour to curtail and then bring them back on 45  
25 minutes later. I agree that they might require a

1 little more information. I would oppose expanding  
2 requirements on UE's use of this tariff as to the  
3 sheer number of curtailments.

4 Q. Okay. What would -- what would you  
5 suggest would be an appropriate minimum curtailment  
6 time?

7 A. I really -- I really don't know. I've  
8 not studied that question.

9 Q. Okay. Would it be something, an hour or  
10 shorter?

11 A. Yeah, I believe it should be longer than  
12 that.

13 Q. Okay. Two hours or so?

14 A. I would say maybe that could be  
15 considered as -- as a floor.

16 Q. Okay. And if that was the floor and  
17 there's no minimum number -- and there's no maximum  
18 number of interrupts, that would subject a customer  
19 who's thinking about signing up to 200 curtailments  
20 per year of two hours each; is that correct?

21 A. No, it's a maximum of 200 hours.

22 Q. I'm sorry. Did I say that wrong? So it  
23 would be 100 curtailments of two hours each would be  
24 possible?

25 A. Under that example, yes.

1 MR. MILLS: Okay. No further questions.

2 JUDGE WOODRUFF: Did Staff wish to  
3 cross?

4 MR. WILLIAMS: No.

5 JUDGE WOODRUFF: All right. We're gonna  
6 take a break before we come up for questions from the  
7 bench. And when we come back, I've noticed that  
8 Mr. Desmond and Mr. Beishir are waiting patiently. I  
9 don't know if they're here in the room, but I saw  
10 them come in earlier. What I propose to do is put  
11 them on the stand before we come -- before we finish  
12 with Mr. Mill so they can get on their way. So at  
13 this time we'll take a break. We'll come back at  
14 10:25.

15 (A RECESS WAS TAKEN.)

16 JUDGE WOODRUFF: All right. Let's come  
17 back to order, please. Before we took the break I  
18 indicated that we would put Mr. Mill aside for a  
19 while and go with the testimony of Mr. Beishir and  
20 Mr. Desmond.

21 MR. BYRNE: Yes.

22 JUDGE WOODRUFF: I assume they're in the  
23 room now?

24 MR. BYRNE: They are in the room.

25 JUDGE WOODRUFF: All right. And I

1 believe we were going to call Mr. Beishir first?

2 MR. BYRNE: Yes, I would call Mr. Leo  
3 Beishir.

4 (THE WITNESS WAS SWORN.)

5 JUDGE WOODRUFF: You may be seated. And  
6 you are Leo Beishir?

7 THE WITNESS: That's correct.

8 MR. BYRNE: Your Honor, I tender the  
9 witness for cross-examination.

10 JUDGE WOODRUFF: All right. Would any  
11 parties wish to cross Mr. Beishir? I see the State  
12 and I see Staff. The State goes first.

13 CROSS-EXAMINATION BY MR. CARLSON:

14 Q. Mr. Beishir, how you doing?

15 A. Good. How you doing?

16 Q. Welcome to the hot seat.

17 A. Thank you.

18 MR. CARLSON: I have two exhibits I need  
19 to get marked.

20 JUDGE WOODRUFF: Okay. 525 and 526.  
21 This first one is 525?

22 MR. CARLSON: Right. I'm sorry. This  
23 exhibit is 525?

24 JUDGE WOODRUFF: 525.

25 MR. CARLSON: Yeah, 323 is 525 and 324

1 is 526.

2 (EXHIBIT NOS. 525 AND 526 WERE MARKED  
3 FOR IDENTIFICATION BY THE COURT REPORTER.)

4 BY MR. CARLSON:

5 Q. I've handed you what's marked as 525 and  
6 526.

7 MR. CARLSON: Is that correct, Judge?

8 JUDGE WOODRUFF: That's correct.

9 BY MR. CARLSON:

10 Q. Do you recognize those?

11 A. Yes, I do.

12 Q. Okay. And you've read the responses as  
13 well for both of those, correct?

14 A. Yes.

15 Q. Great. Okay. Now, Mr. Beishir, you  
16 have testimony generally concerning AmerenUE's  
17 request for a rate increase, correct?

18 A. That's correct.

19 Q. Okay. And as part of that testimony,  
20 did you conduct any independent evaluation of the  
21 appropriate rate increase or rate reduction for  
22 AmerenUE?

23 A. No.

24 Q. Okay. So then you don't have any  
25 written reports, studies or analysis that you drafted

1 concerning AmerenUE's --

2 A. I do not.

3 Q. Okay. Now, in your testimony you state

4 that a portion of the rate increase is for tree

5 trimming or vegetation management, correct?

6 A. That's correct.

7 Q. Okay. Did you know that the parties

8 agreed to give Ameren 45 million for tree trimming, a

9 50 percent increase as part of a stipulation?

10 A. No.

11 Q. Okay. Do you know the last time that

12 AmerenUE had a rate increase?

13 A. I'm told 20 years ago.

14 Q. Okay. And I think that's about right.

15 And for the past 20 years your union has provided

16 good service, right?

17 A. Yes, we have.

18 Q. Great. Would your union not provide the

19 same level of good service if AmerenUE does not get

20 its full rate increase request?

21 A. We will do the very best we can to

22 continue to provide --

23 Q. Great.

24 A. -- everything we can.

25 MR. CARLSON: Judge, I'd like to move to

1 admit those two exhibits, 525 and 526, and that's all  
2 the questions I have.

3 JUDGE WOODRUFF: 525 and 526 have been  
4 offered. Are there any objections to their receipt?

5 MR. BYRNE: No objection.

6 JUDGE WOODRUFF: They will be received  
7 into evidence.

8 (EXHIBIT NOS. 525 AND 526 WERE RECEIVED  
9 INTO EVIDENCE AND MADE A PART OF THE RECORD.)

10 JUDGE WOODRUFF: Staff, I believe, had  
11 some cross?

12 MR. DOTTHEIM: Yes, thank you.

13 CROSS-EXAMINATION BY MR. DOTTHEIM:

14 Q. I believe the State has asked most of  
15 those questions, but Mr. Beishir, have you read any  
16 of the testimony filed by the Staff in this  
17 proceeding?

18 A. No.

19 Q. In your testimony on page 3, line 7, you  
20 state that, "Such huge rate cuts would be a strange  
21 way to reward all of us who have made AmerenUE such a  
22 successful, efficient supplier of electricity." What  
23 reward is AmerenUE seeking in this proceeding?

24 A. Reward? I said it would be a strange  
25 way to reward us for what we've already done, in

1 essence. I don't know if Ameren's asking for any  
2 reward.

3 Q. Okay. Is -- is Local 1439 asking for  
4 any reward in this proceeding?

5 A. No, sir.

6 Q. Does Local 1439 represent members in  
7 other companies regulated by the Missouri Commission?

8 A. Yes.

9 Q. Could you please identify those  
10 companies?

11 A. Atmos Energy, the gas supplier.

12 Q. Okay. Do you know whether Local 1439 --  
13 1439 has filed testimony in any Atmos rate cases?

14 A. We have not.

15 MR. DOTTHEIM: Thank you, Mr. Beishir.

16 THE WITNESS: Thank you.

17 JUDGE WOODRUFF: For AARP, go ahead.

18 CROSS-EXAMINATION BY MR. COFFMAN:

19 Q. Good morning, Mr. Beishir.

20 A. Morning.

21 Q. My name is John Coffman. I represent  
22 AARP and the Consumers Council of Missouri. Did  
23 the -- did the local that you represent hire an  
24 attorney to represent you in this case?

25 A. We are intervening in the case, yes.



1           Q.       Okay. And was your testimony developed  
2   in this case in conjunction with the attorney  
3   representing you in this case?

4           A.       No.

5           Q.       How did you come to file this particular  
6   testimony?

7           A.       Ameren contacted us and asked if we were  
8   interested in making any statements.

9           Q.       Okay. Did they provide the statement  
10   for you?

11          A.       They provided a draft of statements,  
12   yes.

13          Q.       Did they write your prepared testimony  
14   that was filed today? Did someone at Ameren write  
15   it?

16          A.       Yes, sir. They sent it to us and we  
17   changed some words and made some exceptions.

18          Q.       If you were to estimate what percentage  
19   of that testimony was your own words and how much  
20   were the words of someone at Ameren, what would  
21   you -- what percent would you estimate?

22          A.       I would guess probably 10 to 25 percent  
23   are in line with what changes I made.

24          Q.       Okay. And would you say at least  
25   75 percent were words developed by someone at Ameren?

1           A.       Yes.

2           Q.       So are you aware of whether Ameren  
3       contacted the attorney representing you in this case  
4       before it presented you with testimony it wanted you  
5       to present in this case?

6           A.       I am not.

7           Q.       Okay. Are you aware that the -- that  
8       Missouri law prevents AmerenUE from -- or rather,  
9       Missouri law prevents the Public Service Commission  
10      from changing any terms of service with regard to its  
11      employees?

12          A.       I'm not.

13                   MR. COFFMAN: Okay. That's all the  
14      questions I have. Thank you.

15                   JUDGE WOODRUFF: Okay. I believe that  
16      was all the cross, so we're ready for questions from  
17      the bench. Chairman, do you have any questions for  
18      Mr. Beishir?

19      QUESTIONS BY CHAIRMAN DAVIS:

20          Q.       Mr. Beishir, how you doing?

21          A.       Good. How are you doing?

22          Q.       It's great to see you this morning.

23      Thanks for coming up here.

24                   CHAIRMAN DAVIS: No questions.

25                   JUDGE WOODRUFF: All right. Any recross

1 based on those questions?

2 MR. BYRNE: Just one question, your  
3 Honor.

4 JUDGE WOODRUFF: This will actually be  
5 redirect.

6 MR. BYRNE: Redirect, your Honor.

7 JUDGE WOODRUFF: Okay. Redirect.

8 REDIRECT EXAMINATION BY MR. BYRNE:

9 Q. Mr. Beishir, you got a question from  
10 Mr. Coffman about Ameren providing you with a draft  
11 of your testimony. Remember that?

12 A. Yes.

13 Q. And even though Ameren provided you with  
14 a draft of your testimony, do you support what the  
15 testimony says?

16 A. Yes, I do.

17 MR. BYRNE: Okay. Thank you,  
18 Mr. Beishir.

19 JUDGE WOODRUFF: All right. And  
20 Mr. Beishir, you can step down.

21 THE WITNESS: Thank you.

22 JUDGE WOODRUFF: Call the next witness.

23 MR. BYRNE: Your Honor, I would call  
24 Mr. David Desmond.

25 (THE WITNESS WAS SWORN.)

1 JUDGE WOODRUFF: And you are David  
2 Desmond?

3 THE WITNESS: Yes, I am.

4 MR. BYRNE: Your Honor, I tender  
5 Mr. Desmond for cross-examination.

6 JUDGE WOODRUFF: Do any parties wish to  
7 cross Mr. Desmond? I see the State and Staff. State  
8 goes first.

9 (EXHIBIT NO. 527 WAS MARKED FOR  
10 IDENTIFICATION BY THE COURT REPORTER.)

11 CROSS-EXAMINATION BY MR. CARLSON:

12 Q. How you doing, Mr. Desmond?

13 A. Just fine.

14 Q. Good. Do you recognize what's been  
15 given to you as Exhibit 527?

16 A. Yes, I do.

17 Q. And you prepared the response to that  
18 data request?

19 A. Yes, I did.

20 Q. Great. Same question I gave to  
21 Mr. Beishir: Have you conducted any independent  
22 evaluation of the appropriate level of rate increase  
23 or rate reduction for AmerenUE in Missouri?

24 A. No, I have not.

25 Q. Okay. So then you don't have any

1 written reports, studies or analysis concerning  
2 AmerenUE's rate increase request or request of rate  
3 increase?

4 A. No, I don't.

5 Q. Okay. In your testimony you state a  
6 portion of the rate increase is for tree trimming,  
7 right?

8 A. Yes.

9 Q. Did you know previous to coming here  
10 today that the parties have agreed to give Ameren a  
11 50 percent increase in the amount of money for tree  
12 trimming and vegetation management?

13 A. I knew there was an increase, but to  
14 what extent I didn't know.

15 Q. Okay. Do you know the last time Ameren  
16 had a rate increase?

17 A. I believe it was about 20 years ago.

18 Q. And has your union provided good service  
19 for those past 20 years?

20 A. Yes, they have.

21 Q. And will your union -- it's Local 2,  
22 right?

23 A. That is correct.

24 Q. Okay. So will Local 2 provide the same  
25 level of service regardless of what Ameren's rate

1     increase is?

2             A.       As long as we have the manpower to do  
3     that, yes.

4             MR. CARLSON:   Okay.   I have no further  
5     questions.   Like to move to admit Exhibit 527.

6             JUDGE WOODRUFF:   All right.   527 has  
7     been offered.   Any objections to its receipt?

8             MR. BYRNE:   No, your Honor.

9             JUDGE WOODRUFF:   It will be received.

10            (EXHIBIT NO. 527 WAS RECEIVED INTO  
11     EVIDENCE AND MADE A PART OF THE RECORD.)

12            JUDGE WOODRUFF:   Cross for the Staff?  
13     CROSS-EXAMINATION BY MR. DOTTHEIM:

14            Q.       Mr. Desmond, have you read any of the  
15     testimony filed by the Staff in this proceeding?

16            A.       No, I have not.

17            Q.       You make reference in your testimony to  
18     it's your understanding that the present proceeding  
19     is the first rate increase case that AmerenUE has  
20     filed in nearly 20 years, do you not?

21            A.       Yes.

22            Q.       Are you aware that there, in that  
23     20-year time period, have been rate decrease cases?

24            A.       I think I remember something to that  
25     effect.

1           Q.       Okay. Do you know whether AmerenUE has  
2 agreed to any of those rate reduction cases?

3           A.       No, I don't.

4           Q.       In your testimony on page 3, line 8, you  
5 state, "Such huge rate cuts would be a strange way to  
6 reward all of us who have made AmerenUE such a  
7 successful, efficient supplier of electricity." Is  
8 AmerenUE seeking a reward in this proceeding?

9           A.       I don't think they are. I don't know.

10          Q.       Is Local 2 seeking a reward in this  
11 proceeding?

12          A.       No, sir.

13          Q.       Does Local 2 represent members in other  
14 utility companies regulated by the Missouri  
15 Commission?

16          A.       I don't believe so.

17                   MR. DOTTHEIM: Thank you, Mr. Desmond.

18                   THE WITNESS: You're welcome.

19                   JUDGE WOODRUFF: For AARP?

20 CROSS-EXAMINATION BY MR. COFFMAN:

21          Q.       Good morning, Mr. Desmond.

22          A.       Good morning.

23          Q.       I'm gonna just try to ask the same  
24 questions I asked of Mr. Beishir. Were you -- is it  
25 true that you had testimony filed, written testimony

1 filed in this case because AmerenUE gave you a draft  
2 and asked you to file it in this case?

3 A. That is correct.

4 Q. And did you have any input in revising  
5 the wording of that prepared testimony or was it  
6 essentially filed the way it was given to you?

7 A. No. I had input into revisions of that  
8 testimony.

9 Q. About -- about what percent of that did  
10 you change before you --

11 A. 25, 30 percent.

12 Q. Okay. Have you looked at the testimony  
13 filed on behalf of Mr. Beishir?

14 A. Yes.

15 Q. Is your testimony almost identical to  
16 his?

17 A. It's close.

18 Q. Did you guys work together in revising  
19 your testimonies?

20 A. Yes, we did. We consulted each other.  
21 We had -- we represent people at Ameren so we consult  
22 when we make decisions when it concerns Ameren.

23 Q. And you didn't work with the attorney  
24 representing your local in this case in developing  
25 that, did you?



1           A.       No, I did not.

2           Q.       Who at Ameren approached you about  
3       filing testimony? Do you remember the person?

4           A.       Yeah, I can't remember the name offhand.

5           Q.       Okay. Were -- were there any statements  
6       given to you by AmerenUE about what might happen if  
7       you didn't file testimony in this case?

8           A.       No.

9           Q.       Okay. They just asked you to do a favor  
10       and you thought it was a good idea?

11          A.       Well, actually, we filed as intervenors  
12       and they came to us and asked if we would mind  
13       testifying in their behalf and we said sure.

14                   MR. COFFMAN: Okay. That's all I have.

15                   THE WITNESS: Just because we're union  
16       and management doesn't mean we, you know, hate each  
17       other.

18                   MR. COFFMAN: Okay. Appreciate that.

19       Thank you.

20                   JUDGE WOODRUFF: Questions from the  
21       bench, then? Chairman Davis?

22       QUESTIONS BY CHAIRMAN DAVIS:

23          Q.       Good morning, Mr. Diamond (sic). I've  
24       got just a couple questions for you. How long have  
25       you been a tree trimmer for Ameren? I'm sorry. I

1 don't recall that from your testimony.

2 A. I'm not a tree trimmer. I'm a  
3 journeyman lineman. That was my assistant Rick  
4 Wyrick. He's the tree trimmer.

5 Q. Okay. Okay. But are you familiar with  
6 the whole issue of vegetation management?

7 A. Yes, I am.

8 Q. Okay. Has it been your experience with  
9 Ameren that there were peaks and valleys in terms of  
10 the amount of money that Ameren spent on vegetation  
11 management and -- related to rate cases, for  
12 instance? When there was -- when there was a rate  
13 case or they were getting ready to file a rate case  
14 or they thought there was going to be an earnings  
15 complaint, did they seem to spend a lot more money on  
16 vegetation management and then as soon as the rate  
17 case went away, then some of that spending went away?

18 A. I couldn't answer that because the only  
19 rate case that I know of was 20 years ago and I was  
20 just an apprentice at that time.

21 Q. Okay. So, I mean, has -- let me ask you  
22 it this way, then: Over the course of your  
23 employment with Ameren, has their -- or Union  
24 Electric and Ameren, I guess, has the spending on  
25 vegetation management, and just based on your

1 observation as a lineman, has it -- has it gone up  
2 progressively or has it, you know, been stagnant at  
3 times, gone up and down? How would you generally  
4 characterize it?

5 A. Well, from what I've seen of it, it has  
6 gone up and down, and back when deregulation was a  
7 big threat, it had slacked off a little bit because  
8 all the utilities in the country were doing that at  
9 that time.

10 But since then they have geared up their  
11 tree trimming efforts and I know for a fact that  
12 they've hired over 100 more trimmers than they have  
13 had in the past.

14 Q. Okay. Let me ask you this: Are you at  
15 all worried that after this rate case gets over that,  
16 you know, whatever amount that gets set for  
17 vegetation management, you know, a portion of that  
18 may not get spent?

19 A. No, I'm not worried about that.

20 Q. You're not worried about that at all?

21 A. No. I feel that talking to the  
22 contractors that are hiring these trimmers and that,  
23 they're telling us that they are supposed to put more  
24 on throughout the years to compensate the lack of  
25 trimming in the past.

1           Q.       Okay. Well, let me ask you -- let me  
2 ask you this: If we set a minimum threshold amount  
3 in this rate case or earnings complaint or whatever,  
4 as an amount to be spent on vegetation management,  
5 just a minimum, do you think that would be a good  
6 idea?

7           A.       Yes, I think that would be a real good  
8 idea.

9                   CHAIRMAN DAVIS: Okay. Thank you,  
10 Mr. Diamond (sic). No further questions.

11                  JUDGE WOODRUFF: All right. Any recross  
12 based on questions from the bench? I see the State.  
13 RE-CROSS-EXAMINATION BY MR. CARLSON:

14           Q.       Real quick, Mr. Desmond. Commissioner  
15 Davis asked you about tree trimming. Are those tree  
16 trimming crews union or nonunion?

17           A.       They're union crews.

18           Q.       Excuse me? Can you move over to the  
19 mic?

20           A.       They are union crews.

21           Q.       Okay. What was the answer again?

22           A.       They are union crews.

23           Q.       Okay. All of them, a portion of them?

24           A.       Majority of them are. They have some  
25 nonunion crews down in the southern area.

1 Q. Okay. Are those union crews your union,  
2 Local 2?

3 A. Yes, they are.

4 Q. Okay. Now, the lion's share, though, of  
5 tree trimming is outsourced, correct?

6 A. Yes, it is.

7 Q. And who does -- do you know who does a  
8 lot of the outsourcing?

9 A. Who does the work?

10 Q. Yes, that is my question.

11 A. It would be Shade Tree --

12 Q. Okay.

13 A. -- Nelson, and Wright Tree. Those are  
14 the union contractors.

15 Q. And who are the nonunion contractors?

16 A. Townsend Electric.

17 Q. And what percentage of this money goes  
18 to nonunion contractors?

19 A. I have no idea.

20 MR. CARLSON: Okay. I have no further  
21 questions.

22 JUDGE WOODRUFF: Any recross?

23 (NO RESPONSE.)

24 JUDGE WOODRUFF: Any redirect?

25 REDIRECT EXAMINATION BY MR. BYRNE:

1           Q.       Just one. Same question I asked  
2   Mr. Beishir, Mr. Desmond. Even though Ameren  
3   provided you with a draft of your testimony which you  
4   revised, are you -- do you support the testimony?

5           A.       Yes, I do.

6                   MR. BYRNE: Okay. Thank you very much.

7                   JUDGE WOODRUFF: All right. Did you  
8   wish to offer Beishir's and Desmond's testimony? I  
9   believe it's 7 and 8.

10                  MR. BYRNE: Yes, your Honor. I would  
11   offer both of those exhibits.

12                  JUDGE WOODRUFF: All right. Exhibits 7  
13   and 8 have been offered into evidence. Are there any  
14   objections to their receipt?

15                   (NO RESPONSE.)

16                  JUDGE WOODRUFF: Hearing none, they will  
17   be received into evidence.

18                   (EXHIBIT NOS. 7 AND 8 WERE RECEIVED INTO  
19   EVIDENCE AND MADE A PART OF THE RECORD.)

20                  JUDGE WOODRUFF: And Mr. Desmond, you  
21   may step down.

22                  THE WITNESS: Thank you.

23                  JUDGE WOODRUFF: And you and Mr. Beishir  
24   are both excused. You can go on your way.

25                  THE WITNESS: Thanks.

1                   JUDGE WOODRUFF: All right. Before we  
2 took our break, we had Mr. Mill on the stand.  
3 However, I know that -- don't come up here yet.  
4 Commissioner Gaw had indicated to me that he had  
5 questions but he had been called away to deal with a  
6 phone conference, and he wasn't sure when that would  
7 end. So I believe we'll just go ahead and start with  
8 Mr. Naslund, then, do the cross on him, and then  
9 we'll bring Mr. Mill back to complete questions from  
10 the bench later.

11                   And I did also want to inform the  
12 parties that Commissioner Gaw has indicated that he  
13 would like to recall Warren Wood later in this  
14 proceeding to ask questions about tree trimming and  
15 vegetation management. So that would be after  
16 Naslund and after we complete Mr. Mill.

17                   So if Mr. Naslund is here, we'll get  
18 started on him.

19                   MS. TATRO: He may still be at the  
20 office but I'm sure by now he's on his way over.

21                   JUDGE WOODRUFF: Okay. I take it to  
22 mean he's listening.

23                   CHAIRMAN DAVIS: And, Judge, I just -- I  
24 just will have a couple of questions for Mr. Mill as  
25 well.

1 JUDGE WOODRUFF: Okay.

2 CHAIRMAN DAVIS: But I want to be  
3 sure -- I want to be sure and ask him.

4 JUDGE WOODRUFF: Very good. We can go  
5 off the record for a moment so everyone can relax.

6 (A RECESS WAS TAKEN.)

7 JUDGE WOODRUFF: All right. We're back  
8 on the record and Mr. Naslund has arrived from across  
9 the street.

10 THE WITNESS: Good morning.

11 JUDGE WOODRUFF: Good morning. And you  
12 testified earlier so you are also still under oath as  
13 I recall?

14 THE WITNESS: Yes, sir.

15 JUDGE WOODRUFF: All right.

16 DIRECT EXAMINATION BY MR. BYRNE:

17 Q. Mr. Naslund, do you have any corrections  
18 to your testimony?

19 A. Yes, I do. Evidently in the conversion  
20 of my written testimony onto the forms on page 1, it  
21 says "Ameren Services." I'm actually an AmerenUE  
22 employee.

23 Q. And that's your direct testimony; is  
24 that right?

25 A. That is correct.



1 Q. Okay.

2 A. Also in -- on page 6 I notice there's a  
3 typo on line 9. It says "200 million," it should say  
4 "260 million." There's a six -- it should be a six  
5 instead of a zero there. And those are the  
6 corrections I have.

7 MR. BYRNE: Okay. Thank you very much,  
8 Mr. Naslund. I tender the witness for  
9 cross-examination.

10 JUDGE WOODRUFF: Okay. And do any  
11 parties wish to cross-examine Mr. Naslund? I see  
12 Staff and Public Counsel, and I believe Public  
13 Counsel will go first.

14 CROSS-EXAMINATION BY MR. MILLS:

15 Q. Hello again, Mr. Naslund.

16 A. Good morning.

17 MR. MILLS: Judge, I'd like to have an  
18 exhibit marked.

19 JUDGE WOODRUFF: All right. 463.

20 (EXHIBIT NO. 463 WAS MARKED FOR  
21 IDENTIFICATION BY THE COURT REPORTER.)

22 BY MR. MILLS:

23 Q. Mr. Naslund, I'll hand you what's been  
24 marked Exhibit 463. Is that your response to AG/UTI  
25 data request No. 185?

1           A.       Yes, it is.

2           Q.       Okay. Is it correct that your answer to  
3 part B admits that Callaway is more similar in design  
4 and construction to Wolf Creek than to any other  
5 operating nuclear generating station in the United  
6 States?

7           A.       Yes, it is.

8           Q.       Okay. Is it correct that your answer to  
9 part C is that you are not aware of any at this time;  
10 that is, aware of any reason why Callaway would be  
11 any less able to satisfy NRC requirements for  
12 relicensing than Wolf Creek?

13          A.       Yes, that's correct.

14                   MR. MILLS: Okay. Your Honor, I'd like  
15 to mark another exhibit.

16                   JUDGE WOODRUFF: All right. 464.

17                   (EXHIBIT NO. 464 WAS MARKED FOR  
18 IDENTIFICATION BY THE COURT REPORTER.)

19 BY MR. MILLS:

20          Q.       Mr. Naslund, do you recognize  
21 Exhibit 464 as your response to AG/UTI data request  
22 No. 186?

23          A.       Yes, I do.

24          Q.       And in that response is it correct that  
25 you stated that you are not aware at this time of any

1 safety or environmental issues that would preclude  
2 the license renewal of Callaway for an additional  
3 20 years?

4 A. Yes, that's correct.

5 MR. MILLS: Okay. I'd like to have  
6 another exhibit marked.

7 JUDGE WOODRUFF: 465.

8 (EXHIBIT NO. 465 WAS MARKED FOR  
9 IDENTIFICATION BY THE COURT REPORTER.)

10 BY MR. MILLS:

11 Q. Mr. Naslund, I've handed you a copy of  
12 Exhibit 465. Do you recognize that as a diagram of  
13 the Callaway generating station that's commonly  
14 handed out to visitors?

15 A. Yes, it's a very simplified --  
16 simplified drawing, yes.

17 Q. Sort of a simplistic flow chart  
18 explanation of how the -- how the process works; is  
19 that correct?

20 A. That's correct.

21 Q. Okay. Now, near the middle of the  
22 diagram is a section labeled "Turbines." Do you see  
23 that section?

24 A. Yes.

25 Q. And let me -- let me check with your

1 counsel to see if this gets into highly confidential  
2 information.

3 MR. BYRNE: I think this is fine,  
4 Mr. Naslund. Please stop him if it gets into highly  
5 confidential stuff.

6 BY MR. MILLS:

7 Q. Basically I've just got some questions  
8 about some past replacements.

9 A. Okay.

10 Q. At Callaway have both the high-pressure  
11 and low-pressure turbines been replaced in the last  
12 few years?

13 A. Yes, they have, in August of 2005.

14 Q. Okay. And on that diagram below where  
15 it's labeled "Turbines," there's a section where --  
16 what appears to be some pipes and some water. Does  
17 that represent the area that's called the condenser?

18 A. Yes, it does.

19 Q. Okay. And has the Callaway condenser  
20 been replaced in the last few years?

21 A. Yes, it was, in April of 2004.

22 Q. Now, in the -- in the section of the  
23 diagram that's labeled "Reactor containment  
24 building," is the -- is that where the steam  
25 generator is housed?

1           A.       Yes.

2           Q.       Okay.  Has the Callaway steam generator  
3   been replaced in the past few years?

4           A.       Yes, they have.  All four were replaced  
5   in August of 2005.

6                   MR. MILLS:  Your Honor, I'd like to mark  
7   another exhibit.

8                   JUDGE WOODRUFF:  All right.  It would be  
9   466.

10                   (EXHIBIT NO. 466 WAS MARKED FOR

11   IDENTIFICATION BY THE COURT REPORTER.)

12   BY MR. MILLS:

13           Q.       Mr. Naslund, I've handed you what's been  
14   marked as Exhibit 466.  Do you recognize that as your  
15   response to Public Counsel data request 5058?

16           A.       Yes, it is.

17           Q.       And is it correct that in a response to  
18   that data request you stated there are funds budgeted  
19   in -- let me make sure that this is not highly  
20   confidential -- your response to this data request is  
21   not highly confidential, is it?

22           A.       No, it's not.

23           Q.       Okay.  Is it correct that you stated  
24   that there are funds budgeted in 2013 for a reactor  
25   vessel head replacement?

1           A.       Yes.

2           Q.       So at the end of the current license  
3     period in 2024, the reactor vessel head would be only  
4     about 11 years old?

5           A.       That's correct.

6           Q.       Okay. Now, referring back to the  
7     Callaway diagram, Exhibit 465, the generator that is  
8     connected to the turbine, has that been rewound?

9           A.       There has been a partial rewind due to  
10    what's called the wet stator bar on the generator.

11          Q.       When do you expect to replace the  
12    generator or do a major rewind on it?

13          A.       We -- we would forecast that either a  
14    replacement or a major rewind would be required in  
15    about seven to eight years' time frame.

16          Q.       I believe in your deposition you said  
17    six to seven years. Is it somewhere within that  
18    range?

19          A.       Somewhere in that range.

20          Q.       Okay. And next to the generator on that  
21    diagram are the transformers. When do you expect to  
22    replace the trans -- transformers or do a major  
23    rewind on them?

24          A.       Those would be expected to have to be  
25    addressed at about age 30 years old, so that would be

1     about seven, six to seven years from now.

2             Q.     About 2014, somewhere in that range?

3             A.     That's correct.

4             Q.     Okay. Now, have the major pumps in this  
5     diagram been refurbished?

6             A.     Yes, there are four of those, one on  
7     each of the four reactor coolant loops, and they were  
8     refurbished approximately six to seven years ago.

9             Q.     Okay. Now, with respect to the cooling  
10    tower shown in that diagram, is that essentially a  
11    passive tower?

12            A.     Yes, it is.

13            Q.     There's no motors or fans or anything of  
14    that nature in that tower; is that correct?

15            A.     Not in the tower proper, no.

16                    MR. MILLS: Your Honor, I'd like to mark  
17    another exhibit.

18                    JUDGE WOODRUFF: 467.

19                    (EXHIBIT NO. 467 WAS MARKED FOR  
20    IDENTIFICATION BY THE COURT REPORTER.)

21                    (EXHIBIT NOS. 47 AND 48 WERE MARKED FOR  
22    IDENTIFICATION BY THE COURT REPORTER.)

23    BY MR. MILLS:

24            Q.     Mr. Naslund, I've just handed you what's  
25    been marked as Exhibit 467. Do you recognize that as

1 your response to AG/UTI data request 189?

2 A. Yes, it is.

3 Q. Now, in your direct -- do you have your  
4 testimony with you?

5 A. Yes, I do.

6 Q. In your direct testimony at page 9, you  
7 state, "The single most critical consideration in  
8 determining whether or not relicensing may be  
9 feasible is the condition of the reactor vessel  
10 itself. Extensive monitoring is in place to measure  
11 neutron and brittlement of the vessel wall. The  
12 additional data gained over the next approximately  
13 eight years will be critical in assisting the company  
14 in making a relicensure decision." Is that your  
15 testimony?

16 A. Yes, it is.

17 Q. Now, in Exhibit 467, is it correct that  
18 your response says, "Callaway's most recent  
19 surveillance results show shelf life energies that  
20 equate to a vessel life good for greater than  
21 80 years"?

22 A. That's correct.

23 Q. And in response to part C you state,  
24 "Callaway's reactor vessel is good for greater than  
25 80 years' life, meeting the NRC standard for



1     relicensing the vessel for 60 years' use"?

2             A.       That's correct.

3             Q.       Okay.

4                     MR. MILLS:  Your Honor, I would like to  
5     offer into evidence Exhibits -- well, going  
6     backwards, 467 466, 465 and 464.

7                     JUDGE WOODRUFF:  And you also had 463.

8                     MR. MILLS:  And 463.

9                     JUDGE WOODRUFF:  All right.  463, 464,  
10    465, 466 and 467 have been offered.  Are there any  
11    objections to their receipt?

12                    MR. BYRNE:  No objection.

13                    JUDGE WOODRUFF:  Okay.  They will be  
14    received.

15                    (EXHIBIT NOS. 463, 464, 465, 466 AND 467  
16    WERE RECEIVED INTO EVIDENCE AND MADE A PART OF THE  
17    RECORD.)

18                    MR. MILLS:  And, Judge, at this point  
19    I'd like to play a short video clip and ask the  
20    witness a couple of questions about it.

21                    JUDGE WOODRUFF:  All right.

22                    (AT THIS TIME THE FOLLOWING VIDEO WAS  
23    PLAYED.)

24                    "Ameren UE has been doing major upgrades  
25    to its nuclear power plant.  Now, two months and \$300

1 million later, the plant is almost ready to reopen.  
2 In tonight's coverage from Callaway, Cable News'  
3 Brian Enson shows us how improvements could be  
4 generating more power but some say more risk for  
5 Callaway County.

6 "At first glance this might look like a  
7 scene from a sci-fi movie, but it's actually the glow  
8 of a nuclear fuel assembly right in our own backyard.  
9 After the first 20 years of operations, we've  
10 rejuvenated the plant, and it's basically ready for  
11 the next 20 and the 20 beyond that.

12 " -- actually the glow of a nuclear fuel  
13 assembly right in our own backyard.

14 "After the first 20 years of operations,  
15 we've rejuvenated the plant, and it's basically ready  
16 for the next 20 and the 20 beyond that -- of  
17 operations we've rejuvenated the plant and it's  
18 basically ready for the next 20 and the 20 beyond  
19 that. Operations we've reviewed" --

20 MR. MILLS: See if I can stop that.

21 MR. BYRNE: I think I object but I don't  
22 know what the grounds are.

23 JUDGE WOODRUFF: It has become  
24 repetitive.

25 BY MR. MILLS:

1 Q. Mr. Naslund, is that you?

2 A. Kind of looks like it.

3 Q. For the record, that is you?

4 A. Yes, it is.

5 Q. You did make those statements?

6 A. Absolutely.

7 Q. Just a couple years ago?

8 A. Yes.

9 MR. MILLS: Okay. I have no further

10 questions.

11 JUDGE WOODRUFF: All right. And Staff

12 wish to cross?

13 MR. WILLIAMS: Yeah. You don't want to

14 just leave that up?

15 MR. MILLS: If I could figure out how to

16 play it in a loop, I would have.

17 CROSS-EXAMINATION BY MR. WILLIAMS:

18 Q. Good morning, Mr. Naslund. My name is

19 Nathan Williams and I'm the Staff attorney that's

20 going to ask you a few questions this morning.

21 A. Good morning.

22 Q. Setting aside the issue of net salvage,

23 do you agree that ideally the life used for

24 depreciation -- depreciating plant should match the

25 operating life of that plant?

1           A.       I am not a depreciation engineer, so I'm  
2 not sure I'm qualified to answer -- answer that  
3 question.

4           Q.       So is your answer you don't know?

5           A.       I do not know.

6           Q.       In your direct testimony you indicate  
7 that the AmerenUE Callaway Nuclear Plant has a  
8 capacity of 1,292 megawatts?

9           A.       That's correct.

10          Q.       And you also indicate that that's  
11 approximately 10.3 percent of AmerenUE's total  
12 generating capacity?

13          A.       Yes, sir.

14          Q.       Do you know what AmerenUE's total  
15 generating capacity is?

16          A.       I don't have a number off the top of my  
17 head, no.

18          Q.       Would it be something like 12 -- 12,500  
19 megawatts?

20          A.       I don't know the number off the top of  
21 my head.

22          Q.       Is the Callaway Nuclear Plant what's  
23 commonly called a base load plant?

24          A.       Yes, it is.

25          Q.       And what are the characteristics of a

1 base load plant?

2 A. Characteristics of our base load plant  
3 is that we start up after a refuel outage. We run at  
4 100 percent output continuously for nominally  
5 18 months, and then we shut down to refuel. So we  
6 never -- never depart from 100 output.

7 Q. And do you know what AmerenUE's total  
8 base load capacity is?

9 A. I believe it's right around 5,600  
10 megawatts of generation.

11 Q. And so roughly 20 percent of AmerenUE's  
12 base load capacity is generated by -- or, yeah,  
13 capacity is represented by the Callaway Nuclear  
14 Plant; is that correct?

15 A. On the base load side, yes.

16 Q. And if AmerenUE's going to retire the  
17 AmerenUE's Callaway Nuclear Plant in 2024, shouldn't  
18 it be looking at how it's going to replace that much  
19 base load capacity even as early as now?

20 A. I'm not aware of any -- any discussions  
21 on that topic, so I don't have an answer beyond that.

22 Q. Are you familiar with the Commission's  
23 integrated resource planning process?

24 A. Only on the very periphery. I've not  
25 actually participated in that process.

1           Q.       Were you aware that AmerenUE filed an  
2 integrated resource plan in or about December of 2005  
3 with a 20-year planning horizon?

4           A.       That's my understanding, yes.

5           Q.       And do you know if there were -- if that  
6 integrated resource plan had any plans for replacing  
7 the generation you're currently getting from the  
8 Callaway Nuclear Plant?

9           A.       I do not know.

10          Q.       In your direct testimony at page 5 at  
11 lines 18 through 20, you state, "In designing the new  
12 components including the new steam generators,  
13 AmerenUE selected state-of-the-art materials that we  
14 expect to last for the remaining life of the plant."  
15 What is a design line of the new steam generator?

16          A.       They were specified at 40 years.

17          Q.       What are the design lives of the other  
18 components that were replaced due to the alloy 600  
19 issue?

20          A.       The steam generators are the only  
21 components dealing with alloy 600 issues that have  
22 been replaced so far. The turbine generators were  
23 not -- not an alloy 600 issue.

24          Q.       Are you planning to replace any other  
25 components due to alloy 600 issues?

1           A.       Yes, we do. The -- as mentioned  
2 earlier, the reactor vessel head will need to be  
3 replaced sometime in the 2013/2014 time frame.

4           Q.       What will be the life of the -- when the  
5 alloy 600 is replaced at that point in time, what  
6 life will that give that component of the plant?

7           A.       Again, based on the known life of  
8 today's materials, those would be specified at  
9 40 years when those replacements are done.

10          Q.       And going back to lines 18 through 20 of  
11 your testimony on page 5 in your direct testimony,  
12 you use the term "Remaining life of a plant." What  
13 time frame is that?

14          A.       Steam generators were justified back in  
15 the 1999/2000 time frame to be replaced based on an  
16 end-of-life of 2024.

17          Q.       So when you're talking about the  
18 remaining life of the plant, you're referring to the  
19 steam generators?

20          A.       No. In this -- this particular case, it  
21 refers to what the steam generators were justified  
22 for at that point in time.

23          Q.       Let's go back to -- would you reread  
24 lines 18 through 20 on page 5 of your direct  
25 testimony, and perhaps more to put it in context?

1 And maybe I should back up. What do you mean by  
2 "plant" at the end of that sentence I just quoted  
3 earlier? If you want I can reread it.

4 A. Plant is the Callaway plant.

5 Q. And what remaining life are you  
6 referring to for the Callaway plant?

7 A. The components were specified for the  
8 remaining life to 2024.

9 Q. So you mean by 2024 for remaining life  
10 of the plant?

11 A. That's correct.

12 Q. That's what I was trying to get at.  
13 Thank you.

14 A. Okay.

15 Q. In terms of dollars, what were the most  
16 expensive repair or replacement to the Callaway  
17 Nuclear Plant that AmerenUE has incurred in the last  
18 ten years?

19 A. It would be the steam generator  
20 replacement.

21 Q. And when was that done?

22 A. That was -- that was in August of 2005  
23 and it was \$198.6 million.

24 Q. I want to turn to your rebuttal  
25 testimony. And you indicate on page 2 of that, "Lack



1 of adequate water supplies in the Missouri River is a  
2 consideration that might affect relicensing"?

3 A. That's correct.

4 Q. Do you know what percentage of the  
5 Missouri River flow at the intake point where  
6 Callaway obtains water from the river -- let me try  
7 to rephrase a new question. The Callaway unit takes  
8 water from the Missouri River, does it not?

9 A. Yes, it does.

10 Q. Do you know what percentage of the total  
11 flow at that point where it's taking water from the  
12 river that it is removing, approximately even?

13 A. It would be right at about 20 percent.  
14 Callaway uses 385 million standard cubic feet of  
15 water a year, and I think there's about 1.8 trillion  
16 come down the Missouri River.

17 Q. And because AmerenUE witness Mr. Lyons  
18 had referred the Staff to Mr. Birk who then directed  
19 us to you for some issues regarding fuel-adjustment-  
20 clause-related matters, I have some questions that  
21 are based on Mr. Lyons' testimony.

22 A. Okay.

23 Q. Do you have a copy of that with you?

24 A. No, I do not.

25 Q. I do.

1 MR. WILLIAMS: May I approach?

2 JUDGE WOODRUFF: You may.

3 BY MR. WILLIAMS:

4 Q. Mr. Naslund, I'm handing you what's  
5 been -- I'm not sure what exhibit number it is, but  
6 it's the prefiled direct testimony of Mr. Lyons. And  
7 I'll tell you right now that it's been rearranged so  
8 that part of the schedule appears at the top. Would  
9 you take a few moments and at least review that  
10 testimony?

11 A. Okay. I've looked at it.

12 Q. And I want to direct your attention to  
13 schedule MJL-2-10 which appears at the top of the  
14 document I handed you in the order that I've -- it's  
15 been arranged.

16 A. Okay.

17 Q. On that schedule it states that,  
18 "AmerenUE will use efficiency deviation factor, EDF  
19 calculation, to establish the baseline for tracking  
20 generating unit efficiencies." Would you please  
21 describe how the determination of efficiency  
22 deviation factor is accomplished for the company's  
23 nuclear generating unit?

24 A. I'd be happy to do that. On the reactor  
25 side of the Callaway plant, we do what's called a

1 primary kalimetric. This involves at the beginning  
2 of each fuel cycle after you reload a new core -- a  
3 new core, you basically run reactor coolant system  
4 flows and temperatures. And then in parallel with  
5 that, measure in-core and ex-core neutronics on the  
6 core to establish basically the thermal  
7 megawatt/thermal output of the reactor core.

8               We then take on the secondary side and  
9 we run what's called a secondary kalimetric which is  
10 steam flow/feed flow, and from that determine on the  
11 secondary side of the plant the -- ultimately what  
12 the -- what the megawatt electrical will be out of  
13 that side.

14              So then on a quarterly basis  
15 surveillances are run at Callaway measuring reactor  
16 in-core performance and, of course, then we monitor  
17 electric output on the main generator to basically  
18 establish what -- what the -- you know, what the heat  
19 cycle thermal efficiency is for the unit.

20              And in Callaway we're very -- you know,  
21 a nuclear plant we're very procedure-oriented, so we  
22 basically have surveillances that are run on a  
23 quarterly basis throughout the cycle to measure and  
24 make adjustments. Any deviation from -- from, you  
25 know, what the baseline that's established at the

1 beginning of the cycle then normally means that  
2 things like valves in the heat cycle are leaking  
3 through.

4                   And at that point we normally go out  
5 with ultrasonics and start looking for valves that  
6 are leaking because those are thermal leaks that are  
7 going back into the condenser and reducing the cycle  
8 efficiency. Basically that's the process that is  
9 used at a nuclear plant to establish, you know, the  
10 baseline BTU in a heat cycle efficiency for a nuclear  
11 plant.

12                   Mention one other thing, is that at  
13 Callaway we load X number of full power days' worth  
14 of reactor fuel into the plant at the beginning of  
15 the cycle. By using in-core and ex-core kalimetrics,  
16 we track burnup on the fuel, and we also look at  
17 parameters like letdown on boron. And from those we  
18 basically track burnup of the fuel from beginning of  
19 the cycle to the end of the cycle.

20                   And basically with a goal to always make  
21 sure that we optimize the burn of the fuel we do --  
22 unlike a coal-fired plant, we put a fixed -- fixed  
23 amount of BTU's into a reactor for that cycle. And  
24 our goal always is at the end of that cycle to come  
25 out and have the projected amount of BTU's burned

1 during that cycle so that we don't unnecessarily  
2 waste any -- any uranium that's put into the reactor  
3 by putting it back in the spent fuel pool as disposed  
4 fuel.

5 Q. How is energy content per unit of fuel  
6 determined for Callaway Nuclear Plant?

7 A. Energy content, again, that term  
8 probably would be more relative to a -- to a  
9 coal-fired plant where you have different coals  
10 coming in with different BTU contents. On a reactor,  
11 there is an exact known quantity of energy loaded.  
12 It's based on the enrichment of uranium that's put --  
13 put in a core.

14 And so we -- we do not measure that  
15 on -- in a reactor on any day-to-day basis or  
16 anything like that. That is an actual known amount  
17 that goes in at the start of a fuel cycle.

18 Q. But how do you determine that amount?

19 A. How do you determine that amount? The  
20 companies that enrich raw uranium and -- you know,  
21 basically to design a reactor core, and then they  
22 enrich it and then create fuel pellets that are made  
23 out of a certain enrichment. And each one of those  
24 pellets has a known amount of energy in it based on  
25 the enrichment process.

1                   Those pellets are then loaded by our  
2   fuel fabricator that's done the core design, and  
3   basically all of it is tracked in the fuel design  
4   process, and that is, again, established before the  
5   fuel is loaded into the core.

6           Q.       Are you saying you specify what the  
7   energy content's to be before you receive the fuel?

8           A.       Absolutely. For example, this -- this  
9   fuel cycle coming up, we have specified, you know,  
10  496 effective full-power days thermal for that core.  
11  And you know, through the manufacturing process,  
12  that's what's delivered. So we know the exact amount  
13  of uranium-enriched material that results in that  
14  amount of full-power days going into the -- beginning  
15  of the cycle.

16          Q.       Do you just rely on the manufacturer or  
17  do you rely on something else for assurances about  
18  the energy content?

19          A.       No. We -- in this particular case we  
20  have to rely on the manufacturer in that process.

21          Q.       Do you know if there's any government  
22  oversight?

23          A.       The materials -- many -- many of our  
24  materials are -- are enriched at the Paducah  
25  facility, USEC, and there are surveillance programs

1 that are in place over their processes.

2 Q. I want to turn your attention to what's  
3 marked as schedule MJL-2-11 which is the -- should be  
4 the second page of what you have in front of you.  
5 That schedule refers to input/output curves for the  
6 economic dispatch of AmerenUE generating units. Has  
7 AmerenUE developed an input/output curve for  
8 Callaway?

9 A. I'm not aware of a specific curve, no.

10 Q. If AmerenU's -- AmerenUE's use of an EDF  
11 applies to the Callaway Nuclear Plant, do you know  
12 how the EDF will be used in the AmerenUE's fuel  
13 adjustment clause proposal?

14 A. No, I don't.

15 Q. In AmerenUE's proposed use of the EDF  
16 methodology for fuel adjustment clause purposes, if  
17 baseline EDF would be determined for the 12-month  
18 period ending June 30th of 2007, do you know how  
19 AmerenUE will ensure that this baseline EDF captures  
20 optimum operating conditions for Callaway so that  
21 this baseline EDF can be used for comparison purposes  
22 in the following 12-month fuel adjustment clause  
23 periods?

24 A. Again, as I mentioned, we -- we do  
25 establish for Callaway, very -- very specific, an

1 understanding of what heat rates and fuel contents  
2 that's loaded into the core at the beginning of each  
3 cycle. So as far as how that would be taken and put  
4 into this EDF, I've not been involved with that, so I  
5 don't know how they would use that data.

6 Q. So your answer is you don't know?

7 A. I do not know -- I do not know how  
8 they're going to use my very specific data in the  
9 calculation of their EDF.

10 Q. If an efficiency deviation factor  
11 determined during one of the subsequent fuel  
12 adjustment clause true-up periods, as proposed by  
13 AmerenUE, indicates that Callaway is operating more  
14 efficiently -- efficiently than the baseline EDF,  
15 will the baseline EDF be reestablished to its new  
16 value?

17 A. I do not know.

18 Q. If Callaway is modified such that the  
19 unit efficiency will be affected, will a new baseline  
20 EDF be established?

21 A. For this process I do not know.

22 Q. Does AmerenUE have programs in place for  
23 assessing the efficiency of the Callaway Nuclear  
24 Plant?

25 A. Yes, we do.



1           Q.       Does AmerenUE have programs in place for  
2     assessing the major equipment at the Callaway Nuclear  
3     Plant in terms of their contribution to overall plan  
4     efficiency?

5           A.       Yes, we do.

6           Q.       Does AmerenUE have programs in place for  
7     maintenance and/or replacement of faulty equipment at  
8     the Callaway Nuclear Plant?

9           A.       Yes, we do.

10          Q.       I want to turn back to an earlier issue  
11     which was the cooling water issue and follow up on  
12     that a little bit. You indicated that roughly  
13     20 percent of the Missouri River flow is taken from  
14     the river for purposes of cooling at Callaway, I  
15     believe?

16          A.       That's correct.

17          Q.       Is any part of that returned to the  
18     river?

19          A.       Yes, it is.

20          Q.       How much?

21          A.       Approximately 25 percent.

22          Q.       25 percent of the 20 percent?

23          A.       That's correct.

24          Q.       And do you have any reason to think that  
25     the river flow at the point where water is removed

1 from the river for purposes of cooling Callaway is  
2 going to change between now and 2024?

3 A. That would be hard to predict, although  
4 when you -- when I think in terms of things that keep  
5 a chief nuclear officer awake at night, the  
6 availability of water out of the Missouri River is  
7 one of the things that would keep me awake.

8 Q. Has the Callaway plant ever been shut  
9 down because of insufficiency of cooling water?

10 A. Not yet.

11 MR. WILLIAMS: No further questions.

12 JUDGE WOODRUFF: All right. We'll come  
13 up from questions from the bench, then. Commissioner  
14 Appling?

15 COMMISSIONER APPLING: Looks like I  
16 walked down right in time.

17 QUESTIONS BY COMMISSIONER APPLING:

18 Q. Good morning, sir. How you doing?

19 A. Good morning.

20 Q. I don't have any question. I read your  
21 testimony and I've been listening upstairs to what --  
22 the beginning of it. You-all are gonna extend this  
23 thing?

24 A. That certainly would be our plan,  
25 Commissioner.

1                   COMMISSIONER APPLING: Okay. Thank you  
2 very much. That's the only thing I have this  
3 morning, Judge.

4                   JUDGE WOODRUFF: Commissioner Murray  
5 e-mailed me a question to ask you-all, so she wants  
6 to know what is the operational safety record at  
7 Callaway.

8                   THE WITNESS: Well, the operational  
9 safety record at Callaway, we are approximately  
10 23 years into operation, have never had a significant  
11 nuclear safety event at the plant, so that's one  
12 aspect of safety.

13                   There's two other areas that are very  
14 important in a nuclear plant, those being radiation  
15 exposure to our population in the plant. This past  
16 year Callaway finished the year with 4.6 REM exposure  
17 to the entire plant population which was one of the  
18 lowest exposures during an entire year at any nuclear  
19 facility in the country. State law provides for  
20 that. That puts us basically in the top 10 percent  
21 of the nuclear industry as far as protecting the  
22 employees.

23                   The third area which I'd be very proud  
24 to comment on is industrial safety. Last week  
25 Callaway finished three years without a lost time

1 accident, both for the AmerenUE employees and the  
2 many contractors that work in our facility. We  
3 currently are, I think, at about 7 million man hours  
4 worked in our plant safely without injury, and  
5 actually received an EEI award this past summer for  
6 being one of the safest facilities in the United  
7 States in protecting our employees. So we're also  
8 very proud of that from a safety perspective.

9 JUDGE WOODRUFF: Thank you. I don't  
10 have any questions. Is there any recross based on  
11 questions from the bench?

12 MR. WILLIAMS: I just have one.

13 JUDGE WOODRUFF: For Staff?

14 RE CROSS-EXAMINATION BY MR. WILLIAMS:

15 Q. You used the term "REM" in response to  
16 Commissioner Murray's question. Would you explain  
17 what REM is?

18 A. I'll just keep it very high level.  
19 Roentgen equivalent man is what the term stands for.  
20 It is a common measure used in our industry to  
21 measure radiation exposure in the human body. It  
22 gets into what kind of biological damage, the amount  
23 of biological damage that is done to the body based  
24 on X amount of radiation exposure. But it is a  
25 common term used in our business and again, it

1 stands for roentgen equivalent man is what the term  
2 stands for.

3 MR. WILLIAMS: Thank you.

4 JUDGE WOODRUFF: All right. Any  
5 redirect?

6 MR. BYRNE: Yes, your Honor.

7 REDIRECT EXAMINATION BY MR. BYRNE:

8 Q. Good morning, Mr. Naslund.

9 A. Good morning.

10 Q. Just a couple of questions on redirect.  
11 You were asked some questions about different --  
12 different components of the Callaway plant that have  
13 been replaced by Mr. Mills earlier and shown the  
14 videotape of the KOMU interview. Do you remember  
15 that?

16 A. Yes.

17 Q. And I guess the topic of the KOMU  
18 interview was the replacement of the generators; is  
19 that correct?

20 A. That is correct.

21 Q. And I believe you said, you know, "This  
22 will last 20 years and 20 years more" on the KOMU  
23 interview?

24 A. That is correct.

25 Q. Well, let me ask you this: Would that

1     apply to all of the components of the Callaway  
2     Nuclear Plant?

3           A.       That -- that applied to the components  
4     that were replaced which -- both the main turbines,  
5     both high-pressure and low-pressure, and the steam  
6     generators that were replaced during that outage. So  
7     those two sets of components were specified for  
8     40 years. During the time of that news -- newscast,  
9     you know, we were about 20 years away from 2024, and  
10    that's why I made the comment. So they were  
11    specified for 40, 20 plus an additional 20 made up of  
12    40.

13          Q.       Are there -- are there some other  
14    components to the Callaway plant that don't fall into  
15    that category?

16          A.       Yeah, this diagram's pretty simplified.  
17    There actually is about 130,000 components in the  
18    plant which these -- these are obviously very major  
19    components but there's a lot of other minor  
20    components throughout the plant, things like  
21    transmitters, pumps, motors, et cetera, that also  
22    have certain lives that will have to be addressed  
23    when we talk about plant life extension.

24          Q.       And how long were those 130,000 other  
25    components specified for?

1           A.       Their original specified life in both  
2     the Bechtel specifications, who was the architect  
3     engineer for the plant, and then the Westinghouse  
4     specifications, who was the nuclear steam supply --  
5     supplier of the plant, were specified for 40 years.

6           Q.       Okay. And 40 years ending in what date?

7           A.       40 years of operation would end in the  
8     2024 time frame.

9           Q.       Okay. And so would it be fair to say  
10    those components will have to be addressed if there  
11    is a license extension?

12          A.       Yes.

13          Q.       Okay. Mr. Williams asked you some  
14    questions about the EDF formula in Mr. Lyons'  
15    testimony. Do you remember that series of questions?

16          A.       Yes, I do.

17          Q.       And I guess the point of it was that the  
18    measurement of the efficiency of plants is a  
19    component of the fuel adjustment clause; is that your  
20    understanding?

21          A.       That's my understanding.

22          Q.       And just -- just to get this straight,  
23    do you measure the efficiency of the Callaway plant  
24    right now?

25          A.       Yes, we do.

1           Q.       Do you think that problems with  
2     measuring the efficiency of the Callaway plant would  
3     prevent this Commission from implementing a fuel  
4     adjustment clause?

5           A.       No, I do not.

6           Q.       Okay. You were asked a couple of  
7     questions about the water level in the Missouri River  
8     and I think you said it keeps you up at night?

9           A.       Yes, sir.

10          Q.       Why does it keep you up at night?

11          A.       If -- if you have followed what's going  
12     on with the -- with the Missouri River and the  
13     reservoirs that feed the river -- and I actually, you  
14     know, receive e-mails almost daily from the Corps  
15     that Mr. John LaRondeau sends out. Up and down the  
16     Missouri River with the reservoirs haven't been  
17     emptied out, there are concerns about, you know,  
18     river water flows.

19                 Barge traffic in the -- in the state of  
20     Missouri has been significant. We've cut back the  
21     barge season. And the master water control plan, the  
22     corps now has cut back to certain times of the year  
23     and only send 7,000 standard cubic feet of water down  
24     the river, when a normal operating river flow in the  
25     past would have been about 32,000.



1                   During those times our intake phase  
2 ended up approaching the area where we get very close  
3 to losing that positive suction head. As a  
4 short-term mitigation of that, we actually have  
5 bought special pumps to -- in a crisis situation to  
6 actually pump water from two of our three bays back  
7 into the one bay so that we could try to, you know,  
8 keep one pump running.

9                   But basically, I just -- I'm concerned  
10 overall with the reservoirs being empty and what the  
11 corps is doing with river flows that we very well  
12 could end up with losing that positive suction head  
13 moderate intake which is the cooling water ultimately  
14 for our plant.

15           Q.       Are there other people in other states  
16 upstream of the plant that want some of the -- some  
17 more of the river water from the Missouri River?

18           A.       Again, these daily corps clippings I  
19 receive, not a day goes by when there's not disputes  
20 over who gets the water. Some of the upper states  
21 want water for irrigation. You know, obviously the  
22 lower states want water for barge traffic. There's  
23 almost a continuing battle going on on who gets  
24 water. But of major concern to me is the fact that  
25 the reservoirs are at an all-time low, and that's

1     what supplies the feed of water down the Missouri  
2     River.

3           Q.       Okay.  And let me ask you this:  When --  
4     when do you think AmerenUE will make a decision on  
5     whether to seek relicensing?

6           A.       As I said in my testimony, that normally  
7     is about ten years before the expiration of the  
8     license.  And the reason we normally think in terms  
9     of ten years is just the -- if you kind of time-line  
10    back from when you'd need a license extension versus  
11    how long it takes to go through the relicensing  
12    process, and then any mitigation that has to be done  
13    in accordance with that license, when you do receive  
14    a license renewal, it's not just you get a piece of  
15    paper and it says you're good to go.

16                   Most likely it will have a long set of  
17    conditions on components, cables, other -- other  
18    things in the plant that may have to be addressed and  
19    mitigated before -- before you go past that 40-year  
20    period.  So we need to leave several refuel cycles in  
21    there to do modifications to the plant.  And so if I  
22    back that up, you know, about ten years prior to the  
23    expiration of the license is when normally you would  
24    start that process.

25           Q.       Well, and if we haven't asked for a

1 license extension yet or made a decision to seek a  
2 license extension yet, why do we replace components  
3 with components that will last 40 years rather than  
4 the 18 years of the -- of the remaining life?

5 A. The -- you know, from my perspective,  
6 you know, I think it would be imprudent that -- that  
7 if I replaced components that I wouldn't -- wouldn't  
8 specify based on materials known today, the longest  
9 life possible to make sure that asset, you know, can  
10 be used in the future. So certainly, that's what we  
11 did. We specified 40 years, which is as long as a  
12 vendor will work these days, and it was the only  
13 prudent thing to do to make sure that they were  
14 specified for that life.

15 Q. Would it be fair to say that you're  
16 leaving the option open to seek relicensure?

17 A. Absolutely.

18 Q. Okay. And when before you said it was  
19 your plan, is that -- is that our plan to leave the  
20 option open?

21 A. Again, I think it would be very  
22 imprudent of us not to -- not to leave that option  
23 open for such a valuable asset.

24 Q. But is that a -- is that any kind of a  
25 guarantee that we're gonna seek relicensing?

1           A.       With 17 and a half years ahead of us, I  
2       couldn't guarantee anything at this point.

3                   MR. BYRNE:   Okay.   Thank you,  
4       Mr. Naslund.

5                   JUDGE WOODRUFF:   All right.   Thank you,  
6       Mr. Naslund.   At this point you can step down.   I  
7       will, however, indicate that there may be more  
8       questions from the Commission, from the bench, in  
9       which case we may need to recall you.   I don't know  
10      if that will happen yet or not -- not this afternoon,  
11      but don't leave town, I guess, is the point.

12                   THE WITNESS:   Don't leave town today?

13                   JUDGE WOODRUFF:   I certainly intend to  
14      finish this today.

15                   THE WITNESS:   Okay.   Thank you.

16                   JUDGE WOODRUFF:   Thank you.

17                   MR. BYRNE:   Your Honor, I guess at this  
18      point I would offer Mr. Naslund's testimony which  
19      is -- his direct testimony is Exhibit No. 47 and his  
20      rebuttal testimony is Exhibit No. 48.

21                   JUDGE WOODRUFF:   Okay.   Exhibits 47 and  
22      48 have been offered.   Are there any objections to  
23      their receipt?

24                   (NO RESPONSE.)

25                   JUDGE WOODRUFF:   Hearing none, they will

1 be received into evidence.

2 (EXHIBIT NOS. 47 AND 48 WERE RECEIVED  
3 INTO EVIDENCE AND MADE A PART OF THE RECORD.)

4 JUDGE WOODRUFF: Go ahead. Another  
5 question for Ameren also, we've been waiting for a --  
6 an attachment to Mr. Brosch's deposition that was  
7 being mailed back from Washington. Do we have that?

8 MR. LOWERY: Yes, we do, your Honor.  
9 And if your Honor wouldn't mind telling me what the  
10 next number is, we can mark it and admit it.

11 JUDGE WOODRUFF: All right. Your next  
12 number is 130.

13 MR. LOWERY: Six copies for the bench.

14 JUDGE WOODRUFF: Thank you.

15 (EXHIBIT NO. 130 WAS MARKED FOR  
16 IDENTIFICATION BY THE COURT REPORTER.)

17 MR. LOWERY: Your Honor, with that, I  
18 would offer Exhibit 130 which is the only deposition  
19 exhibit to Mr. Brosch's deposition. It was  
20 Deposition Exhibit 1 as indicated by the court  
21 reporter's sticker.

22 JUDGE WOODRUFF: All right. Exhibit 130  
23 has been offered. Are there any objections to its  
24 receipt?

25 (NO RESPONSE.)

1 JUDGE WOODRUFF: Hearing none, it will  
2 be received into evidence.

3 (EXHIBIT NO. 130 WAS RECEIVED INTO  
4 EVIDENCE AND MADE A PART OF THE RECORD.)

5 MR. DOTTHEIM: Judge, also finally for  
6 housekeeping, there are a couple of items, in  
7 particular that Commissioner Gaw had earlier  
8 requested --

9 JUDGE WOODRUFF: Okay.

10 MR. DOTTHEIM: -- in the proceeding.  
11 One, he had requested a copy of the joint dispatch  
12 agreement --

13 JUDGE WOODRUFF: Uh-huh.

14 MR. DOTTHEIM: -- which I have a copy of  
15 the last joint dispatch agreement which reflects the  
16 amendment of the joint dispatch agreement which the  
17 Commission directed in its Report and Order upon  
18 rehearing in Case Number EO-2004-0108.

19 JUDGE WOODRUFF: All right. Your next  
20 number is 274.

21 (EXHIBIT NO. 274 WERE MARKED FOR  
22 IDENTIFICATION BY THE COURT REPORTER.)

23 MR. DOTTHEIM: And there's another  
24 document. Commissioner Gaw had requested the board  
25 of directors for EEInc over a time period which

1 Mr. Schallenberg indicated he could provide from the  
2 FERC Form 1 annual reports of EEInc, and I have  
3 copies of that from 1999 through 2005.

4 JUDGE WOODRUFF: All right. Do you want  
5 to mark that as 275, then?

6 MR. DOTTHEIM: Yes.

7 (EXHIBIT NO. 275 WAS MARKED FOR  
8 IDENTIFICATION BY THE COURT REPORTER.)

9 MR. DOTTHEIM: Also, Judge Woodruff, the  
10 directors that appear on those EEInc FERC Form 1's  
11 are identifiable as far as which of the shareholders  
12 they arguably are associated with, either from the  
13 FERC Form 1's or from Mr. Naslund's deposition,  
14 excepting in one instance and that's on the 1999  
15 report which I've visited with Mr. Lowery about  
16 identifying for the record who that individual is.  
17 And it's -- again, on the 1999 report it's  
18 Mr. Wayne T. Lucas.

19 And on the U.S. Securities and Exchange  
20 Commission, a Form 10(k) report of LG&E Energy  
21 Corporation, Louisville Gas & Electric Company and  
22 Kentucky Utilities from -- for the fiscal year ended  
23 December 31, 1999, Mr. Wayne T. Lucas is identified  
24 as executive vice president in power generation of  
25 Kentucky Utilities and LG&E Energy Corporation.

1 JUDGE WOODRUFF: All right. I assume  
2 you wish to offer 274 and 275?

3 MR. DOTTHEIM: Yes. Yes, I'd like to  
4 offer 274 and 275 at this time.

5 JUDGE WOODRUFF: All right. 274 and 275  
6 have been offered. Are there any objections to their  
7 receipt?

8 MR. BYRNE: No, your Honor.

9 JUDGE WOODRUFF: Hearing none, they will  
10 be received into evidence.

11 (EXHIBIT NOS. 274 AND 275 WERE RECEIVED  
12 INTO EVIDENCE AND MADE A PART OF THE RECORD.)

13 JUDGE WOODRUFF: I had one other  
14 question before we break for lunch, and that concerns  
15 the nonunanimous stipulation and agreement regarding  
16 certain depreciation issues. And I know there were  
17 some objections filed to that, and, in fact, specific  
18 portions of it. The question in general is, is there  
19 any portion of that stipulation agreement that  
20 remains in effect that was not objected to or does  
21 the objection make the entire stipulation and  
22 agreement go away?

23 MR. MILLS: I objected to, I think,  
24 three out of the four substantive paragraphs, and I  
25 think MIEC objected to four out of four, so I don't



1 believe that there is.

2 JUDGE WOODRUFF: Okay. Is that correct,  
3 Ms. Vuylsteke?

4 MS. VUYLSTEKE: I would like to reserve  
5 a response on that until after the lunch break, if  
6 that's acceptable.

7 JUDGE WOODRUFF: Sure.

8 MS. VUYLSTEKE: Okay. Thank you.

9 JUDGE WOODRUFF: Mr. Mills, you did not  
10 object to the subsection A, was it?

11 MR. MILLS: I don't have it in front of  
12 me. I think I did object to A but it was from  
13 memory. I think perhaps it was B that we objected  
14 to. I honestly don't recall which it was.

15 JUDGE WOODRUFF: Well, the specific  
16 question that was asked of me was the position on the  
17 life span issue and whether -- if that's any -- but  
18 we can wait until after lunch to take that up again.

19 MR. BYRNE: I don't believe the life  
20 span issue is resolved in the stipulation.

21 JUDGE WOODRUFF: It is not, okay.

22 MR. BYRNE: That's one of the  
23 nonresolved issues.

24 JUDGE WOODRUFF: Okay.

25 MS. VUYLSTEKE: And Judge Woodruff, just

1 to clarify, your question is the legal effect of our  
2 objection, is it to the entire nonunanimous  
3 stipulation or is it just to the specific portions  
4 that we listed in our objection?

5 JUDGE WOODRUFF: Right. And also, of  
6 course, it would have an effect on whether the  
7 parties who did sign the stipulation and agreement  
8 wanted to live with what was remaining -- remaining.

9 MS. VUYLSTEKE: I understand, okay.  
10 Thank you.

11 JUDGE WOODRUFF: All right. It's time  
12 for our lunch break. We'll break now and we'll come  
13 back at -- go ahead.

14 MR. BYRNE: Judge, I was just curious.  
15 You wouldn't happen to know if any of the  
16 Commissioners have questions for Mr. Naslund, or is  
17 that still uncertain?

18 JUDGE WOODRUFF: I -- that's been --  
19 well, actually, the Chairman had one.

20 CHAIRMAN DAVIS: I had one question for  
21 Mr. Naslund, but I could probably ask it of Mr. Mill  
22 and elicit the same response, or lack thereof.

23 MR. BYRNE: Okay. Well, we'll keep  
24 Mr. Naslund here.

25 JUDGE WOODRUFF: All right. We'll try

1 and let you know as soon as possible. And I have not  
2 talked to Commissioner Gaw about it either.

3 CHAIRMAN DAVIS: Thank you.

4 JUDGE WOODRUFF: All right. With that,  
5 we'll take a break for lunch and we'll come back at  
6 one o'clock.

7 (THE NOON RECESS WAS TAKEN.)

8 JUDGE WOODRUFF: All right. Let's come  
9 to order again, please. All right. We're back from  
10 lunch and an agenda session. And during the -- the  
11 break I had a conversation with a couple of  
12 Commissioners. We'd asked Mr. Naslund to remain.  
13 The Chairman's indicated that he can ask that  
14 question of Mr. Mill instead of Mr. Naslund, so  
15 Mr. Naslund is excused and he can go on about his  
16 business. You can go.

17 MR. NASLUND: Thank you.

18 JUDGE WOODRUFF: All right. And  
19 Mr. Mill has retaken the stand. We're ready to ask  
20 questions from the bench for him and we'll begin  
21 with -- with the Chairman.

22 QUESTIONS BY CHAIRMAN DAVIS:

23 Q. Good afternoon, Mr. Mill.

24 A. Good afternoon, Mr. Chairman.

25 Q. Okay. In this case so far, Mr. Mill,

1 we've heard testimony about a low-income program in  
2 southeast Missouri that I will describe as pretty  
3 much a disaster. You might describe it some other  
4 way. We've also heard testimony about a real time  
5 pricing experiment that was -- you know, had similar  
6 results in that no customers signed up for it.

7 Can you point to -- me to one example  
8 where AmerenUE has proposed an experimental tariff or  
9 pilot program that the company has viewed as a  
10 success? Because so far I haven't seen any.

11 A. I believe that -- and Mr. Rick Voytas is  
12 more the expert on this program, but I felt that our  
13 residential time-of-use program, that experiment went  
14 well.

15 Q. The -- and the one in Missouri where  
16 there were approximately, I don't know, maybe 100  
17 customers, and that never seemed to really take off  
18 either. Is that the same one?

19 A. It was designed to be a small-scale  
20 pilot --

21 Q. Right.

22 A. -- but, yes.

23 Q. Okay. And you're -- and you're saying  
24 that -- that was a successful program?

25 A. Well, can you define for me what you

1 mean by success?

2 Q. Well, I don't know, Mr. Mill. I mean,  
3 we've had lots of testimony here about soft numbers,  
4 aggressive numbers, target numbers. I mean, in your  
5 own terms, in your -- in your own mind, was it  
6 successful?

7 A. Yes, I think we gained an understanding  
8 of how customers responded to the time use price  
9 signals.

10 Q. Okay. All right. Do you think it was  
11 successful from the -- from the viewpoint of the  
12 customers who participated in that program?

13 A. Some of them showed savings, yes.

14 Q. Some of them showed savings. Is that  
15 program still going on?

16 A. No.

17 Q. Okay. So it -- so it wasn't a  
18 successful enough program to keep it around?

19 A. It's not to say it won't be revisited in  
20 the future; it's just not being proposed right now.

21 Q. Mr. Mill, do you ever go to -- to the  
22 meetings of MEDA, the Missouri Energy Development  
23 Association?

24 A. Rarely.

25 Q. Rarely. But you have -- you have been

1 to some?

2 A. Yes.

3 Q. Okay. And at those meetings did you and  
4 your utility brethren ever -- ever sit around and  
5 talk about, you know, doing, you know, various  
6 programs and experimental tariffs, you know, just to  
7 get the Commission off your back?

8 A. No, I never recall any of those  
9 discussions being held.

10 Q. Okay. All right. Now, Mr. Mill, you do  
11 some work in Illinois too, right?

12 A. Yes, sir.

13 Q. Now, what do -- what do you do over in  
14 Illinois?

15 A. Well, we have three utilities in  
16 Illinois and we do rate-related work.

17 Q. You do rate -- rate-related work over --  
18 over in Illinois?

19 A. Yeah. We have -- our group is  
20 responsible for cost of service pricing tariffs, rate  
21 administration, helping our customer service folks  
22 understand and apply the tariffs and we do that work  
23 over in Illinois.

24 Q. Now, Mr. Mill, have you heard about any  
25 of these news reports that -- that Ameren's, you

1 know, unregulated generator or other subsidiaries may  
2 be going to -- to come up with some money to help  
3 people in Illinois, you know, in order to avoid the  
4 passage of a bill that could bankrupt Ameren's  
5 Illinois utilities. Have you heard any discussion  
6 about that?

7 A. I've heard those reports.

8 Q. You've heard -- you've heard those  
9 reports. Do you think Ameren's unregulated  
10 generating affiliates ought to kick in something to  
11 help Illinois ratepayers?

12 A. I really don't have an opinion on that.

13 Q. Okay. Well, do you know if they're  
14 going to?

15 MR. BYRNE: Your Honor, I just -- I  
16 wonder if we may be getting into highly confidential  
17 information. I ask Mr. Mill, he's more --

18 BY CHAIRMAN DAVIS:

19 Q. Okay. Well, let me ask you this,  
20 Mr. Mill, and we'll stay out of the highly  
21 confidential information: If Ameren -- Ameren, not  
22 AmerenUE, but if Ameren and its unregulated  
23 affiliates are going to kick in some -- some money  
24 out of the goodness of their heart, or whatever, to  
25 help Illinois ratepayers, you know, why not just

1 voluntarily impute the EEI revenues to AmerenUE and  
2 that's one less issue that we have to decide here?

3 A. I really don't have a comment on that.  
4 Those decisions are at levels well above me.

5 Q. Do you know if EEI revenues are gonna be  
6 used to subsidize Illinois ratepayers?

7 A. I don't know that.

8 Q. Is it possible?

9 A. I don't know if that's possible.

10 CHAIRMAN DAVIS: Okay. No further  
11 questions, Mr. Mill.

12 JUDGE WOODRUFF: Commissioner Gaw?

13 COMMISSIONER GAW: Thank you.

14 QUESTIONS BY COMMISSIONER GAW:

15 Q. Good afternoon, Mr. Mill.

16 A. Good afternoon.

17 Q. Can you refresh my memory your position  
18 and who it's with?

19 A. I am director of regulatory policy for  
20 Ameren Services Company, and we provide services to  
21 UE and to the three Illinois-regulated utilities.

22 Q. Okay. I want to talk to you about these  
23 tariff provisions and I may not have as many  
24 questions as I did earlier because I know there  
25 were -- there were a significant number of them



1 already. First of all, in regard to the time-of-use  
2 offering that you had at one point, that you were  
3 discussing earlier, do you recall that discussion?

4 A. With the Chairman?

5 Q. No, no, before lunch.

6 A. Okay. The --

7 Q. You were having some discussion with the  
8 Chairman about that as well, though.

9 A. You're talking about the residential  
10 experiment?

11 Q. No, no. I'm talking about did you have  
12 a time-of-use offering at one point to industrial and  
13 commercial customers?

14 A. In Missouri?

15 Q. Yes.

16 A. Okay. That was real time -- a real time  
17 pricing program, I'm sorry. That's --

18 Q. That's what I'm --

19 A. That was earlier, yes.

20 Q. -- that's what I'm talking about.

21 A. Okay.

22 Q. Okay. You did have one; is that  
23 correct?

24 A. Yes.

25 Q. And how long a period of time was it

1 for?

2 A. I don't --

3 Q. Approximately.

4 A. I just don't recall. I don't have that  
5 with me.

6 Q. And what was the -- what was the price  
7 determination on the real time pricing? How was it  
8 determined?

9 A. My recollection would be that first of  
10 all you determine -- we were determining a base load  
11 of a customer based on historical period. And then  
12 the real time pricing would apply to increments of  
13 usage above that period. So it was kind of a  
14 two-part approach.

15 Q. Okay.

16 A. And I believe the -- the prices were the  
17 market prices which would have been the -- I guess  
18 for lack of a better term, of the MISO L&P-type  
19 prices, the spot prices.

20 Q. Okay. But you said it was a two-part  
21 pricing mechanism. So what's the other part?

22 A. The other part would be under the  
23 standard tariffs, the historical load level would  
24 have been under the standard rates. The incremental  
25 load is what would be priced under real time pricing.

1           Q.       Now, tell me -- okay. So you're -- the  
2   tariff was set up so that -- so that you paid exactly  
3   the same price as you normally did for most of the --  
4   most of your -- most of your time?

5           A.       Your baseline load, if you will.

6           Q.       Okay.

7           A.       Your base load.

8           Q.       But then if you had a peaking period,  
9   you paid a higher price than what you normally would?

10          A.       That's generally my -- well, that --  
11   that's my understanding of how it worked. But  
12   again --

13          Q.       Why would anyone ever sign up for such a  
14   program?

15          A.       Well, actually we were aware that  
16   probably the most likely candidate for this might be  
17   somebody who was realizing a increase in their  
18   load --

19          Q.       So in other words --

20          A.       -- who could take advantage of this.

21          Q.       -- if you looked back and said, oh,  
22   historically here's where we were, but going forward  
23   we think our load's gonna change so we can beat the  
24   system because our load is different than what it was  
25   historically, they might sign up for it?

1           A.       Yeah, and --

2           Q.       Because -- because what you're saying  
3   is, as I understand it, this is becoming very clear  
4   to me now, there was no downward or savings ability  
5   if your load stayed exactly the same, if you assume  
6   that, there was no savings ability that a company  
7   could realize by manage -- managing its load so that  
8   it could get cheaper prices during other portions of  
9   the -- of the year when -- or day when the prices  
10  were actually cheaper on the market?

11          A.       Yeah, I would have to go back and study  
12  that tariff. I believe once a baseline was set,  
13  increments above or below would have been priced out  
14  at the market prices.

15          Q.       Now, that's different than what you just  
16  said.

17          A.       Yes, yes, I -- again, I'm operating off  
18  a tariff I haven't looked at for -- since probably  
19  last summer.

20          Q.       When did it expire again?

21          A.       I don't know.

22          Q.       Is that the only time-of-use pricing you  
23  have had in the last few years for commercial or  
24  industrial customers?

25          A.       As far as tracking real time prices,

1     yes.

2           Q.       Okay.  Now, that type of a demand  
3     response system sends a direct signal if -- if we --  
4     let's just toss aside the way you were pricing it.  A  
5     real time pricing generally sends a signal that would  
6     financially or economically cause load to make a  
7     decision about whether they want to back down because  
8     of the -- of a peak in pricing which usually goes  
9     along with peak and demand, right?

10          A.       That -- that's the best form of real  
11     time pricing tariffs, yes.  And in every hour a  
12     customer could make a decision theoretically on  
13     whether or not they're going to consume or conserve.

14          Q.       Now, that type of -- that type of  
15     pricing doesn't allow necessarily that kind of  
16     program, it doesn't necessarily allow Ameren to  
17     utilize that load under that tariff for a specific  
18     ancillary services response, I would assume, because  
19     you don't have control over it?

20          A.       We've -- we've -- yes, we -- that -- I  
21     believe that's correct because we don't -- the  
22     customer doesn't notify us that -- what action  
23     they're going to take in the next hour or the next  
24     day.

25          Q.       Well, you could tell them, you could

1 have them do that, though, couldn't you?

2 A. Conceivably, yes.

3 Q. But from the standpoint of it being  
4 outside -- in the short-term capacity, ancillary  
5 services market, so that on the wholesale level it  
6 doesn't really have that kind of flexibility, or does  
7 it?

8 A. I don't think it probably lends itself  
9 well to that market because at any given moment you  
10 really don't know how customers are going to respond  
11 to that price signal.

12 Q. Now, on the other hand, there are ways  
13 where you could tie that together if you sent -- if  
14 you had the right agreements so that it was an  
15 understanding that when certain things occurred, if  
16 the -- if the load wanted to respond to the wholesale  
17 marketplace, if they wanted to have you act as their  
18 agent, for instance, and bid into the wholesale  
19 ancillary services market for, let's say, avoiding  
20 quick start on a generator or playing in the -- in  
21 the spinning reserve market, that could be done  
22 conceptually, couldn't it?

23 A. To me it sounds like it could be done.  
24 Clearly, that's something that somebody like Rick  
25 Voytas would have a much more in-depth understanding

1 of.

2 Q. I talked to him about that. I'm trying  
3 to -- I'm trying to see where this discussion at  
4 Ameren actually takes place as a matter of policy,  
5 and I'm having a hard time finding that place at the  
6 current -- as we speak.

7 You haven't had those discussions in  
8 regard to filing a tariff that would implement  
9 anything like that, have you?

10 A. No, sir.

11 Q. Okay. Now, in regard to the energy  
12 market itself, shaving costs for Ameren, whether  
13 they're -- whether we're talking about energy off of  
14 a peaking unit that Ameren owns or Ameren going out  
15 and having to acquire additional supply on peaking,  
16 that's -- that's pretty simple to do or at least --  
17 at least to generate some shaving off of price for  
18 Ameren on a real time pricing basis, isn't it?

19 A. That -- that is somewhat what we were  
20 attempting to do in this demand response program.

21 Q. I understand -- in the one that you've  
22 got proposed?

23 A. Yeah.

24 Q. I understand that, but I want to stick  
25 for a -- for a little while here with this -- this

1 real time pricing concept which --

2 A. Okay.

3 Q. -- which has disappeared and I'm  
4 concerned about that. Now, where is -- where is it  
5 that there will be discussions taking -- taking place  
6 in regard to trying to come up with something that --  
7 that would work toward that as a possible option for  
8 load?

9 A. Okay. My view of where that will take  
10 place is in anticipation of filing our February 2008  
11 integrated resource plan where it's my understanding  
12 that they're going to be doing a lot of work looking  
13 at various DSM programs and, of course, demand  
14 response is -- is a part of that and screening  
15 various programs in anticipation of that effort.  
16 That's where the rigorous analysis will take place of  
17 such programs.

18 Q. Now, Mr. Mill, earlier you were asked  
19 questions about the study that was done on the tariff  
20 provision that had real time pricing characteristics  
21 to it, and I heard you, I think, say that there has  
22 been no analysis or study done.

23 A. Not about me or my group and I don't  
24 believe -- I don't recall one being done by anybody  
25 else in the company.



1           Q.       Did you explain to us why that was the  
2 case?

3           A.       Simply we saw no need to study it,  
4 apparently, because there were no -- no subscribers  
5 to the product. We actually thought there would be  
6 at least one or two subscribers to it, and as it  
7 turned out there was no interest in it.

8           Q.       Can you tell me what the value is or how  
9 we would determine the value of having -- meeting  
10 peaking demand with demand response as opposed to  
11 some other method?

12          A.       Well, it -- if it were least cost when  
13 compared to other alternatives, supply of DSM  
14 alternatives, then there would be value to it because  
15 you could plan your future system with that sort of  
16 program in mind. And assuming you could rely on  
17 demand response power, I mean, that's always, I  
18 think, an issue in any demand response program --

19          Q.       All right. And we -- and I understand  
20 that and we can talk about that if you want to in a  
21 minute. But what I'm looking for, what -- how do you  
22 determine that price when it's cost-effective, how do  
23 you calculate it?

24          A.       Well, I don't really know how you would  
25 calculate it, but --

1           Q.       Well, it's something that you can -- you  
2     can calculate, isn't it? At least in -- I know it's  
3     not stationary, but you can at least look at the cost  
4     of running a CT in the fuel prices. Even though they  
5     vary, you can come up with a formula -- formulate a  
6     way of determining when -- if you just look at  
7     Ameren's system, it's cheaper to have the load  
8     respond than it is to run your -- your combustion  
9     turbine.

10          A.       That's one way and --

11          Q.       There may be other options out there on  
12     the market at the time. The market may be cheaper  
13     than the cost of running your CT, the demand response  
14     might play into that at a certain price level, right?

15          A.       That's correct. And demand response,  
16     you know, that could be an alternative to building  
17     future capacity. You know, if you -- if you can  
18     cultivate some level of demand response in a reliable  
19     fashion, I'm sure that -- that could be a resource.

20          Q.       So currently it's not a resource for  
21     Ameren in any significant way, is it?

22          A.       No, it's not.

23          Q.       Not even a resource at all today, we  
24     don't have any tariffs really and --

25          A.       Correct.

1           Q.       Is that -- is -- how do you respond to a  
2       statement that by not including demand response in  
3       your portfolio, that you've been imprudent? And I  
4       say "you," I mean AmerenUE.

5           A.       Well, you know, I -- I -- I don't know  
6       how to respond to that. I will say this: I've tried  
7       to take steps in the proceeding to propose a -- what  
8       I'll call a pilot program, some form of demand  
9       response, that I believe represents a reasonable  
10      price, proxy for capacity, and I think that will  
11      serve -- can serve as a measure, a stop gap measure  
12      between now and when we conduct a -- a -- a  
13      full-fledged integrated resource planning process  
14      that will begin, apparently, I believe with the  
15      filing in February.

16          Q.       Mr. Mill, I understand what may happen  
17      in the future, but I'm looking at what has happened  
18      up to this point in time, and today you don't have a  
19      program.

20                   Now, I -- I would assume that this  
21      Commission could, if it had the right information in  
22      front of it, make a calculation of how much  
23      additional cost over the course of a period of time  
24      AmerenUE is passing along or attempting to pass along  
25      in rates to its ratepayers because it did not use

1 demand response as a resource when that was the  
2 cheapest resource that could be used to shave peak.  
3 Do you disagree with that?

4 A. I -- I -- I guess I'm not -- I just  
5 don't necessarily agree with the statement that it's  
6 the cheapest or lowest cost option. I don't know  
7 that --

8 Q. I'm -- I'm going by what you've already  
9 testified to. I think you've already said to us that  
10 at times demand response can be the cheapest resource  
11 available. I think you testified to that.

12 A. I --

13 Q. Are you changing your testimony or did I  
14 mischaracterize it?

15 A. I -- I'm not sure you mischaracterized  
16 it. I guess what I'm saying is, I'm not the resource  
17 planning person. What I have said is that demand  
18 response is one of several strategies to meet load.

19 Q. And in each -- in --

20 A. And it may be, if screened properly  
21 through a rigorous analysis, it could be the least  
22 cost. I don't know if it's the least cost.

23 Q. I understand and I'm not trying to get  
24 you to make some broad statement that every time it's  
25 the least cost, but your testimony is, I believe,

1     that there are times when demand response can be the  
2     least cost in trying to deal with the pricing that  
3     exists during certain peaking periods.

4           A.       Well, I don't have -- hypothetically it  
5     could be, I don't know.

6           Q.       And you're telling me that at least as  
7     far as you know, there has not been any study by  
8     Ameren up to this point in time that gives you,  
9     "you," AmerenUE, the ability to determine that?

10          A.       I don't know because I wasn't involved  
11     in the whole integrated resource planning process,  
12     what demand side programs, if any, were screened. I  
13     just don't know.

14          Q.       I understand. What we have in front of  
15     us is an "I don't know" from you, and from the rest  
16     of what has been in the record on this could be some  
17     indication of a lack of prudence on AmerenUE's part,  
18     could it not, in not investigating a least cost  
19     option?

20          A.       On my part that'd be -- that'd be  
21     speculation. I just -- again, I -- I would have to  
22     review our integrated resource planning filing to  
23     determine what, if anything, the demand response was  
24     looked at. Presumably, if -- if it was part of the  
25     mix, DSM -- you know, there's more than just demand

1 response. DSM is an option as well, along with  
2 physical assets.

3 I just don't know sitting here today.  
4 You know, I'm not the corporate planner or the system  
5 planner. I just don't know.

6 Q. And when you say "DSM," you're talking  
7 about demand side management, correct?

8 A. Yes.

9 Q. And that would be a broader topic  
10 than -- than demand response, correct?

11 A. That would also encompass, I think,  
12 energy efficiency-type programs. It probably  
13 encompasses both of those --

14 Q. Okay.

15 A. -- technologies or approaches.

16 Q. It's -- probably demand response is a  
17 subset of demand side management, wouldn't you think?

18 A. That's what I'm saying, as is energy  
19 efficiency.

20 Q. Now, are any of the tariffs that you're  
21 proposing here dealing with demand side management  
22 aside from demand response, excluding that subset?

23 A. None of the tariffs I'm dealing with,  
24 no.

25 Q. Okay. So if there were a general option

1 between adding capacity, purchasing capacity or  
2 managing or working with load to try to reduce the  
3 need for load in a general way -- first of all, has  
4 Ameren made that analysis?

5 A. I would expect that would be a part of  
6 an integrated resource planning process.

7 Q. My question is whether AmerenUE has done  
8 that up to this point in time?

9 A. I -- I don't know.

10 Q. There have -- the IRP rules of the  
11 Commission were suspended a few years ago for  
12 companies with different dates of suspension. Do  
13 you -- do you agree with that or do you know?

14 A. I've heard that but we did make a  
15 filing, I believe in late 2005.

16 Q. Even though the -- and during that time  
17 frame was it your understanding that the requirements  
18 of the rule were suspended or do you know?

19 A. No, I -- I -- I thought -- my  
20 recollection was that that suspension period had  
21 ended and Ameren indeed filed a IRP plan, I believe  
22 in late 2005.

23 Q. 2005?

24 A. Uh-huh.

25 Q. I -- I can't tell you one way or the

1 other. There was a recent filing within the last  
2 year, though, wasn't there?

3 A. Yes.

4 Q. Okay. Now, let's talk about the tariff  
5 that you -- that you do have proposed. Is AmerenUE  
6 willing to modify this tariff to provide that there  
7 will be a certain number of -- a maximum number of  
8 interruptions during the period of a year, do you  
9 know?

10 A. I think I would be more inclined to  
11 modify the tariff to put a minimum number or a  
12 minimum characterization --

13 Q. Time?

14 A. -- of an outage rather than an absolute  
15 cap on the number of called outages.

16 Q. All right. And do you have any idea  
17 what that minimum time might be that you'd be willing  
18 to do?

19 A. Well, I think I indicated this -- this  
20 morning, two hours. But, you know, I will have to  
21 say this: I have not had an opportunity to talk to  
22 our system operators --

23 Q. Okay. I must have missed --

24 A. -- to find out if that's a reasonable --

25 Q. I might have missed that part. I heard



1 some of that discussion but not that response.

2 A. Okay.

3 Q. Okay. And in regard to the issue of --  
4 of how -- who is -- who gets to take under this  
5 tariff, did you explain why the 65 percent figure was  
6 used on load factor?

7 A. We believe that the -- you know, this --  
8 this sort of tariff approach best suits the  
9 higher-load-factor customers.

10 Q. All right. And did you explain why  
11 already?

12 A. I don't know if we got into that or not.

13 Q. Okay. Tell me why it is more  
14 advantageous to do this with high load factor.

15 A. Because generally, my view is that their  
16 loading levels are more predictable, and so you have  
17 a -- in my way of thinking, a better -- a better  
18 opportunity to -- to plan on that load being there at  
19 some reasonable level to curtail. Low-load-factor  
20 customers, for whatever reason, you know, maybe --  
21 maybe their operations are more sporadic,  
22 consequently giving rise to a low load factor. And  
23 so if they were part of the program, it might be more  
24 difficult to rely on than freeing up capacity that  
25 would be useful.

1           Q.       Well, if -- I'm sorry. If I go to the  
2       extreme and go to someone that has a 99-percent load  
3       factor, for instance, you wouldn't expect them to  
4       participate in this program, would you?

5           A.       Sure. I mean, I don't know their  
6       economics.

7           Q.       Well, from a business standpoint, why  
8       would you think that they would want to participate  
9       in a program when they had a 99-percent load factor?

10          A.       Well, you know, I don't know their  
11       operations, but it seems to me that a customer could  
12       tailor some element of their operations. They don't  
13       have to nominate their entire load, okay? Maybe  
14       they -- they only nominate 15 or 20 percent of their  
15       load, it just depends for this.

16                   And you know, if they have a pulverizing  
17       or grinding activity, it's a higher usage operation,  
18       maybe they could, over time, build up an inventory of  
19       that -- that -- that product, that input to their  
20       production cycle, and then when they curtail the  
21       pulverizing operation, they would be able to draw  
22       down that inventory and still be able to produce  
23       product. I mean, there might be ways that a  
24       industrial customer could still make use of this even  
25       with a high load factor.

1           Q.       But wouldn't you agree that it would be  
2       generally the case that a high-load-factor customer  
3       has less flexibility generally in moving around its  
4       load?

5           A.       Yeah, that -- that may make sense but I  
6       think you'd really have to look at individual  
7       customers.

8           Q.       Okay. Well, let's go the other way  
9       because I don't -- that's what you think. Let's  
10      assume you had a lower than 65-percent-load-factor  
11      customer, but that their load historically coincided  
12      with high peaking periods, and it was a  
13      significant -- it was a significant amount of energy  
14      that they used during that time frame over and over  
15      again. Why would it not be just as advantageous to  
16      AmerenUE to have that customer participate in this  
17      kind of a tariff?

18          A.       Well, as I said earlier, the lower the  
19      load factor, the less certainty we would have going  
20      forward that they would have load to offer. You  
21      know, we -- we just -- you know, operational issues  
22      can occur outside of high cost periods, high usage  
23      periods.

24          Q.       Mr. Mill, just from AmerenUE's  
25      standpoint, if you can -- if you've got historically

1 load that is continually on your peak and you can  
2 take that off your peak, whether it's normal or not  
3 normal for it to be there in the future, just  
4 historically, if you can take it off your peak,  
5 doesn't that help in the same way that taking a high-  
6 load-factor customer off during that peaking period  
7 helps you?

8 A. Well, if this were just tied to peaking  
9 periods, I would agree with you, but the terms of  
10 this tariff go well beyond peaking periods. And if  
11 you have a low-load-factor customer, it's likely  
12 you're overpaying at two dollars a kilowatt month  
13 credit for that particular customer as opposed to a  
14 higher-load-factor customer. You're -- you know,  
15 where you have a little more certainty that --

16 Q. Are you over --

17 A. -- you will be able to call a  
18 curtailment and get a response.

19 Q. Are you overpaying because it takes less  
20 incentive to get them into this program because  
21 they're lower -- a lower-load-factor customer, are  
22 you overpaying them because there's a difference in  
23 the value to AmerenUE?

24 A. Yeah, that -- that's the key.

25 Q. Which?

1           A.       It's -- it's -- you're overpaying based on  
2     the value of that load. We'd be better off spending  
3     our one dollar to two dollars a month to go out and  
4     buy regulatory capacity than to pay a low-load-  
5     factor customer to participate in this program.

6           Q.       Even if that customer had a -- had a  
7     history of peaking right at the same time that your  
8     peaking was for your system?

9           A.       This tariff goes well beyond the peaking  
10    hours of system.

11          Q.       Just answer -- Mr. Mill, please just  
12    answer my question.

13          A.       In my opinion, that's -- that's not as  
14    valuable to the company.

15          Q.       How about to the -- to the system, to  
16    the -- to the grid?

17          A.       It's only valuable at that one instance.  
18    This -- this IDR tariff pilot program goes well  
19    beyond peaking conditions.

20          Q.       Well, now --

21          A.       It's all operational issues.

22          Q.       -- you have in this tariff that AmerenUE  
23    has the sole discretion on when to -- when to apply  
24    these interruptions, correct?

25          A.       Yeah, assuming, you know, the -- the

1 criteria A through E, I believe, is present, yes.

2 Q. So if there are other places where you  
3 would apply this tariff, that's just because you  
4 decided that you wanted to apply it in some other  
5 place besides a high-price peaking period of day?

6 A. Well, system conditions warranted --  
7 would warrant our calling this.

8 Q. What kind of system conditions?

9 A. Well, let me go to the tariff.

10 Q. Just give me an example.

11 A. Load reductions that will positive --  
12 positively impact the transmission system  
13 constraints.

14 Q. Okay. So you've got a constraint in the  
15 system you're trying to relieve, correct?

16 A. That's correct.

17 Q. What difference does it make whether  
18 this is a high-load-factor customer or a  
19 medium-range-load-factor customer in regard to relief  
20 of that constraint? Does it matter which one you  
21 call if they're both peaking at that time?

22 A. Well, I don't know if the transmission  
23 system constraint is because of peaking. It could be  
24 because maybe there's a portion of the system out for  
25 some reason.

1           Q.       Oh, okay.  So there's a line down, we'll  
2 say?

3           A.       Could be.

4           Q.       Then what's gonna be important?  Isn't  
5 the -- what's important in that case, the location of  
6 the customer, not whether they're a high-load or a  
7 medium-load customer?

8           A.       That -- that -- that could -- that could  
9 affect it, yes.

10          Q.       Okay.  But this tariff doesn't provide  
11 any flexibility for that, does it?

12          A.       For -- for the location?

13          Q.       Yes.

14          A.       Well, I think we could use location as  
15 one criteria.

16          Q.       Okay.  If you could use location, you  
17 still don't have the ability to utilize this tariff  
18 to drop down load on a customer that can't qualify  
19 for the tariff, right?

20          A.       Well, the low-load-factor customer may  
21 actually have low loads at the time you need relief.  
22 A higher-load-factor customer that you're paying two  
23 dollars to, you're paying each of them two dollars.  
24 One of them can bring value, that's the higher end  
25 load factor that we put in the tariff; the

1 lower-load-factor customer brings less value during  
2 that instance because he has less to reduce.

3 Q. What if he doesn't have less to reduce,  
4 what if he has more to reduce?

5 A. Well -- well, at that point in time for  
6 that curtailment, then I guess the benefits would be  
7 equal.

8 Q. Well, they wouldn't be equal if he has  
9 more to reduce, would they? Yes, no?

10 A. I don't know.

11 Q. Okay.

12 A. We're dealing in such hypotheticals  
13 here, I don't know.

14 Q. Well, shouldn't we be dealing in  
15 hypotheticals in developing these -- these programs  
16 trying to anticipate what it is that would be of  
17 value and what it is that would be attractive to  
18 induce customer participation?

19 A. Yes.

20 Q. Shouldn't we be dealing with those  
21 hypotheticals?

22 A. That's right, and --

23 Q. All right.

24 A. -- in talking this through and looking  
25 at historical use of interruptible tariffs, the one



1 tariff that was in effect until 1999 or year 2000.

2 You know, generally those customers were at this  
3 65 percent load factor threshold.

4 Q. And so the number may come from some  
5 historical --

6 A. Yeah.

7 Q. -- thing?

8 A. That was the experience we had back  
9 then.

10 Q. Well, I'm not sure how much I should  
11 rely on your experience in this thing, and I say  
12 "you" as in AmerenUE, when you don't seem to have  
13 done -- AmerenUE doesn't seem to have done any study  
14 of the effectiveness of the programs that have been  
15 offered. Why should I rely on experience if there is  
16 no study about whether -- why the programs worked or  
17 didn't work?

18 A. Well, granted, it would be nice to have  
19 those studies available.

20 Q. Okay. Well, let's move on. Help me to  
21 understand -- let me look at this compared to your  
22 factors. What does -- what does E mean on sheet  
23 No. 217 under "Customer load curtailment"? Did you  
24 already answer that? "Other conditions exist which  
25 may be eased by reduction and system load"? Did you

1 answer that already?

2 A. I don't know if I answered that or not.  
3 It could be anything. It could be maybe there's  
4 outages on a portion of the system for some reason,  
5 damage, heavy maintenance going on that requires us  
6 to call some curtailments.

7 Q. But when a -- if I'm a customer, a  
8 potential customer of this tariff, how am I going to  
9 judge when these interruptions may occur with a  
10 provision like E that is as loosely stated as it  
11 appears to be?

12 A. That -- you know, I would envision E as  
13 being less prevalent than the others but this is kind  
14 of a catch-all. If there's a storm damage or a fuel  
15 shortage or something that happens on the system  
16 where we need -- we need relief, we're paying two  
17 dollars per kW month, we want to be able to exercise  
18 this -- this tariff.

19 Q. Really, it's just a provision that  
20 allows you to exercise it whenever you want to, isn't  
21 it?

22 A. No. It's conditions that may be eased  
23 by a reduction system load. That's the criteria.

24 Q. Well, conditions could include any kind  
25 of financial condition, couldn't it?

1           A.       Well, I think somebody asked the  
2 question today, would we simply just use this to  
3 curtail customers and go sell them to the market --

4           Q.       Yes.

5           A.       -- with freed-up power.

6           Q.       Yes.

7           A.       That's not the intent. It's operational.

8           Q.       But it doesn't say that, does it?

9           A.       No, E doesn't say operational.

10          Q.       No. And it -- and it -- and, of course,  
11 as you -- as has already been pointed out, it puts  
12 this decision-making authority clear -- completely in  
13 the company's discretion?

14          A.       Well, that's why we're paying two  
15 dollars a kW month.

16          Q.       Well, the other side of the equation,  
17 though, is whether or not that's enough, isn't it, to  
18 induce customers to participate? Isn't that the  
19 other piece of this equation, whether or not  
20 customers will participate in this broad kind of  
21 authority for interruption from the company for that  
22 amount of consideration?

23          A.       That -- that is a question.

24          Q.       And how much discussion has occurred  
25 between AmerenUE and its load customers out there

1 about signing up under these provisions?

2 A. The only real discussions that took  
3 place over a tariff like this really occurred in a  
4 series of collaborative meetings --

5 Q. Yes.

6 A. -- and there were a number of meetings  
7 that spent a lot of time talking about the credit and  
8 the basis for the credit and whether or not it was  
9 market-based and the issues of  
10 overpaying/underpaying. And we know that, you know,  
11 in those discussions the preference was for a higher  
12 credit, I mean, naturally.

13 However, when we went through and looked  
14 at what it cost UE to buy regulatory capacity in the  
15 past, even to purchase a CT, you know, we have a hard  
16 time getting above two dollars. Two dollars in my  
17 opinion is generous for this -- for this sort of  
18 capacity.

19 Q. Mr. Mill, a while ago when I asked you  
20 how you calculated the value of demand response, I  
21 thought you said you couldn't tell me how that was  
22 done.

23 A. Well, I've -- I even said it in my  
24 testimony. I talked about the fact that we felt that  
25 this is kind of a market-based price.

1           Q.       I understand that's what you feel, but I  
2   asked you how you calculate it and I thought you said  
3   you didn't know.

4           A.       Well, then, I didn't understand your  
5   question.

6           Q.       Okay. So tell me how you calculate it.

7           A.       We simply worked with our planning  
8   people who are very close to these situations. We --  
9   we talked to them about what is the market for  
10  regulatory capacity, what are those prices. They  
11  were talking in terms of 67 cents a kW a month. They  
12  of course, historically, that -- that can also be a  
13  dollar a month, you know, it moves around.

14                   We talked about what the cost of -- at  
15  the market price, peakers were, and they came up with  
16  one value that was based on a \$1.99 a kW month.  
17  And -- and of course, we've seen higher values than  
18  that too for peakers, but based on this range of,  
19  say, 67 cents to, you know, maybe 2.60, that's how we  
20  settled in on the two dollars. We felt that that was  
21  more or less the market value for this sort of  
22  capacity.

23           Q.       But you didn't make that calculation,  
24  right?

25           A.       I personally didn't make the

1 calculation.

2 Q. And if I asked you to make a different  
3 calculation based upon some different variations of  
4 this tariff, could you do that yourself?

5 A. I -- probably not. I would have -- you  
6 know, we'd -- we'd need the people involved that  
7 understand the pricing and costing of capacity, so  
8 I'd have to rely on them for their input.

9 Q. Okay. And when you're giving me  
10 figures, you're giving me average figures based upon  
11 some averages over a certain -- certain periods of  
12 time, over a period of a year, correct?

13 A. Yeah, and most of these numbers were  
14 based really on information of a year ago.

15 Q. Okay. Okay. But in -- but some part,  
16 some component of coming up with these numbers has to  
17 be the value of running those CT's and at particular  
18 times averaged out over some period of time?

19 A. The eight cent part of this, the credit  
20 when they actually are called for a curtailment --

21 Q. Yes.

22 A. -- that is the running cost of the CT.

23 Q. Okay.

24 A. Okay. So -- so, you know, we're giving  
25 them, if you will, a fixed payment up front to stand

1 by, stand ready --

2 Q. Yes.

3 A. -- to curtail, and then when we call a  
4 curtailment, the kilowatt hours that are shaved by  
5 the customer, the customer's counts say that -- eight  
6 cents a kilowatt hour. And that's a -- that ends up  
7 being a sizeable payment. In fact, that's  
8 considerably larger than the average retail rate  
9 they're paying for that service. So that adds  
10 benefit as well.

11 Q. Okay. Now, in that -- in that regard,  
12 when you look at that -- at that eight-cents figure,  
13 how does that compare with the -- well, never mind.  
14 That's all right. I don't want to start down that  
15 road. It will take us another 30 minutes.

16 Why did you limit this to the megawatt  
17 hours that you limited it to?

18 A. Because it's a pilot program company --  
19 the company did not put any dollars in its revenue  
20 requirement; one, limited -- limited scope and scale,  
21 this is being run to collect information to  
22 determine, if it's utilized, if it's successful. And  
23 clearly, we're uncomfortable offering up any  
24 expansion of the program without getting revenue  
25 recognition of it.

1           Q.       So there's a belief from Ameren that  
2   this is gonna cost AmerenUE money, it's gonna net a  
3   cost to UE?

4           A.       Yes.

5           Q.       Why?

6           A.       Because of a two-dollar-per-kW-month  
7   credit.

8           Q.       All right. Now, if you think this is  
9   gonna cost AmerenUE money, you have to assume that  
10  there will be significant participation in the  
11  program up to the limits of it, correct?

12          A.       Possibility, yes. I mean, we don't --  
13  we don't know.

14          Q.       Okay. If that's the case, then what --  
15  what good is this as a pilot demand response program  
16  if you think the incentives are too sweet for this  
17  Commission to view it as a -- as an adequate resource  
18  going forward when we're looking at what should be  
19  done from a prudence basis?

20          A.       We -- we -- you know, the -- the two  
21  dollar price, I believe is a reasonable -- reasonable  
22  value for the program. That's what we set it at.  
23  There's been certain testimony in the case that says  
24  that number should be considerably higher, okay?  
25  That's what I object to, because then, you know, my



1 way of thinking is that that premium really isn't  
2 market-based. That -- that really turns into a  
3 subsidy at that point to participants. Here, we're  
4 willing to pay two dollars because that's -- we  
5 believe that's within the range of the going market  
6 price for such freed-up capacity.

7 Q. So you don't think it's too sweet?

8 A. I'm saying it's a high end of the range,  
9 but it's still within the range of what is market.

10 Q. So why not expand the number of  
11 megawatts that are included in this program?

12 A. Because, you know -- because  
13 shareholders are willing to put in more money on the  
14 table for this. If we can get revenue requirement  
15 recognition of that somehow in recovery, if it  
16 benefits the system, we're willing to consider that.

17 Q. Mr. Mill, what kind of revenue recovery  
18 are you expecting on demand response programs?

19 A. Well, it would be nice if -- if it was  
20 revenue-neutral.

21 Q. Okay. Okay. So you're not expecting  
22 a -- something to be built in in your revenue  
23 requirement --

24 A. We're not asking --

25 Q. -- as long as it's not an expense --

1           A.       We're not asking for anything --

2           Q.       -- as a net?

3           A.       -- right now with this tariff.

4           Q.       I'm talking about long-term.

5           A.       Long-term -- long-term it will be part

6 of the overall cost of service of the company. Just

7 like other resource options, if it's a viable option,

8 if it's a least cost option, it should be treated as

9 such in ratemaking, it obviously benefits the

10 customers. You know, that's long-term. This is a

11 short-term program.

12          Q.       I understand. But what are you

13 asking -- what are you talking about it being built

14 into -- into rates as a part of rates? I'm not

15 following you.

16          A.       Well, there are costs associated, and

17 now I'm talking about a -- you're talking about

18 future programs for demand response.

19          Q.       Yes. Yes.

20          A.       Okay. Just like new capacity, there's a

21 cost that's built into your rate structure. If we

22 substitute demand response programs for capacity

23 programs, it's -- it would follow, then, that they

24 should also receive ratemaking treatment.

25          Q.       What kind of ratemaking treatment are

1     you talking about, Mr. Mill?

2             A.       Well, I -- you know, it could be as  
3     simple as it becomes part of your operating costs.

4             Q.       Okay. So if there's a cost involved to  
5     it from -- from personnel or something, you're  
6     talking about that?

7             A.       Well, you're -- you're -- you'll be  
8     paying a two-dollar cost for the capacity in this  
9     example, and let's say in the future that's the rate,  
10    you know, in a future demand response program. You  
11    know, the -- part of the ratemaking formula should  
12    include recovery of that two-dollar cost. It's  
13    helping meet the resource needs of the retail  
14    customer base. It ought to logically follow that  
15    it's part of your ratemaking treatment.

16            Q.       If your program nets out with your  
17    two-dollar cost as being a net-even breakover because  
18    you're able to save on the additional costs over and  
19    above what you would -- would have had with running  
20    your CT or buying on the market, what cost is there?

21            A.       In the total ratemaking scheme I'm  
22    saying is, if there's a cost of running programs,  
23    that cost ought to be become part of your -- your  
24    rates. Now, netting out, presumably if there's -- if  
25    there's quantifiable benefits, you know, that should

1 be netted out. But you know, at the end of the day,  
2 if this is a resource as opposed to buying a CT --

3 Q. Yes.

4 A. -- it would follow that rather than  
5 paying two dollars a kW for a CT, you're paying two  
6 dollars a kW to acquire load from your customers, I  
7 see no difference. And logically --

8 Q. There's a significant --

9 A. -- it should be recovered from  
10 customers.

11 Q. There's a significant difference if  
12 you're talking about doing something about building  
13 something into rate base other than expenses and  
14 netting that against benefits, and I'm just trying to  
15 make sure I'm following you that you're not talking  
16 about that.

17 A. I'm not sure I followed that  
18 explanation.

19 Q. You're not -- you're not saying that  
20 this company is going to be asking for some sort of  
21 a -- of a capital asset to be built in on demand  
22 response into rate base, are you?

23 A. No.

24 Q. Okay.

25 A. No, I'm not talking about --

1           Q.       I just wanted to make sure I was  
2 following you.

3           A.       No, no. I'm not -- I'm not talking  
4 about -- necessarily, I'm not saying it receives the  
5 exact same treatment as a new CT, but I'm saying it's  
6 a cost, nonetheless, and needs to --

7           Q.       There's a cost for -- there's a cost for  
8 running the CT but there's also a cost for having the  
9 asset and the way that asset is treated in rate base.  
10 You're not talking about that?

11          A.       I'm not talking about rate base  
12 treatment of this two dollars for the demand  
13 response. I'm saying that's more of an operating  
14 expense.

15          Q.       I just -- just wanted to make sure I'm  
16 following you. Okay. Now, in regard to the -- to  
17 the program that is an incentive program, economic  
18 redevelopment rider for -- for areas in the City of  
19 St. Louis, I don't have my glasses with me, can you  
20 just tell me just generally where those areas are in  
21 the city, north, south?

22          A.       No. They're -- they generally follow  
23 the river from, I believe, just south of Highway 40  
24 and downtown. I'm looking for the tariff myself.  
25 Several miles to the north, up to what I've been told

1 and I wasn't around so I -- you know, way back when,  
2 but there was an ammunition plant and a former GM  
3 facility of some sort, and that's kind of the  
4 northern end of this program.

5 Q. Where did this -- where did this come  
6 from, this plan to do this particular geographic  
7 area?

8 A. Interestingly enough, this concept has  
9 been studied for several years. That's the first  
10 time I saw it was several years ago. And you know,  
11 there was some conversations with St. Louis Economic  
12 Development Corporation. Frankly, you know, they  
13 have received state and federal recognition of these  
14 areas as being what they call enterprise and  
15 empowerment zones.

16 Q. Yes.

17 A. Those are special programs for  
18 revitalization and job creation in these blighted  
19 areas that need help, need development. It also  
20 happens to be in areas where we have extensive  
21 electric facilities that when this -- years ago when  
22 this was a more booming area from a economic  
23 standpoint, they were more fully utilized. Some of  
24 these areas had become abandoned largely, and so we  
25 have underutilized electric distribution facilities

1 in these areas. They're still capable of serving  
2 load.

3 And so it was kind of a natural mix to  
4 target these areas where it's our preference to have  
5 customers locate where we already have extensive  
6 distribution capacity as opposed to some green field  
7 site out in the rural areas --

8 Q. Yes.

9 A. -- where we have to extend facilities,  
10 new facilities. So it just made a -- it was a nice  
11 mix of needs here and that's why we decided to create  
12 this tariff.

13 Q. Okay. And this -- this is -- is this  
14 being passed -- passed on at all to the ratepayers,  
15 this -- the cost of this program?

16 A. Not in this case. But assuming, you  
17 know, we were to have customers take this in the  
18 future rate cases, we would seek recognition in rates  
19 of the discounts. The discounts are 15 percent off  
20 the -- the published rates if a customer qualifies  
21 for that.

22 And certainly customers benefit.  
23 They're paying a substantial portion of the fixed  
24 cost even despite getting a discount, and we're  
25 hopeful these customers will be in place for the next

1 20 years. So they'll be contributing to the system  
2 for a good long time, and it seems that that's a good  
3 bargain. In the meantime, the shareholders of Ameren  
4 pay the discounts.

5 Q. Do you have any providers of this sort,  
6 that areas other than these particular areas of the  
7 City of St. Louis you can take advantage of for  
8 economic development? For instance, other than the  
9 one that's cited here in -- when somebody's trying to  
10 leave the system or trying to track somebody in for  
11 areas that are in out-state Missouri in AmerenUE  
12 territory?

13 A. We don't have any like the St. Louis  
14 program where we've identified these locations. From  
15 what I understand from our economic development  
16 people, this area of St. Louis, these may be the only  
17 areas that have received both the federal and the  
18 state enterprise and empowerment zone  
19 classifications, if you will.

20 Q. Okay.

21 A. And so that's why -- and plus, that's  
22 probably the only place where we have extensive  
23 excess -- extra capacity in our distribution network.

24 Q. And these areas, if you started building  
25 up the use of the distribution system in those areas,



1 does it have any additional impact on the  
2 transmission system that's -- that causes congestion  
3 problems, do you know?

4 A. I -- I don't know. I don't know, but I  
5 believe we have a long ways to go because a load in  
6 this area is way below where it was historically.

7 COMMISSIONER GAW: I understand why that  
8 would be. That's all I have. Thank you, Judge.

9 JUDGE WOODRUFF: Any recross based on  
10 questions from the bench? All right. I believe -- I  
11 saw Public Counsel, MIEC, MEG. MIC -- MIEC goes  
12 first.

13 RECROSS-EXAMINATION BY MS. VUYLSTEKE:

14 Q. Good afternoon, Mr. Mill. Is it true  
15 that the collaborative has reached agreement on an  
16 RTP tariff for industrial customers?

17 A. I don't know. You say "reached  
18 agreement." I don't know if that's accurate or not.  
19 I know that Ameren, after a long series of  
20 collaborative meetings, agreed to develop a RTP  
21 tariff.

22 Q. They agreed to develop a tariff or they  
23 developed a tariff that Ameren and customers agreed  
24 upon? My understanding is the collaborative was for  
25 the purpose of developing a tariff pursuant to the

1 agreement in the last rate case, last rate decrease  
2 case.

3 A. I would guess I'd have to say that I  
4 don't know if all parties to the collaborative were  
5 in agreement as you state. I don't know.

6 Q. Did Ameren agree to file an RTP tariff  
7 as a result of the collaborative?

8 A. I believe that's true.

9 Q. Is it also true that Ameren has never  
10 filed the RTP tariff with the -- with the Commission?

11 A. I don't know. I -- that would be better  
12 asked of Mr. Cooper.

13 Q. You don't know whether --

14 A. As sitting here now?

15 Q. -- you filed an RTP tariff?

16 A. I -- you're -- you're suggesting that  
17 maybe we didn't. I don't know. I thought we had,  
18 but --

19 Q. You think you had but you're not sure?

20 A. I'm not sure.

21 Q. Isn't it true that you developed a  
22 tariff as a result of the collaborative and you  
23 decided not to file it because your customer service  
24 people told you there was lack of interest in the  
25 program?

1           A.       I have heard that there was a lack of  
2 interest in the program, yes.

3           Q.       How would you know there was a lack of  
4 interest if the tariff was never filed and made  
5 available to your customers?

6           A.       My understanding was that these key  
7 account people were pulling customers over this  
8 tariff, and that was my understanding, that --  
9 that -- that they weren't sure that customers --  
10 originally we were told that one customer might have  
11 an interest and then apparently learned later that  
12 that customer probably didn't have an interest.

13          Q.       Is it possible that that customer  
14 actually told you that it had an interest but you  
15 decided not to file the tariff because you decided  
16 that unless at least two customers were going to  
17 commit to take advantage of it that you weren't going  
18 to file it, is that possible?

19          A.       It -- I just don't know.

20          Q.       Okay. Are you aware that your  
21 industrial customers have complained about the lack  
22 of rate design options offered by AmerenUE?

23          A.       I'm only aware that a number of  
24 customers would have loved to see the old  
25 interruptible tariff be reintroduced, I am aware of

1     that.

2             Q.       Are you aware that they've complained in  
3     general of a lack of rate design options?

4             A.       No.

5                     MS. VUYLSTEKE:  At this point, your  
6     Honor, Mr. Mill has stated that he is not able to  
7     answer certain questions or does not recall certain  
8     information that the Commissioners -- Commissioner  
9     Gaw had asked about with respect to the RTP tariff,  
10    the collaborative.

11                    And I do want to let the bench know that  
12    Mr. Brubaker is available and was very integrally  
13    involved in all of these collaboratives and does  
14    remember some of the facts that the Commissioners  
15    were asking about.  And so I'd like to let you know  
16    that he is available and if you would like for him to  
17    testify, or the Commission would, we would welcome  
18    that opportunity.

19                    JUDGE WOODRUFF:  All right.  MEG?

20    RE-CROSS-EXAMINATION BY MS. LANGENECKERT:

21             Q.       It's been a long day, hasn't it?

22             A.       Yes.

23             Q.       Are you, as an AmerenUE representative,  
24    making a commitment to put IDR or interruptible in  
25    the IRP, not time of year, not RTP, interruptible or

1 IDR?

2 A. You're saying in our -- in our next  
3 planned submission?

4 Q. The one you spoke with Commissioner Gaw  
5 about that you're going to file in February of 2008.

6 A. That's -- that's my understanding, that  
7 we will undertake a rigorous analysis of demand  
8 response programs and we'll have that included within  
9 our plan.

10 Q. Interruptible --

11 A. The results.

12 Q. -- or IDR?

13 A. I will say demand response. I don't  
14 know -- interruptible is a term that has kind of gone  
15 by the wayside. I'm only aware of the term demand  
16 response.

17 Q. How about IDR that you used in your  
18 tariff filed in this case?

19 A. Industrial demand response?

20 Q. Right.

21 A. Yes.

22 Q. You are making a commitment that IDR  
23 will be part of the IRP?

24 A. When we say part of the IRP, it will  
25 be -- a rigorous analysis will be made of IDR

1 programs. I cannot commit that that will end up  
2 being a least cost program in the plant. In other  
3 words, I can't prejudge the results of their  
4 analysis. But I can tell you that there will be  
5 extensive review of IDR as part of developing the  
6 plan, and that will be part of -- I believe  
7 everything analyzed should be filed as part of the  
8 plan.

9 Q. Okay. Now, you're aware of Ameren's  
10 agreement in the complaint case to do interruptible  
11 rate as part of a demand response and to have the  
12 collaboratives, correct?

13 A. From 2002?

14 Q. Right.

15 A. Okay.

16 Q. And you yourself noted that there were  
17 many meetings, tens of hours spent attending these  
18 collaborative meetings to discuss the desire for an  
19 interruptible program?

20 A. Yes.

21 Q. And was not the interruptible program  
22 and the residential time-of-use collaborative put  
23 together to completely polar opposite groups of  
24 people to discuss the collaborative?

25 A. I don't know -- are you saying that they

1     were combined for all the meetings?

2             Q.       Yes, yes.  So if one wanted to attend a  
3     meeting relating to industrial demand response, they  
4     also had to attend the meeting that related to  
5     residential time of use and spend more time, more  
6     clients' money to attend these meetings?

7             A.       I attended several of those.  I honestly  
8     don't recall the mix of parties in those, but I'll --  
9     I'll accept that.

10            Q.       Okay.  Now, out of those collaboratives  
11    you stated -- or RTP, I'm sorry, that it appeared no  
12    one wanted and you only anticipated one or maybe two  
13    customers who might be interested in the first  
14    place --

15            A.       Yes.

16            Q.       -- is that correct?

17            A.       Yes.

18            Q.       Okay.  When no one signed up, there was  
19    no analysis as to why they didn't sign up --

20            A.       Correct.

21            Q.       -- or why there were no participants?  
22    So now you propose a pilot for two years, it's really  
23    only one year, and there's nothing in the tariff  
24    relating to any analysis if, again, no one  
25    participates?

1           A.       There is a commitment to conduct an  
2     analysis in -- written in the tariff. The question  
3     becomes is an analysis appropriate if there's no  
4     participants.

5           Q.       Right. So that commitment is not in the  
6     tariff?

7           A.       It's not written in there.

8           Q.       Okay. So can you see why your large  
9     customers are a little leery that anything of value  
10    will come out of the next IRP program considering so  
11    far the collaboratives, nothing has really come of  
12    value from all the time that's been spent since the  
13    cessation of the original interruptible rate in 2000,  
14    seven years ago? Now we're talking February 2008.

15                   MR. FISCHER: Your Honor, I'm going to  
16    object. I'm not sure what questions these are  
17    responsive to from the bench.

18                   MS. LANGENECKERT: Mr. -- I'm sorry.

19                   JUDGE WOODRUFF: Go ahead with a  
20    response.

21                   MS. LANGENECKERT: Mr. Mill had made  
22    several responses to Commissioner Gaw about having  
23    this in the IRP, and he -- how this was only a pilot  
24    because it was going to be taken care of in the IRP,  
25    so my questions relate to that.



1 JUDGE WOODRUFF: I'll overrule the  
2 objection.

3 BY MS. LANGENECKERT:

4 Q. Okay. Can you see why the large  
5 customers might be a little leery that this will give  
6 them any value either? Or maybe more of my question  
7 should be can you see why we'd rather have a  
8 Commission order that says this is the tariff, this  
9 is what you need to give your customers for it to be  
10 reasonable?

11 A. Well, that's exactly what I proposed is  
12 a tariff to put in place.

13 Q. Okay. Now, when you spoke with  
14 Commissioner Gaw, you said that you thought two  
15 dollars per kilowatt was generous, kilowatt for the  
16 credit?

17 A. Yes.

18 Q. And earlier we talked about the KCP&L  
19 tariff that gives \$16 for five months if you're on a  
20 one-year contract. Would you consider KCP&L to be a  
21 company that is not good at making economic  
22 decisions?

23 MR. FISCHER: I'm gonna object to that,  
24 your Honor.

25 MS. LANGENECKERT: I imagined you would.

1                   MR. FISCHER: I think that calls for  
2 speculation. I don't think this -- this witness is  
3 familiar with that particular tariff or that charge  
4 or anything about that.

5                   JUDGE WOODRUFF: I'll sustain the  
6 objection.

7 BY MS. LANGENECKERT:

8           Q.       If two dollars is generous for Ameren,  
9 do you feel that you would be financially damaged or  
10 that you would not be able to recoup any amount that  
11 you put out if you gave a larger amount to customers?  
12 Do you feel that that would be unreasonable?

13          A.       Yes.

14          Q.       Okay. So despite the fact that you are  
15 in the same market as other utilities who are able to  
16 give larger credits, and presumably assume they're  
17 reasonable since they accepted them and agreed to  
18 them, you still feel that Ameren does not have the  
19 financial ability to do that?

20          A.       That's correct.

21          Q.       Okay. Now, as far as the generous  
22 program that Ameren has, you're currently giving a  
23 30-minute notification as a minimum, right, of  
24 interruption?

25          A.       Generally there's actually a provision

1 in there, it could actually be shorter if it's called  
2 by MISO.

3 Q. Okay. So it could be under 30 minutes?

4 A. Absolutely.

5 Q. Okay. And are you aware that the KCP&L  
6 tariff gets four-hour minimum notification?

7 A. No.

8 Q. Okay. You had said that you were not  
9 willing to limit the amount of curtailments, just the  
10 length of time?

11 A. Correct.

12 Q. Okay. And KCP&L has a 25-limit  
13 curtailment per year, are you aware of that in their  
14 tariff?

15 A. No.

16 Q. Okay. You're getting eight cents a  
17 kilowatt hour for a curtailable load when it actually  
18 curtails?

19 A. Yes.

20 Q. Are you aware they're giving 36 cents?

21 MR. FISCHER: Your Honor, I think this  
22 assumes facts not in evidence and obviously, this --  
23 this witness is not familiar with that particular  
24 tariff and can't testify to that.

25 MS. LANGENECKERT: I don't have

1 sufficient copies now, but I'd be happy to submit the  
2 KCP&L tariff into evidence.

3 JUDGE WOODRUFF: Mr. Fisher, any  
4 response to that?

5 MR. FISCHER: Your Honor, I think she  
6 had an opportunity to do that in her direct, rebuttal  
7 and surrebuttal and chose not to do that, and it's  
8 not an appropriate way to cross a witness that's not  
9 familiar with that tariff.

10 JUDGE WOODRUFF: I'll sustain the  
11 objection.

12 MS. LANGENECKERT: Okay.

13 BY MS. LANGENECKERT:

14 Q. You talked about revenue-neutral, you'd  
15 like the IR -- the IDR to be revenue-neutral. Does  
16 that mean that if you actually save more money than  
17 you thought you would with the two-hour-per-kilowatt  
18 credit you would get it back to those customers, or  
19 what would happen to that excess?

20 A. Well, I -- you know, I -- I think --  
21 let's assume this program's operational in a test  
22 year. I think if -- whatever operational costs  
23 resulted would be netted if everything occurred in  
24 the same test year for ratemaking. If there's cost  
25 savings on the generation side because this program

1 exists, then those cost savings on the generation  
2 side would be reflected in the ratemaking process,  
3 and the additional expenses of paying customers to  
4 participate in the demand response program would also  
5 be a cost. So I think there would be a netting if  
6 everything occurred in a test year.

7 Q. Okay. So you're saying that if it ends  
8 up that you save more on not using your gas CT's by  
9 using interruptible power, that you would pay those  
10 customers back that amount or would it just go into  
11 the general rate base?

12 A. It would -- my view is that it would be  
13 just part of the overall ratemaking formula for all  
14 customers.

15 MS. LANGENECKERT: Okay. Thank you.

16 JUDGE WOODRUFF: Okay. I believe Public  
17 Counsel also wants to cross.

18 RE-CROSS-EXAMINATION BY MR. MILLS:

19 Q. Good afternoon, Mr. Mill.

20 A. Good afternoon.

21 Q. I believe in response to a question from  
22 Commissioner Gaw you said you'd seen analyses that  
23 put the value of CT at \$1.99 per kilowatt month,  
24 correct?

25 A. Yes.

1           Q.       Are those analyses in evidence in this  
2 case?

3           A.       I don't know.

4           Q.       Did you put them into evidence in this  
5 case?

6           A.       No, I didn't.

7           Q.       Okay. Have you seen Ms. LaConte's  
8 surrebuttal testimony in this case and what she  
9 calculates the value of a CT?

10          A.       I don't recall.

11                   MR. MILLS: Your Honor, may I approach?

12                   JUDGE WOODRUFF: You may.

13 BY MR. MILLS:

14          Q.       I've handed you Ms. LaConte's  
15 surrebuttal testimony. Have you read that?

16          A.       I'd be happy to read it right now.

17          Q.       Well, I'm happy that you'd be happy to,  
18 but my question was, is have you read that?

19          A.       No, I haven't read it.

20          Q.       Okay. You haven't read the surrebuttal  
21 testimony on the issues that you testified on?

22          A.       I'd have to refresh my memory with it.  
23 I don't know. I don't recall.

24          Q.       Okay. Well, please take a moment to  
25 look and I'm specifically interested in the schedule

1 in which she had -- she calculates according to  
2 certain parameters the value of a CT.

3 A. Okay.

4 Q. Have you seen that analysis before?

5 A. I think I have.

6 Q. Okay. And most of that analysis is  
7 highly confidential so I'm not really gonna get into  
8 any details other than the numbers that she  
9 calculated and I'll talk about the rest of it in  
10 general. How -- well, is it your -- is it your  
11 testimony that you believe that the studies that  
12 you'd seen that calculate the value at \$1.99 are  
13 accurate?

14 A. They're not far off from -- from these  
15 numbers.

16 Q. Isn't the numbers that she calculated  
17 3.10 to 3.55?

18 A. Yeah, but that includes the operating  
19 expenses. That's -- that's not -- that -- I don't  
20 believe that's -- that lines up with the two dollars.  
21 I believe --

22 Q. So the \$1.99 you were talking about  
23 doesn't include running costs?

24 A. No.

25 MR. MILLS: Oh, okay. That's all I

1 have. Thank you.

2 JUDGE WOODRUFF: Thank you. Staff wish  
3 to recross?

4 MR. WILLIAMS: (Shook head.)

5 JUDGE WOODRUFF: Redirect?

6 REDIRECT EXAMINATION BY MR. FISCHER:

7 Q. Mr. Mill, the good news is I think this  
8 may be the end of three weeks if we can get through  
9 this shortly, so I'd like to be brief. You were  
10 asked some questions regarding the economic  
11 development retention rider from Commissioner Gaw,  
12 and he was asking particularly about the St. Louis --  
13 what I'd call the blighted areas. Do you recall  
14 those questions?

15 A. Yes.

16 Q. Have you had support from municipalities  
17 in those areas for this particular approach to  
18 economic development?

19 A. Yes, we -- we did meet with the  
20 St. Louis Economic Development Corporation folks and  
21 a couple -- on a couple of occasions and briefed them  
22 on, you know, what we were working towards, and they  
23 were very excited about this.

24 Q. Why were they excited about that?

25 A. Well, they're doing everything they can



1 to try to revitalize these areas. They spend a lot  
2 of time and effort trying to apply for various  
3 federal designations and grants as well as state  
4 designations, and, you know, they view Ameren's  
5 program here as just another tool that might help  
6 locate some -- some redevelopment opportunities into  
7 those designated areas.

8 Q. Okay. You were asked quite a number of  
9 questions throughout the day regarding the real time  
10 pricing program that was in effect that -- in  
11 Missouri where you had no customers take advantage of  
12 it. Do you recall that?

13 A. Yes.

14 Q. And I believe you also referenced a real  
15 time pricing program in Illinois and at one point you  
16 started to contrast and compare Missouri versus  
17 Illinois, why it worked one place and not the other.  
18 Do you recall that?

19 A. Yes.

20 Q. Would you elaborate upon that answer?  
21 Why -- why do you believe real time pricing did not  
22 have a lot of customers express interest in Missouri  
23 when perhaps that wasn't the case other places?

24 A. Well, up until January 2nd in Illinois,  
25 we had no success with real time pricing over there,

1 no interest. But on January 2nd, as you may have  
2 read, rates in Illinois were moved to market-based  
3 prices, and as such, real time pricing became a  
4 viable option.

5               Once a customer's receiving (sic) a  
6 market-based price signal, then they became very  
7 interested in looking at real-time pricing as an  
8 opportunity to help shape their electric bill. And  
9 so I think that's why it's become more popular over  
10 there.

11              In Missouri we have very low rates.  
12 Customers are very comfortable with being on a fixed  
13 price rate that they know is stable. And -- and when  
14 they move to a portion of their load being served  
15 under real time pricing or all their load, suddenly  
16 they're introducing a lot of volatility and  
17 potentially higher costs at times, and as such, they  
18 tend to shy away from that option.

19              (TECHNICAL INTERFERENCE.)

20              MR. FISCHER: Your Honor, I think mine  
21 is off but I think I need to take the battery out to  
22 slow it down.

23              JUDGE WOODRUFF: It may be somebody else  
24 too. And it's also possible somebody out in the  
25 hallway outside could even be affecting it.

1 BY MR. FISCHER:

2 Q. Okay. Would you explain why Ameren has  
3 chosen to limit the -- the number of megawatts on the  
4 IDR program?

5 A. First of all, two reasons: We believe  
6 that 100,000 kilowatts or 100 megawatts a load cap  
7 for the curtailment program is very sufficient  
8 considering the fact that we had a much more  
9 aggressive and financially viable from a customer's  
10 perspective interruptible rate in effect. Back in  
11 the year 2000 at the time we terminated that tariff,  
12 we only had about 48 megawatts of load.

13 And here we've -- and that was for a  
14 five-dollar credit, and with interruptions that were  
15 much more limited. Here, we're proposing a program  
16 that's twice that size, and so we believe that  
17 clearly there's enough capacity in our pilot program  
18 to handle any interest in this particular tariff.

19 Q. And do you intend to evaluate that  
20 program assuming it is adopted by the Commission to  
21 determine whether it should be expanded in the  
22 future?

23 A. Yes.

24 Q. There was also a question from the  
25 bench, I believe, about the 65 percent -- or 65

1     percent load factor, why that was included in the  
2     tariff. Do you recall that?

3             A.       Yes.

4             Q.       In this proceeding I believe counsel has  
5     indicated that some cement companies have expressed  
6     interest in that particular program. Do you know  
7     what approximately would be a load factor for the  
8     cement industry?

9             A.       My estimation is that it's probably  
10    greater than 65 percent.

11            Q.       So they would be eligible under that  
12    tariff provision?

13            A.       Yes, they would probably be good  
14    candidates for that sort of tariff.

15            Q.       There's also been a lot of discussion  
16    about the IRP process and how the collaboratives  
17    would fit into the future for Ameren. Can you just  
18    elaborate on what you believe would be a part of the  
19    IRP process, specifically as it relates to demand  
20    side management issues?

21            A.       Well -- and I think witness, Mr. Rick  
22    Voytas for the company may have explained some of  
23    this as well. I was not present for his testimony,  
24    so -- but my belief is that we are committed to  
25    evaluating a broad range of both supply side and

1 demand side programs in preparation for the next IRP  
2 filing that will take place in February of 2008. And  
3 my understanding is that there is already work  
4 underway to try to examine various forms of demand  
5 response programs in anticipation for that analysis.

6 Q. Do you believe that the IDR rider that  
7 you proposed in this case is a good first step that  
8 should be approved?

9 A. Yes.

10 Q. And do you believe that we should go  
11 forward with a new economic development -- a renewal  
12 of the existing economic development rider as well as  
13 the retention rider?

14 A. Yes.

15 MR. FISCHER: That's all I have, your  
16 Honor. Thank you.

17 JUDGE WOODRUFF: Thank you. I believe  
18 that's all the witnesses that were on the list.  
19 Chairman -- or Commissioner Gaw indicated that he  
20 wanted to have Warren Wood come up to testify and  
21 he's not here at the moment and he's on a phone call  
22 upstairs. So we're due for a break anyway. We'll  
23 take a break and we'll come back at about 2:55.

24 (A RECESS WAS TAKEN.)

25 JUDGE WOODRUFF: All right. Let's come

1 to order, please.

2 MR. WILLIAMS: Judge, did you want to  
3 take up the issue regarding the nonunanimous  
4 stipulation agreement on depreciation?

5 JUDGE WOODRUFF: Let's go ahead and take  
6 that up later.

7 MR. WILLIAMS: Okay.

8 JUDGE WOODRUFF: While we've got the  
9 witness on the stand and the Commissioner here to ask  
10 questions, we'll go ahead and deal with that.

11 Mr. Wood, I believe you testified  
12 earlier also in this case so you are still under  
13 oath. Procedurally, what we're gonna be --  
14 essentially begin with this witness with questions  
15 from the bench, and I'll give a chance to all the  
16 parties to recross and redirect if they wish to do  
17 so. Go ahead.

18 COMMISSIONER GAW: Thank you, Judge.

19 QUESTIONS BY COMMISSIONER GAW:

20 Q. Good afternoon, Mr. Wood.

21 A. Good afternoon.

22 Q. I want to ask you some questions  
23 regarding the -- the outage -- outages and the --  
24 that we had considerable testimony about in the  
25 public hearing process, and also in regard to the

1 reports that you have done or been involved in over  
2 the last several years regarding different storms.  
3 So that's -- that's the parameter of what I -- what I  
4 want to explore with you, okay?

5 A. I'm assuming including all the  
6 EO-2007-0037 case testimony, the public hearings and  
7 the report?

8 Q. Yes. And again, I'm just trying to give  
9 you a basic general understanding of what I want  
10 to -- want to look at.

11 A. Uh-huh.

12 Q. My first question is in regard to the  
13 issue of tree trimming as a general matter, okay?  
14 Did the -- did the Staff of the Commission make  
15 recommendations or findings in the various storm  
16 reports since in the last four or five years  
17 regarding the tree trimming that AmerenUE had -- had  
18 done?

19 A. Yes.

20 Q. All right. Give me a general idea about  
21 which reports contained information about tree  
22 trimming practices, if you would.

23 A. As I recall, the first time there was --  
24 it was one of the stronger key recommendations was in  
25 the 2002 -- or the report that followed the ice storm

1 in 2002 which actually impacted Aquila and Kansas  
2 City Power & Light most obviously. And then there  
3 were quite a few customers out as long as nine, ten  
4 days as I recall.

5 But there was some damage to Ameren up  
6 in the north central Missouri area, and there were  
7 some observations at that time that from what we  
8 could see it certainly looked like, you know, we may  
9 need to look at doing something more extensive with  
10 tree removals if we want to have a good recovery  
11 following ice storms.

12 Q. Okay. Were there any specific  
13 recommendations in that report regarding Ameren's  
14 tree trimming or findings in regard -- regard to  
15 Ameren and its tree trimming practices?

16 A. I don't believe there was a specific key  
17 finding. Most of the -- most of the investigation  
18 focused on Kansas City Power & Light and Aquila,  
19 although there was a recommendation that utilities  
20 needed to be looking at their vegetation management  
21 programs and make sure they've got programs in place,  
22 they're adequately funding them and, you know, they  
23 have some objectives in place in terms of what  
24 they're trying to achieve with those programs.

25 Q. Okay. Now, was there a -- was there a



1 subsequent report, then, that was involving Ameren  
2 that had any -- any connection with tree trimming  
3 vegetation management?

4 A. Yes. The next one would follow the  
5 storm in the summer of '04.

6 Q. All right. And generally speaking,  
7 what -- what was found in that report regarding  
8 vegetation management?

9 A. That's where we noticed that there had  
10 been a -- you know, there hadn't been an -- an  
11 increase or a significant increase in funding. In  
12 fact, there had been a slight dropoff in terms of  
13 expenditures. And there was a strong recommendation  
14 in there that they, you know, increase that  
15 vegetation management effort, get back on cycle.

16 They were behind on their four- and  
17 six-year cycle at that time, and we made some  
18 recommendations that they get back on cycle. There  
19 were recommendations in terms of -- and meetings in  
20 terms of increases and expenditures and getting back  
21 on cycle within a certain time frame.

22 Q. Okay. Now, you said that they were  
23 off-cycle. What do you mean they were off-cycle,  
24 tell me -- tell me what you're referring to?

25 A. Okay. In urban areas there was a

1 four-year target; in rural areas there was a six-year  
2 target. And in both areas they were behind -- they  
3 were not trimming as often as that cycle would  
4 indicate. So there were some areas that hadn't been  
5 trimmed in four-plus years in urban areas and  
6 six-plus years in rural areas.

7 Q. Okay. Now, did -- did you say that  
8 there was some noticeable difference in the amount of  
9 money that was expended toward vegetation management?

10 A. In the '04 report we noticed that there  
11 had been some changes in funding over time. It  
12 hadn't been -- and -- and I don't have the charts in  
13 front of me here from the '04 report, it's available  
14 on our internet site. And it showed the funding for  
15 a number of years back and showed that there had  
16 been, I don't want to say a valley, but there had  
17 been a dip in those numbers.

18 Q. Is that -- are those numbers something  
19 that are contained in that report?

20 A. Yes, they are. There's a chart in  
21 there.

22 Q. Okay. How -- how defined are they? If  
23 we look at that, the Commission takes notice of  
24 that -- of that report, will it -- will it give us a  
25 dollar-per-year figure?

1           A.       Yes.

2           Q.       Okay.  Would -- go ahead.

3           A.       And also would talk about how behind --  
4   how far behind cycle they were at the four- and  
5   six-year versus what they were from the averages we  
6   were seeing.  And there's also a chart in there that  
7   illustrates the -- I believe the number of outages  
8   per circuit and the number of years since that  
9   circuit had been trimmed.

10          Q.       Okay.  All right.  Now, what -- were  
11   there specific recommendations, then, and you may  
12   have already said this, but were there specific  
13   recommendations in that report about what Ameren was  
14   to do going forward from there, if you recall?

15          A.       Getting back on to a four- and six-year  
16   cycle, really much of the work in terms of detailed,  
17   you know, agreements in terms of dollar amounts, time  
18   frames, objectives of a program, on-site inspections,  
19   things like that, were developed in the EW-2005-0483  
20   case that came out of that report.

21          Q.       Okay.  What were the recommendations in  
22   that report, if you remember?  Or if you have the  
23   report and can tell me directly or point out where it  
24   is, that's fine too.

25          A.       Let me find it here because it would be

1 on our EFIS system. Clarification: It was case  
2 EW-2004-0583. I gave the wrong year.

3 Q. Okay.

4 A. And that there were a number of  
5 different provisions in there in terms of an increase  
6 in expenditures per year; reporting on circuit  
7 status; report on field inspections in terms of, you  
8 know, spot inspections to see what they were  
9 trimming; looking over their auditing records, you  
10 know, walking the field with their AmerenUE  
11 personnel; supervising contract personnel.

12 And they -- you know, we wanted to take  
13 a look at some of those records and see what do they  
14 look like, let me see one that's just finished that  
15 you haven't audited; what you have audited; what  
16 hasn't been trimmed yet; things like that, to get a  
17 feel if they're getting back on to cycle according to  
18 their commitment.

19 Q. Okay. What -- what was that -- now,  
20 that was what you -- what you planned to do going  
21 forward from that point; is that correct?

22 A. Yes.

23 Q. Okay. Then what happened after that or  
24 to vegetation management and another Staff report?  
25 Was there a subsequent report?

1           A.       In 2005 there was another outage, and in  
2   looking at that report -- I'm trying to -- I don't  
3   recall the details if there were significant -- I  
4   don't believe there was any significant change in  
5   course in terms of vegetation tree trimming  
6   expenditures like that. It was largely these are the  
7   kind of things we're seeing. There were a lot of  
8   other recommendations we made more related to a --  
9   you know, response units, you know, people calling,  
10  having problems getting into the utility, you know,  
11  you name it.

12                   It would be the different things that  
13  people brought up they were unhappy about they  
14  brought to our attention. But I don't believe there  
15  was an acceleration in the funding or a change in the  
16  vegetation management program as a result of the  
17  observations from that outage.

18          Q.       Okay. What's the next occasion when  
19  there was -- when Staff had an opportunity to look at  
20  vegetation management for Ameren?

21          A.       The next opportunity we had was 2006.

22          Q.       Yes?

23          A.       The million-customer-out event in July,  
24  646,000 customers in Missouri. And actually, earlier  
25  in that year in April, you know, coming up about, you

1 know, a year ago next Monday was the first big outage  
2 with about 215,000 customers out from a storm. That  
3 was the same storm actually that went through this  
4 area and caused several outages. Knocked me out for  
5 about two days.

6 But then in July, 19th and 21st,  
7 and everybody who's in here recalls those storms that  
8 knocked a lot of customers out for quite a while.  
9 Following that, we looked at the kind of damage that  
10 was seen and we've obviously got quite a record of  
11 statistics to look back at in terms of how much  
12 damage we're seeing from wind storms, you know, 60,  
13 70, 80 miles per hour winds and we're seeing how much  
14 damage it's doing to the system.

15 And we put -- we put a lot more  
16 resources into this one. Spent -- spent more time in  
17 the field. You know, the Commission held a lot of  
18 very helpful public hearings in the areas that were  
19 severely impacted. And from those we've -- we've  
20 looked at changes to vegetation management much like  
21 Florida did after their four hurricanes in one summer  
22 of 2004. We started -- we've looked at hardening the  
23 system. We need to look at some different approaches  
24 in terms of hardening, and we made some  
25 recommendations along those lines.

1                   And we also looked at, you know, where  
2   we could find data, looked at the duration and  
3   frequency data for all of our utilities. You know,  
4   after the hearing we held in the EO-2000-0037 docket,  
5   myself and some other staff went out and looked at  
6   some of the other electricity utility infrastructure  
7   in terms of trees and proximity to lines, and we  
8   found there were some trees getting awful close and  
9   into lines of some of other electric utilities. And  
10   that only strengthens our concern that if these  
11   storms hit someplace else, you know, like they did  
12   down in Empire service territory, we're gonna have a  
13   lot of problems.

14                   And I think that just only reinforces  
15   the idea of putting those three rules in place that  
16   you've worked on. And there's -- there's a lot of --  
17   I think a lot of good we can accomplish by putting  
18   some standards in place, get some rules in place for  
19   reporting for all of our utilities.

20           Q.       Okay. And in regard to the last review  
21   of tree trimming with AmerenUE, was Ameren still  
22   behind on the cycle that you mentioned earlier?

23           A.       Yes.

24           Q.       Okay. Now, did you -- did you update  
25   the numbers in regard to expenditures in the last

1 report as you had previously done in an earlier  
2 report where you said there was a graph on  
3 expenditures and how that related to -- to past  
4 expenditures; do you know?

5 A. If you can give me a minute, I'm trying  
6 to recall if we had put that in the report or not.

7 Q. Sure.

8 A. We included in that report the numbers  
9 updated through 2005.

10 Q. Okay.

11 A. And I should mention, since this report  
12 was issued, we have gone back and looked at Missouri  
13 IOU distribution tree trimming dollars per pole  
14 mile --

15 Q. Yes.

16 A. -- and dollars per customer for all of  
17 our investor-owned utilities in the state.

18 Q. Okay.

19 A. And so -- and we have that 1997 through  
20 2006.

21 Q. For AmerenUE as well as some others?

22 A. For AmerenUE as well as all the other  
23 electric IOU's in the state.

24 Q. Is that something that you have with  
25 you?



1           A.       I do.

2           COMMISSIONER GAW: Judge, is there a way  
3 that he might be -- he might be able to identify that  
4 and --

5           THE WITNESS: And I could print out a  
6 clean copy, you know, very quickly and have that  
7 available.

8           JUDGE WOODRUFF: Well, that would be --  
9 that is good timing because it is, in fact, time to  
10 take a short break -- break for the Commission's  
11 agenda session. And if you want that marked as an  
12 exhibit after we come back, we could do that.

13          COMMISSIONER GAW: That would be great.

14          JUDGE WOODRUFF: If you could make  
15 copies for everyone -- everyone in the room.

16          THE WITNESS: Then I'm going to --

17          CHAIRMAN DAVIS: Commissioner Gaw, when  
18 we come back, can I just ask Mr. Wood one or two  
19 questions?

20          COMMISSIONER GAW: Oh, absolutely. I'll  
21 be glad to yield.

22          CHAIRMAN DAVIS: No, it's ...

23          JUDGE WOODRUFF: All right. We'll take  
24 a break. We'll come back in 15 minutes at 3:25.

25                 (A RECESS WAS TAKEN.)

1 JUDGE WOODRUFF: All right. Let's come  
2 to order, please. Mr. Wood has just passed out the  
3 document that Commissioner Gaw had referenced  
4 before -- before the break. We'll go ahead and mark  
5 it as 975.

6 (EXHIBIT NO. 975 WAS MARKED FOR  
7 IDENTIFICATION BY THE COURT REPORTER.)

8 CHAIRMAN DAVIS: Commissioner Gaw, when  
9 we go back on the record, do you mind if I ask  
10 Mr. Wood a couple of questions? And I commit to be  
11 done --

12 COMMISSIONER GAW: Oh, Mr. Chairman, you  
13 just ask away as long as you want.

14 JUDGE WOODRUFF: We're on the record.

15 CHAIRMAN DAVIS: Oh, we're on the  
16 record.

17 QUESTIONS BY CHAIRMAN DAVIS:

18 Q. Mr. Wood, are you fired up and ready to  
19 go here?

20 A. It's been a long week.

21 Q. All right. Two questions. Part 1:  
22 Now, is there -- is there a settlement as to the  
23 amount of money that AmerenUE should budget for  
24 vegetation management; is that right?

25 A. Yes.

1           Q.       And what is -- what is that settled-upon  
2   amount?

3           A.       \$45 million a year.

4           Q.       45 -- \$45 million a year?

5           A.       With a one-way tracker if there's  
6   under -- if they miss that -- miss that minimum, they  
7   have to add that to the following year with interest.

8           Q.       A one-way tracker --

9           A.       In other words, if you underspend,  
10   you're not -- you're -- you have to make that up but  
11   you can't overspend one year to make up for  
12   underspending the following year.

13          Q.       Okay. So the 45 million is the minimum?

14          A.       Yes.

15                   CHAIRMAN DAVIS: Okay. No further  
16   questions.

17                   JUDGE WOODRUFF: All right.

18   QUESTIONS BY COMMISSIONER GAW:

19          Q.       All right, Mr. Wood. I think this is  
20   marked as Exhibit 975.

21                   JUDGE WOODRUFF: That's correct.

22   BY COMMISSIONER GAW:

23          Q.       Can you identify that, please?

24          A.       Yes, three charts. The first one just  
25   gives millions of dollars per year for tree trimming,

1 1997 through 2006. It's obviously a bit misleading  
2 to simply look at it because there's a lot of  
3 differences in terms of pole miles and number of  
4 customers reached in these utilities.

5               So then you can divide those numbers out  
6 by the number of pole miles of distribution system,  
7 and then you get a different breakdown that ranks out  
8 things somewhat more equitably. And then you look at  
9 the tree trimming per customer, and that gives  
10 another way of looking at the numbers.

11           Q.       Okay. Now, what -- what, if any,  
12 amounts here are affiliated with storm damage?

13           A.       It is my expectation -- I do not know  
14 the answer to that, but given some of the trends in  
15 the numbers, I anticipate that there are some tree  
16 trimming dollars associated with storm recovery.

17               And one of the ways I know that comes  
18 into the calculation is that following a major storm,  
19 there will be a lot of calls for, you know, hot spot  
20 trimming, customers -- there's a limb that didn't  
21 quite break off or it was just barely touching a line  
22 and a lot more customers call in. And really,  
23 although it's really kind of storm-related, it shows  
24 up in the tree trimming response dollars.

25           Q.       Well, what about cleanup by tree

1     trimming crews; is that included or not?

2             A.       Tree trimming, you mean following --

3             Q.       After a storm.

4             A.       Oh, where they're -- well, where they're  
5     actually doing all the work as the storm response in  
6     that ten to 12 days following the storm?

7             Q.       Yes.

8             A.       It is my understanding that is not in  
9     these dollars.

10            Q.       Okay. How about farther out than ten to  
11   12 days?

12            A.       Yeah, and that's where you get some of  
13   that overlap --

14            Q.       Okay.

15            A.       -- where there's -- where there's some  
16   effort going on that, you know, would potentially go  
17   into the tree trimming budget, but it's not really in  
18   response to the storm.

19            Q.       All right. Now, in looking at -- if I  
20   look at the first page where it's IOU Tree Trimming,  
21   '97 through 2006, explain to me, the -- Ameren  
22   obviously is spending considerably more overall for  
23   tree trimming, is there -- does that mean they're --  
24   they're doing a better job of tree trimming than the  
25   other utilities?

1           A.       No.

2           Q.       What does it mean?

3           A.       It means they're spending more money.

4           Q.       And what would account for that?

5           A.       Well, I suppose a lot of things. The

6 cost of labor, equipment, what they're paying people,

7 any number of things that go into the total cost of

8 tree trimming.

9           Q.       Density of trees?

10          A.       Yeah, uh-huh.

11          Q.       Okay. Now, the second -- second sheet

12 on tree trimming per pole mile.

13          A.       Uh-huh.

14          Q.       All right. Now, in looking at that,

15 again, that -- that shifts things around with the

16 KCP&L and Ameren looking in a -- relatively in a

17 different position than they were on the first page.

18          A.       Absolutely.

19          Q.       And can you tell me why that would be?

20 And I'm just using that as an example.

21          A.       Well, if you look at the pole miles

22 relative to the dollars for those different

23 utilities, if you look at '05, for instance, it looks

24 like KCP&L is the top spender per pole mile. And the

25 same is true in '04 and '03 and '02 and looking --

1 looking through here it appears than '06, KCP&L was  
2 the top spender per pole mile.

3 Q. Okay. Can tree trimming have an impact  
4 on reliability?

5 A. Yes.

6 Q. Are you familiar with the relative --  
7 well, let me ask you this: Are there reliability  
8 reports to the Commission from the utilities?

9 A. Not as a result of formal rulemaking or  
10 anything like that. There -- there have been  
11 informal inquiries.

12 Q. And have you seen any recently?

13 A. Yes.

14 Q. All right. And can you tell me if there  
15 is -- if there is a particular utility that -- well,  
16 first of all, what -- what reliability measures have  
17 you seen recently?

18 A. The two that were recently developed are  
19 the SAIDI which is the system average interruption  
20 duration index. It's a measure of how long the  
21 average customer was out in a given time frame. In  
22 this case we were looking at a year.

23 Q. Okay. Exclusive of major outages?

24 A. Yes, we've looked at actually normalized  
25 which is where you've taken out the major storm

1 events and also not normalized which are all  
2 events --

3 Q. Okay.

4 A. -- okay?

5 Q. And the other measure?

6 A. SAIFI which is the system average  
7 interruption frequency index. And we've looked at  
8 those normalized and not normalized for all of  
9 Missouri as investor and utilities.

10 Q. Okay. Can you tell me -- and if it's HC  
11 you'll have to tell me that, too, but is there -- is  
12 there a relative level of performance in those two  
13 measures from -- regarding AmerenUE to, let's just  
14 take KCP&L for example?

15 A. Yes. Kansas City Power & Light, for the  
16 years of '03, '04, '05 and '06 was consistently  
17 the -- and a low number here is better than a high  
18 number, had the lowest numbers.

19 Q. Okay. And relative to KCP&L, then,  
20 AmerenUE, how did they do?

21 A. Well, Ameren's numbers were higher in  
22 each of those years. I should note that there's --  
23 there is one we don't have a standardized reporting  
24 requirement that -- that makes sure that the  
25 statistics, but that the utilities reporting are



1 reporting exactly the same thing. There is --

2 Q. Another reason for a rulemaking in that  
3 regard?

4 A. Yeah, a very good reason for it.

5 Q. Okay.

6 A. And there may be -- you know, if you  
7 push on these numbers you might find there's some  
8 soft assumptions in them.

9 Q. All right.

10 A. And so I'll just -- I would need to  
11 leave that out there as a possibility.

12 Q. All right. You're looking at something  
13 at the current -- present time when you're answering  
14 these questions in the last few seconds or so. What  
15 is it?

16 A. Pardon me?

17 Q. What is it you're looking at?

18 A. Oh, I'm looking at data we provided to  
19 Senator Koster in response to a Sunshine request.

20 COMMISSIONER GAW: All right. Judge,  
21 could we have that marked as an exhibit?

22 JUDGE WOODRUFF: Sure.

23 THE WITNESS: Want these?

24 JUDGE WOODRUFF: We'll go ahead and mark  
25 it as 976. At some time we'll, of course, have to

1 provide copies to the parties.

2 THE WITNESS: Yep, and I can --

3 JUDGE WOODRUFF: If you'll just hand a  
4 copy to the court reporter, she can make --

5 THE WITNESS: Absolutely. And actually,  
6 there's two documents; there's the normalized and the  
7 not normalized. If you want to give them two exhibit  
8 numbers.

9 JUDGE WOODRUFF: All right. 976 and  
10 977.

11 THE WITNESS: And is 976 the normalized  
12 and 977 is the not normalized?

13 JUDGE WOODRUFF: Correct.

14 THE WITNESS: Okay.

15 (EXHIBIT NOS. 976 AND 977 WERE MARKED  
16 FOR IDENTIFICATION BY THE COURT REPORTER.)

17 THE WITNESS: Now I don't have the  
18 numbers to look at.

19 JUDGE WOODRUFF: Well, she'll give it  
20 back.

21 THE WITNESS: Okay, very good.

22 JUDGE WOODRUFF: And we'll stop talking  
23 so she can do that. Any parties want a chance to see  
24 these documents at this point?

25 MR. BYRNE: (Raised hand.)

1 JUDGE WOODRUFF: Yes, you can approach,  
2 Tom. Here you go.

3 MR. BYRNE: Thank you.

4 BY COMMISSIONER GAW:

5 Q. Mr. Wood, in regard to the reliability  
6 measures there, would you -- would you say that if  
7 there had been a significant amount or -- well, let  
8 me just say this: Incrementally, if Ameren would  
9 have had more tree trimming than the level that they  
10 have been performing in the last several years, what  
11 impact would that have had on reliability?

12 A. You mean normalized reliability,  
13 day-to-day reliability?

14 Q. Yes.

15 A. Okay. Outside of major storm --

16 Q. Take -- take away the storm outages for  
17 the moment.

18 A. Generally reliability would have been  
19 better.

20 Q. All right. Now, that's not the only  
21 thing that impacts reliability, I would assume,  
22 correct?

23 A. That is absolutely true. There is  
24 devices, reclosers, tap fusing, the age of  
25 infrastructure. A lot of other things going to that.

1           Q.       Okay. Is there -- when you said there  
2 was a number earlier in regard to the amount of  
3 dollars that Ameren had been expending on tree  
4 trimming --

5           A.       Uh-huh.

6           Q.       -- can you give me an idea about how  
7 that number related, if you can at all, with what  
8 AmerenUE would have been expending if they had kept  
9 their tree trimming schedules up to the four- and  
10 six-year cycle?

11          A.       Let me see if I understand the question.

12          Q.       Sure.

13          A.       Is the question how much had they been  
14 spending when they were behind cycle versus how much  
15 they would have spent if they were on a four- and  
16 six-year cycle?

17          Q.       Yes.

18          A.       If I can have a moment?

19          Q.       Sure, sure.

20          A.       It would have been more. My expectation  
21 it would be somewhere between where their spending  
22 was in 2004 and 30 million. Where exactly it would  
23 fall in that, I don't know.

24          Q.       Okay. Let me ask a different question:  
25 Moving forward from -- from where we are today, going

1 forward into the future, how long is it expected that  
2 it will take AmerenUE to catch up on its -- on the  
3 amount of tree trimming that it is behind?

4 A. Under the program that was discussed in  
5 the 2000 -- or in the discussions in EW-2004-0583  
6 following the report in 2004, all of that will be --  
7 all the circuits that are committed to under that  
8 agreement will be trimmed by the end of '08.

9 Q. Okay. So -- so by the end of '08  
10 they're expected to be caught up?

11 A. Yes.

12 Q. And do you know how much additional  
13 money will be expended over and above what would be  
14 expended if they had been caught up in order to catch  
15 up?

16 A. Well, the increase in expenditures  
17 overall from when the agreement was put in place in  
18 the 0583 case up to the four and six-year commitment,  
19 that took the dollar amount up to \$30 million.

20 Q. Okay.

21 A. And your question was what was it before  
22 that and I'm trying to recall what that amount was  
23 and I -- I know it was something on the order of  
24 20-plus percent increase.

25 Q. Okay. Do you know what's built into

1 this -- to this case for tree trimming?

2 A. \$45 million.

3 Q. All right. And that's considerably  
4 above that \$30 million figure.

5 A. Yes, it is.

6 Q. Which is the figure that you said was  
7 the total expenditure including catch-up, if I  
8 understood you?

9 A. Yes.

10 Q. What's the -- what over and above that  
11 catch-up figure is the 15 million?

12 A. It's largely from the limitation of four  
13 recommendations from the EO-2007-0037 docket. It was  
14 one of Staff's four key recommendations, the other  
15 three being those rules.

16 Q. Okay.

17 A. The first one being the four  
18 recommendations. The one recommendation has four  
19 parts related to storm hardening of the system.  
20 Largely -- you know, it's largely focusing at getting  
21 problem trees or threatening trees further away from  
22 the lines. Some of those on-easement, some of those  
23 off-easement.

24 Q. Okay. Did you have occasion, and I  
25 think you may have already said this, but did you

1 have occasion in the last six months to look at the  
2 Ameren distribution system and the vegetation  
3 encroachment on that system?

4 A. On several occasions, and in looking --

5 Q. All right. And what did you discover?

6 A. There are areas where there was quite a  
7 bit of vegetation close to the lines, and there were  
8 areas -- there was some infrastructure we observed  
9 that, you know, looks like it has been there well  
10 into its expected lifetime -- life frame. And that's  
11 one of the reasons we went out and looked at the  
12 average age of infrastructure for all of our  
13 utilities as -- based on what we saw.

14 Q. I want to ask you some questions about  
15 that in a minute but if I can stay on vegetation  
16 management --

17 A. Okay.

18 Q. -- for the sake of organizing my  
19 thoughts.

20 A. Okay.

21 Q. If you -- did you -- did you find any  
22 areas where the vegetation encroachment was a -- was  
23 a significant issue or potential issue for day-to-day  
24 reliability?

25 A. Yes.

1           Q.       Okay. And can you describe that for me  
2 according to what you saw?

3           A.       There were areas where there's  
4 overhanging limbs. They may not be touching the  
5 lines but they're overhanging. That obviously  
6 represents a real threat during an ice storm. But  
7 there were also areas where, you know, you would see  
8 a line going from pole to pole, and you would see  
9 limbs coming up from any number of different species  
10 of trees. And they would all end in a perfect little  
11 arc to where the line would swing in the wind. And  
12 so you could tell it had been burning those tips off.  
13 You know, it was -- it was into where it would touch  
14 the line as it grew. And we noticed that --

15          Q.       What's --

16          A.       Go ahead.

17          Q.       Well, I was just gonna ask you what  
18 that -- what that means in regard to the vegetation  
19 management, what that tells you?

20          A.       Well, it tells me the customers on that  
21 system may be experiencing some blinks. It may not  
22 be enough to burn through a tap fuse or a snap  
23 recloser, but then again, it might be. But it may be  
24 affecting day-to-day reliability, and following major  
25 windstorms, things like that, those kind of limbs can



1     pose more of a threat.

2           Q.       Okay.  Is there any guarantee in this  
3     case from any orders of the Commission or anything  
4     that the Staff has -- has received that the amount of  
5     tree trimming that's built into this -- this rate  
6     case recommendation will actually be spent on tree  
7     trimming and vegetation management?

8           A.       That is -- Staff was concerned about  
9     that as well to make sure this is spent as it needs  
10    to be, and also not just throwing money at the  
11    problem.

12          Q.       Yes.

13          A.       We want to have some auditing  
14    capabilities, field inspection capability, to see  
15    what's going on.  I have been there to see some of  
16    the subtransmission feeder trimming that is  
17    recommended.  And we're recommending a tracker on the  
18    dollars and a continuance of the tracking on the  
19    circuit trim cycles that exist under the current  
20    EW-2004-0583 docket.

21          Q.       Is there any recommendation from Staff  
22    for an order that the amount of \$45 million be a --  
23    a -- a minimum level of expenditure going forward on  
24    this rate case?

25          A.       Yes.  It was in my recommendation in my

1 direct.

2 Q. Okay.

3 COMMISSIONER GAW: I'll ask counsel for  
4 Staff if that direct has been admitted into evidence  
5 that he just referred to?

6 MR. DOTTHEIM: I don't believe it has  
7 because I don't think that Mr. Wood has it.

8 THE WITNESS: I believe all four of them  
9 were entered when I completed my testimony on  
10 Callaway.

11 JUDGE WOODRUFF: Okay.

12 BY COMMISSIONER GAW:

13 Q. Okay. I wanted to check, I wasn't  
14 clear. All right. Now, Mr. Wood, in regard to -- in  
15 regard to the infrastructure issue that you were --  
16 that you were discussing briefly a few minutes ago --

17 A. Uh-huh.

18 Q. -- you did -- you did look at the  
19 infrastructure while you were in the field in the  
20 last few months, I think you said that, correct?

21 A. Yeah. Obviously, it's not a  
22 statistically relevant fraction of their total  
23 system, but we did make some observation in the  
24 field.

25 Q. And what did you find in the areas that

1     you did examine?

2             A.       We observed some poles that appeared to  
3     be near age end of life, and we didn't excavate  
4     around them to see if they were rotting into the base  
5     or not. And we did observe some No. 6 copper which  
6     is one of the older distribution circuits in the  
7     area. Didn't observe stuff that was broken  
8     necessarily but certainly stuff that was approaching  
9     its life, at least based a visual inspection.

10            Q.       All right. Did you -- did you make any  
11    observations of infrastructure that -- and you may  
12    have already said this, but that was -- that was  
13    beyond the point where it should have been replaced  
14    or repaired or something else?

15            A.       As I indicated, we didn't dig them out  
16    to see if they -- they were absolutely -- there was  
17    no question that they needed to be replaced. They  
18    appeared, based on visual inspection, to certainly be  
19    in excess of 50-plus years of age, and probably ready  
20    to be replaced or scheduled for replacement.

21            Q.       Did you have the opportunity the  
22    other -- the other day when Mr. Rainwater was here to  
23    listen to his testimony?

24            A.       Portions of it. I was drawn away now  
25    and then for a few minutes but I did attend most of

1 it.

2 Q. Do you recall Mr. Rainwater discussing  
3 the policy of Ameren in regard to replacement of  
4 infrastructure? And just to see if it refreshes your  
5 memory, do you recall him making any statements about  
6 not replacing infrastructure until it is broken?

7 A. I would have remembered that, but I  
8 don't remember that comment.

9 Q. Well, let me ask this question, then:  
10 Do you know what -- strike that. What is the  
11 appropriate policy that is prudent for a utility to  
12 enact and to follow through with on infrastructure  
13 replacement?

14 A. An example of what I consider to be a  
15 good practice would be the rural -- the rural  
16 electric cooperatives are the -- our U.S. has a  
17 recommendation. It's in -- it's in our EO-2007-0037  
18 report, and it gives an inspection and testing  
19 program for utility poles. And the -- it recognizes  
20 that going out and replacing a pole when it's broke  
21 is not a strategy to implement.

22 The point of it is to inspect  
23 infrastructure at a reasonable time frame before it  
24 fails and identify infrastructure that needs to be  
25 replaced before it -- before it actually fails, and

1 if it -- and identify infrastructure that can be  
2 cost-effectively repaired or, you know, it can be  
3 reinjected with fumigant and you can wrap it with  
4 pesticide -- you know, different things to  
5 lengthen -- to increase the life of the pole, and do  
6 that on a time frame that, you know, in the end,  
7 quite honestly, it appears that programs like that  
8 are cost-effective.

9           You know, there's a lot of poles that,  
10 you know, everything from six inches below ground to  
11 the top may last 60, 70, 80 years. But it's the part  
12 in the ground if you remediate it. If you don't do  
13 anything, you'll fail the pole 40, 50 years. If you  
14 come by and hit it once with the plastic wrap and the  
15 fumigant and stuff like that, you may get another 20  
16 years out of that pole.

17       Q.     Mr. Wood, are there useful lives that  
18 are built into the depreciation rates for poles and  
19 wires and other things of that sort, do you know?

20       A.     I'm not a depreciation expert but I am  
21 aware of different average life spans of different  
22 infrastructure.

23       Q.     Are you familiar at all in a general way  
24 with those useful lives?

25       A.     Yes.

1 Q. Can you give me some examples?

2 A. I certainly can. Lifetimes of -- or  
3 average age of replacement of different  
4 infrastructure is one of the numbers that we track,  
5 the transmission poles, distribution poles,  
6 conductors and devices and transformers.

7 Q. All right.

8 A. Uh-huh.

9 Q. What do you -- what do you show?

10 A. And this is where the other items were  
11 specifically approved by Sunshine requests or the  
12 utilities indicated there was no indication release.

13 Q. Yes.

14 A. This information from all the different  
15 utilities, it hasn't been released by the Commission  
16 for public release --

17 Q. All right.

18 A. -- and so I can't give the specific  
19 utilities, but I can give maybe ranking and number  
20 and average ages, things like that.

21 Q. Okay. Okay. I -- can you give me some  
22 general idea about where AmerenUE is?

23 A. Yes, I can. In terms of -- and this is  
24 with the adjustments for average age of replacement  
25 in this rate case. In looking at transmission

1 poles -- and if somebody believes this needs to be  
2 highly confidential, please don't hesitate to object  
3 if ranking is considered giving something as HC.

4 MR. BYRNE: No.

5 THE WITNESS: Thank you. For  
6 transmission poles I have six investor-owned  
7 utilities. Well, actually Citizens is on here but --  
8 so they're not -- I'll take them out of the numbers.

9 BY COMMISSIONER GAW:

10 Q. Okay.

11 A. And then Aquila, MPS and Light and Power  
12 are given separately. So I have five -- five in the  
13 number here. For transmission poles, Ameren is  
14 fourth out of five in terms of the average age of  
15 their transmission poles at replacement.

16 Q. Does that mean they're older or younger?

17 A. The oldest -- oldest to youngest,  
18 they're the second from the bottom. So their poles  
19 would be younger than three of the others on here.

20 Q. All right. Now, is that based on actual  
21 figures or numbers -- or the depreciation schedules?

22 A. Actual numbers.

23 Q. All right. Keep going.

24 A. And distribution poles, they are fourth  
25 out of five, but I should note that the top four are

1 all pretty closely grouped.

2 Q. Okay.

3 A. Okay? But they are the fourth out of  
4 those five.

5 Q. All right.

6 A. Would you like to go through the same  
7 numbers for conductors and devices?

8 Q. Sure.

9 A. Okay. I'll take Citizens again out of  
10 the number. For transmission conductors and devices,  
11 they are fourth out of five, and for distribution  
12 conductors and devices, fourth out of five.

13 Q. Okay. Now, what does that tell you in  
14 regard to their infrastructure replacement, if  
15 anything?

16 A. It tells me we have some other utilities  
17 that have on average older infrastructure than  
18 AmerenUE.

19 Q. Right. So --

20 A. Which was somewhat surprising --

21 Q. Right.

22 A. -- with what we had seen in the field.  
23 We wondered if maybe we weren't gonna find that these  
24 numbers were higher or -- we were looking for  
25 anomalies, trying to identify things that drew our



1 attention in.

2 Q. Do you have that broken down to -- to  
3 regions within the UE territory or is it system-wide?

4 A. That is a system-wide number.

5 Q. Okay.

6 A. And then we -- the way that we burrowed  
7 into those numbers better is to go look at the SAIDI  
8 and SAIFI numbers by district.

9 Q. All right. Now, based on the fact that  
10 you had described some of this infrastructure that  
11 you witnessed as having some -- some issues,  
12 significant issues on age and condition, how does  
13 that set with the figures that your -- that you say  
14 that are there on the rankings?

15 A. Well, it tells me that while the average  
16 may say one thing, there may be particular regions or  
17 areas or circuits that may be performing not as well  
18 as the average. And I think some of the testimony in  
19 the public hearings, the people that had come to us  
20 may -- may provide additional belief in that -- that  
21 idea.

22 Q. All right. Have you done -- have you  
23 done much work and research into modernizing  
24 distribution systems including lines, poles, but also  
25 technology that can help in reducing the significance

1 of outages during major events or even on a -- on a  
2 regular reliability basis?

3 A. Much of the research has been -- and,  
4 you know, I wouldn't -- I wouldn't say I'm a designer  
5 of transmission distribution systems, but I have  
6 researched related to the outages in '04, '05 and  
7 especially in '06, different types of equipment that  
8 can be placed on the system that improves overall  
9 reliability.

10 And one of our utilities close to this  
11 area, Columbia Water & Light, has a -- has very high  
12 reliability numbers, good numbers. And you know, I'm  
13 familiar with the Columbia Water & Light staff and  
14 I've visited with them and go through that area and  
15 look at the types of equipment that they have on  
16 their system, and researched reclosers, tap fusing,  
17 some of the different circuiting schemes to improve  
18 day-to-day reliability.

19 Those systems, actually in a major storm  
20 under some configurations, can hurt you more than  
21 help you in terms of major restoration. You know, I  
22 won't go into all the ideas of tap fusing and do you  
23 burn the fuse through before the recloser. There's  
24 different sequences in that design.

25 Q. Uh-huh.

1           A.       But storm hardening, much of my  
2   discussion has been with Florida PSC Staff and what  
3   sort of hardening approaches they've looked at. And  
4   a lot of what we've focused on is getting the trees  
5   farther away from the lines, recognizing that, you  
6   know, if you have enough winds, that you start  
7   creating missiles out of broken limbs from anywhere,  
8   then, you know, it's gonna be hard to do much. But  
9   there's a lot of things you -- you can do some stuff  
10  close within easement and threatening trees just  
11  outside of easement that may make a difference.

12          Q.       Okay. But in regard to the -- to -- to  
13  the technologies that have -- that have changed  
14  over the -- over the years, are there advantages to  
15  modernizing those technologies from a reliability  
16  standpoint or from other -- other benefits that might  
17  be worthwhile for those things to be updated?

18          A.       Yes.

19          Q.       Can you give me some general ideas?

20          A.       If -- if you're on a -- and you're just  
21  referring to the technologies, not the tree trimming  
22  or not vegetation?

23          Q.       I'm not talking about vegetation  
24  management at the moment.

25          A.       Okay. More tap fuses on the -- you

1 know, you've got a feeder distribution, a backbone  
2 feeder serves a lot of customers, and they're  
3 single-line taps coming off of that every so often to  
4 serve neighborhoods. One of things you can do is put  
5 in more tap fuses. You know, for each one of those  
6 one-wire circuit that comes off that feeder, you  
7 know, the idea there is if you don't have any tap  
8 fuses on that system, a squirrel on -- you know, this  
9 neighborhood can get on a transformer and he can trip  
10 the recloser all the way back to the substation and  
11 knock everybody out.

12           If you have a tap fuser on that circuit,  
13 just a single tap fuser, one of those little fuses  
14 that block -- drops out when it burns through, you  
15 may -- you know, people may say it -- see a blink or  
16 not depending on the tap fuser recloser setting, but  
17 only the people on that tap, then, will lose power.  
18 And everybody else may see a blink, they may not,  
19 depending on the recloser setting, and then they'll  
20 stay in service. You know, that's one example.

21           Q.       Okay. And do you know the -- how much  
22 of an effort appears to have been made by AmerenUE in  
23 doing those kinds of things to its system, those  
24 kinds of improvements?

25           A.       I'm aware of the programs that are in

1 place. Their relative magnitude and success relative  
2 to, say, other programs like that in the state, I do  
3 not know today.

4 Q. Okay. Is there anything in the  
5 recommendations in this rate case in regard to  
6 infrastructure modernization or the -- the inspection  
7 or replacement of infrastructure?

8 A. We've talked about the vegetation  
9 management, though.

10 Q. Besides -- besides vegetation --

11 A. Besides that, right.

12 Q. -- management, yes.

13 A. The adoption of -- my recommendation is  
14 to adopt the three rules, and that's statewide. It  
15 would make a difference for all the investor-owned  
16 utilities in the state over time. It wouldn't do it  
17 overnight. It's something that you put in the  
18 reporting and the standards and then you see the  
19 improvements over time.

20 Q. Okay. But in regard to this rate case  
21 and recommendations from the Staff, are there any  
22 recommendations that Staff has made in regard to  
23 improving the infrastructure, the delivery systems of  
24 AmerenUE?

25 A. We do make recommendations for the

1 infrastructure in my rebuttal on page 4 which is --  
2 where I reference back to the rule. But that's -- as  
3 I understand, that's not what you're asking about.  
4 Then we reference that AmerenUE should implement a  
5 program of regular infrastructure inspection with  
6 inspection no less frequently than industry standards  
7 or -- and in no case less often than 12 years.

8 Q. And would that be an infrastructure  
9 inspection that would contemplate replacement of  
10 infrastructure or not?

11 A. It would contemplate replacement of  
12 infrastructure was found to be faulty or in need of  
13 maintenance.

14 Q. Is that actually stated somewhere in  
15 this recommendation?

16 A. Well, the -- those rules are part of my  
17 direct.

18 Q. Okay.

19 A. And so if there was an interest in  
20 taking those reporting provisions and putting them  
21 into -- into the record in the Report and Order or  
22 whatever, they are included in the -- in my direct.

23 Q. And that kind replacement system would  
24 be different than a replacement system that was based  
25 upon a policy of replacing infrastructure after it

1 was broken?

2 A. If the policy in place was to replace  
3 stuff once it was broken, this would be a change from  
4 that, yes.

5 COMMISSIONER GAW: Okay. Judge, I want  
6 to pass for now. Thanks.

7 JUDGE WOODRUFF: Commissioner Clayton?

8 QUESTIONS BY COMMISSIONER CLAYTON:

9 Q. Mr. Wood, I just have a handful of  
10 questions and they're not too far afield from what --  
11 the conversation you've already had with Commissioner  
12 Gaw. First of all, you did a swell job at the  
13 renewable energy conference yesterday, knocked them  
14 dead with your presentation.

15 I want to ask you if you attended all of  
16 the local public hearings in this case, or in the  
17 alternative, have you read the transcripts associated  
18 with the local public hearings

19 A. I attended all of the storm hearings.

20 Q. Okay. Let's start with the storm  
21 hearings. Did you attend the storm hearings?

22 A. Yes, I did.

23 Q. Okay. So you -- you were there  
24 firsthand for that testimony?

25 A. I was indeed.

1           Q.       How many of the rate case local public  
2   hearings did you attend?

3           A.       It was somewhere between ten and 12.

4           Q.       Ten and 12 out of 16, so you -- over --  
5   over half?

6           A.       Oh, yeah, yeah.

7           Q.       Okay. Were you surprised by any of the  
8   testimony that you heard at the local public  
9   hearings? Did you hear things that you did not  
10  anticipate hearing?

11          A.       Yes.

12          Q.       What -- what surprised you?

13          A.       The -- I anticipated there would be a  
14  lot of people testifying about the length of outage  
15  from storms. I didn't anticipate the customers that  
16  came forward and talked about their outage histories  
17  outside of major storms. That was -- and I followed  
18  up with a number of those customers who came in and  
19  said, you know, "I've had eight, ten, 12 outages a  
20  year for several years," and I followed up with  
21  several of them to track their outage histories.

22          Q.       How many -- how many years have you been  
23  with the Commission? Give me an estimate. You know,  
24  I don't need that number.

25          A.       Exact number.



1           Q.       I don't need your first day at the  
2 office.

3           A.       About nine.

4           Q.       Nine years, okay. And you've  
5 participated in other electric rate cases since  
6 you've been here; is that correct?

7           A.       Yes, I have.

8           Q.       Okay. Do you -- by what you're saying  
9 in terms of being surprised, is it -- is it common or  
10 uncommon to hear about problems with day-to-day  
11 reliability at a local public hearing?

12          A.       The frequency of that issue being  
13 identified and the number of times it was identified  
14 was a first for me.

15          Q.       Was it -- were the complaints restricted  
16 to one or two of the local public hearings or -- or  
17 an area?

18          A.       No.

19          Q.       Were the complaints in every -- was that  
20 complaint, did it appear at every local public  
21 hearing or most of them? How frequently did it come  
22 up on day-to-day reliability?

23          A.       I don't recall a public hearing that at  
24 least a few witnesses did not identify that as an  
25 issue. In other words, it came up at every public

1     hearing I was at.

2             Q.       And that surprised you that it came up  
3     that often?

4             A.       Yes.

5             Q.       Okay. Does it suggest that there's a  
6     problem with -- with the reliability of a system if  
7     you hear such complaints in the manner that you heard  
8     them?

9             A.       It certainly gives you a reason to  
10    research that issue, so it -- yes, it does cause you  
11    reason for concern that there may be a reliability  
12    issue.

13            Q.       Okay. And you said that you did some  
14    follow-up work with -- with some of the residents  
15    that had the complaints?

16            A.       Yes.

17            Q.       Can you tell me how you decided how you  
18    chose the people that you did follow-up work with?  
19    Did you follow up with everyone that you spoke to?

20            A.       I followed up with everyone that I spoke  
21    to that had -- that brought up this issue, you know,  
22    that sounded like, you know, the outlying cases of a  
23    lot of outages. And if you can give me a moment,  
24    I'll give you the exact number of customers I  
25    followed up with.

1           Q.       Well, the question was did you follow up  
2   with everyone that you spoke to?

3           A.       Who identified day-to-day reliability,  
4   yes.

5           Q.       Yes, you did, okay. And did you go to  
6   the company and ask for their records of service?

7           A.       Yes, I did.

8           Q.       Okay. What would that record actually  
9   be? What information did you request from the  
10   company?

11          A.       It would be an outage history. It was  
12   when they were out, how long they were out, if there  
13   was a documented reason they were out, please give  
14   that.

15          Q.       And those records are kept for  
16   individual customers?

17          A.       Yes, they are.

18          Q.       Okay. What did your research find in  
19   getting those outage histories? Did you -- did you  
20   find that the -- that the customer was mistaken, that  
21   they were right on, what did you find in comparing  
22   the complaint with what the records were showing?

23          A.       Actually, in our -- in my direct, in the  
24   report that I attached to my direct starting on  
25   page 63 under "Consumer complaints," I go through

1    what my review found.  And that was that on  
2    average -- and this is only for out outages longer  
3    than three minutes.  Those that are less than three  
4    minutes don't appear in this -- this outage tracking  
5    system.

6           Q.     Are those considered momentary?

7           A.     Yes, they are.

8           Q.     Momentary lapses?

9           A.     Yeah, so this only -- so I need to make  
10    sure I clarify that because some of these customers  
11    that had ten, 12 outages, you know, half a dozen of  
12    them were a squirrel or a limb touching a branch and  
13    was momentary.  But it's still a hassle, you know, it  
14    trips the computers and all that.

15                   But these are -- these are outages  
16    longer than three minutes.  And those customers that  
17    I looked at were experiencing outages an average of  
18    3.18 outages per year.  And they were out -- and  
19    those -- that same group of customers averaged 46 and  
20    a half hours without service per year --

21           Q.     Okay.

22           A.     -- okay?

23           Q.     In that research and -- does that --  
24    what does that indicate to you after doing that, that  
25    research in comparing the complaints?  What did you

1 reach -- what was your conclusion?

2           A.       For this group of customers that I  
3 contacted, there was -- you know, they were  
4 experiencing quite a few outages. And when I looked  
5 at the hours out and break out those hours between  
6 what was associated with major storms, what was  
7 associated -- and then once you put major storms out  
8 of the way, you're left with tree damage, device  
9 outages, vehicle accidents and other unknown. I  
10 found that 92 percent of the outage hours for those  
11 customers were tied to major storms.

12                    So of that 46.5 hours average, 92  
13 percent of that was major storm, everything else was  
14 broken out between tree damage, device outage and  
15 vehicle accidents. And then other unknown was very  
16 small.

17           Q.       Okay. Does the -- does the Staff  
18 receive the data that it needs to establish or  
19 determine reliability, does it receive that data  
20 today that it needs?

21           A.       Not in a formal proceeding. It comes to  
22 us through informal inquiries.

23           Q.       So you would make a request and then  
24 they would respond to your request?

25           A.       Yes.

1           Q.       And you believe that that reporting,  
2 regular reporting would be more appropriate?

3           A.       Yes.

4           Q.       Okay.

5           A.       In establishing standards for how those  
6 numbers are calculated, what's included, what's  
7 excluded, so that we're not playing the apples and  
8 oranges game with the data.

9                   COMMISSIONER CLAYTON: Okay. I don't  
10 think I have any other questions. Thank you.

11                  JUDGE WOODRUFF: Commissioner Gaw, do  
12 you have anything else?

13                  COMMISSIONER GAW: Judge, there were a  
14 couple of exhibits marked and I don't know -- and  
15 there were references to those storm outage reports  
16 that -- that I would assume we could take official  
17 notice of those.

18                  JUDGE WOODRUFF: I believe those were  
19 actually part of your testimony, were they not?

20                  THE WITNESS: My -- the '06 storm report  
21 is attached and it's in my direct.

22                  JUDGE WOODRUFF: Okay.

23                  THE WITNESS: But we have not taken  
24 official notice of the storm report in 2002, '04 or  
25 '05, and those are all available on our -- on our

1 internet site.

2 JUDGE WOODRUFF: Are those the reports  
3 you talked about?

4 COMMISSIONER GAW: Yes.

5 JUDGE WOODRUFF: Okay. Yes, we will  
6 take notice of those off of our web site.

7 THE WITNESS: And do you think --

8 JUDGE WOODRUFF: The exhibits that were  
9 marked were 975, 976 and 977. I'll accept them as  
10 offered at this point. Are there any objections to  
11 their receipt?

12 (NO RESPONSE.)

13 JUDGE WOODRUFF: They will be received  
14 into evidence.

15 (EXHIBIT NOS. 975, 976 AND 977 WERE  
16 RECEIVED INTO EVIDENCE AND MADE A PART OF THE  
17 RECORD.)

18 JUDGE WOODRUFF: Mr. Wood, if you'll  
19 make copies of the reliability chart, the normalized  
20 and not normalized, and get them to the bench as well  
21 as to the other parties.

22 THE WITNESS: And it won't take me long  
23 to get those. When should I go ahead and do that?

24 JUDGE WOODRUFF: Do you have any other  
25 questions for him?

1 COMMISSIONER GAW: I think I'm finished.

2 JUDGE WOODRUFF: Why don't you go do  
3 that now. We have a few other housekeeping matters  
4 to take care of and we can -- we come back before --

5 COMMISSIONER GAW: I'm sure there'll be  
6 cross and redirect.

7 JUDGE WOODRUFF: Oh, I'm sorry. We do  
8 have cross and -- I'm getting anxious here. Stay on  
9 the -- stay on the stand for the moment.

10 THE WITNESS: Okay.

11 MR. MICHEEL: Judge, I see  
12 Mr. Schallenberg in the back of the room. I may or  
13 may not have a few questions for him.

14 JUDGE WOODRUFF: That'll teach you,  
15 Mr. Schallenberg. You can proceed.

16 RE-CROSS-EXAMINATION BY MR. MICHEEL:

17 Q. Mr. Wood, I believe Commissioner Gaw  
18 asked you some questions about the Staff's testimony  
19 regarding vegetation management. Do you recall those  
20 questions?

21 A. I do.

22 Q. Do you know if the state provided  
23 testimony on the issue of vegetation management?

24 A. I do.

25 Q. And did you review that testimony?



1           A.       I did at the beginning of the case, yes.

2           Q.       And is that the direct testimony of  
3 Steve Carver?

4           A.       I believe so.

5           Q.       And did Mr. Carver have some  
6 recommendations also in his testimony regarding  
7 tracking and reporting and things like that?

8           A.       I believe he did.

9                   MR. MICHEEL: That's all I have.

10                  JUDGE WOODRUFF: Any other recross? Go  
11 ahead.

12 RE CROSS-EXAMINATION BY MR. BYRNE:

13           Q.       Good afternoon, Mr. Wood. I haven't had  
14 breakfast yet so hopefully that will shorten my  
15 recross. Let me -- let me start at the end.  
16 Commissioner Clayton was asking you about some of the  
17 local public hearings, I think, that you attended,  
18 and I think you said that you followed up with  
19 customers that had reliability issues; is that  
20 correct?

21           A.       Yes.

22           Q.       How many customers were those?

23           A.       These were customers that identified, in  
24 particular, that they were having lots and lots of  
25 outages. That was the core of their testimony and

1 those were the ones I followed up with.

2 Q. Okay.

3 A. And there were nine witnesses that fit  
4 into that category of the public hearings I attended.

5 Q. And those were the ones that when you  
6 looked at them, 92 percent of their outages were due  
7 to storms; is that correct?

8 A. Yes, that's true.

9 Q. Okay. Commissioner Clayton also asked  
10 you if there were any -- if you saw any patterns  
11 amongst the local public hearings as to where these  
12 witnesses appeared. And I guess, I went to a lot of  
13 local public hearings and I know, for example, in the  
14 St. Louis local public hearings, there were a lot of  
15 people there; is that a fair statement?

16 A. Yes.

17 Q. But I also -- and, of course, the  
18 St. Louis area was hard hit by the July and December  
19 storms and January storms, were they not?

20 A. They were.

21 Q. But I also went to some local public  
22 hearings where it's my recollection that not very  
23 many people showed up. I guess in particular, did  
24 you attend the Kirksville local public hearing?

25 A. No, I didn't.

1           Q.       Would it surprise you to find that there  
2 were no witnesses at the Kirksville public hearings?

3           A.       I don't know if surprise is the right  
4 term. When I -- some of the public hearings we go to  
5 nobody appears at; others, we may have 50 to 100  
6 depending on what they've experienced in the recent  
7 years.

8           Q.       Well, do you know whether the storms in  
9 July and December and January affected Kirksville?

10          A.       They did not is my understanding.

11          Q.       How about the Jefferson City hearing,  
12 did you attend the Jefferson City hearing?

13          A.       No, I didn't.

14          Q.       Would it surprise you to know that there  
15 were two witnesses that testified at the Jefferson  
16 City hearing?

17          A.       Again, I don't know if surprise would be  
18 the right word.

19          Q.       Do you know if storms hit the Jefferson  
20 City area?

21          A.       Only peripherally, relatively low wind  
22 speeds.

23          Q.       Okay. In response to Commissioner Gaw's  
24 questions, you were talk -- you, I guess, had done  
25 some sort of an examination of five IOU's and on the

1 age of their transmission poles, distribution poles,  
2 transmission conductors and devices and distribution  
3 conductors and devices; is that right?

4 A. Yes.

5 Q. Who -- what were the utilities that you  
6 looked at?

7 A. I looked at Ameren, Aquila, Missouri  
8 Public Service, Aquila, St. Joe Light & Power, Empire  
9 and Kansas City Power & Light.

10 Q. And I guess you said Ameren was fourth  
11 out of five and that meant second youngest in each of  
12 those categories of the facilities; is that right?

13 A. That is correct.

14 Q. Okay. You also talked in response to  
15 some questions you got from one of the Commissioners  
16 about some recommendations you made for  
17 infrastructure improvements and inspections in your  
18 rebuttal testimony. Do you remember that question?

19 A. I do.

20 Q. And did you -- did you take a look at  
21 Mr. Zdellar's surrebuttal testimony where he  
22 responded to that?

23 A. Yes, I did.

24 Q. Do you know -- do you remember what -- I  
25 mean, I've got it in front of me, he's --

1           A.       I'm familiar with it.

2           Q.       He's recommending -- he's endorsed a  
3   number of programs. I mean, are you -- is that --  
4   will those programs help alleviate some of your  
5   concerns?

6           A.       They do.

7           Q.       I'm note -- you know, overhead circuit  
8   inspections is one, pole -- pole inspections and  
9   treatments, aerial infrared inspections, supplemental  
10   inspections, capacitor inspections. Are those the  
11   kinds of things that you think will improve the  
12   system?

13          A.       If they're structured to identify  
14   equipment that needs to be maintained or replaced,  
15   yes.

16          Q.       Okay. I mean, as far as you can tell  
17   from the way Mr. Zdellar's laid it out, are we doing  
18   the right thing with these programs?

19          A.       It's a step in the right direction. I  
20   can't say this is the end-all, be-all, the answer.

21          Q.       Sure.

22          A.       A lot of that will come out in the SAIDI  
23   and SAIFI numbers as we observe the programs through  
24   the years.

25          Q.       Okay. That makes sense. Let's talk

1 about the SAIDI and SAIFI numbers. I -- I gather  
2 from your testimony that there is some uncertainty  
3 about the way data is collected from utility to  
4 utility. Could you explain that a little bit?

5 A. I certainly can. And one of the  
6 things -- actually, this can be very easily observed  
7 in the numbers once I give you-all what I'm looking  
8 at. When you look at Empire data, you'll notice that  
9 in '05 and '06 the numbers are right up with the  
10 group or maybe a little higher than average,  
11 actually. And prior to that, the numbers are all  
12 very low. And what you're looking at is  
13 implementation of a -- of a thorough system that  
14 tracks outages.

15 SAIDI and SAIFI numbers are perfect  
16 examples of statistics that the better you are at  
17 tracking them, the worse you tend to look because you  
18 have outage information, you have when customers went  
19 out, when they came back. And utilities that don't  
20 have any computerized outage analysis system, they  
21 may only track those that come to the attention of a  
22 foreman that writes it down for an estimated number  
23 of customers.

24 And this is something we've seen in a  
25 lot of states where you have the numbers of -- they

1 look a certain way and then you implement the system  
2 to track them and improve them and suddenly they look  
3 worse.

4 Q. So -- okay. So -- so would it -- would  
5 it be fair to say that the way -- the way things are  
6 now with no standard tracking mechanisms for SAIDI  
7 and SAIFI, would it be fair to say that those  
8 comparisons are not valid?

9 A. I think they are useful for identifying  
10 trends, but you -- before you get some standards in  
11 place to identify other calculated, you have to  
12 recognize that there may be some differences in how  
13 they've been calculated.

14 Q. I mean, would it be fair to say it would  
15 be -- you can look at one utility for trends but it's  
16 not fair to compare one utility to another when  
17 the -- when the standards may not be the same for  
18 collecting the data?

19 A. I wouldn't say it's of no use. I'd say  
20 you have to look at how it was, you know, what you  
21 can gather in terms of how it was calculated. And  
22 you'd make the comparisons, but understand that there  
23 may be some differences in how they were calculated.

24 Q. And there may be substantial differences  
25 in how they were calculated; is that fair to say?

1           A.       There is that possibility.

2           Q.       I mean, there are substantial  
3 differences across utilities across the country in  
4 the way that data is collected; isn't that true?

5           A.       I have observed major differences in how  
6 some utilities calculate those numbers.

7           Q.       Okay. In response to some questions  
8 from Commissioner Gaw, you talked about observations  
9 that you made of facilities in -- well, in Ameren  
10 service territory.

11          A.       Uh-huh.

12          Q.       And where did you go to look at the  
13 facilities?

14          A.       I don't have the addresses here. I was  
15 in Spanish Lake for a portion of the review, in  
16 Richmond Heights for another portion of the review,  
17 in the Potosi area for another portion, and I've been  
18 back to Richmond Heights and Spanish Lake another  
19 time after that. So I can recall right now at least  
20 five inspections in the field, two in Spanish Lake,  
21 two in Richmond Heights and one in Potosi.

22          Q.       Would it be fair to say that --  
23 Mr. Wood, that you went to places where there were  
24 problems that were identified by -- where there were  
25 problems identified?



1           A.       Well, we walked a portion of the circuit  
2     but we went to the circuit as it had been identified  
3     by a customer at one of the public hearings.

4           Q.       Okay.  So I mean, it wasn't any kind of  
5     scientific random sample of our facilities or  
6     anything; is that fair to say?

7           A.       I would say that's fair to say.

8           Q.       Okay.  You talked a little bit with  
9     Commissioner Gaw about replacing facilities and I  
10    think in particular you were talking about poles and  
11    the average service life for depreciation purposes.  
12    Do you remember that discussion?

13          A.       I do.

14          Q.       And -- but wouldn't it be fair to say  
15    that the depreciation rates with an average service  
16    life contemplate that some individuals -- individual  
17    units of that property will -- will be retired  
18    earlier than average and some individual units will  
19    be retired later than average?

20          A.       Yes.

21          Q.       And -- and you wouldn't just support  
22    removing facilities once they've reached the average  
23    service life, would you?

24          A.       No.

25          Q.       Do you know how much it would -- how

1 much additional it would cost -- what it would add to  
2 AmerenUE's cost of service if there was just a number  
3 of years picked where poles had to be removed or  
4 where -- where other items of property -- have you  
5 done any examination of what that would do to the  
6 cost of service?

7 A. No.

8 Q. I mean, isn't it the possible that  
9 sometimes units could live far past their average  
10 service life and still be usable and in good enough  
11 condition that they could be used?

12 A. In compliance with code, yes.

13 Q. Okay. And AmerenUE has proposed a pole  
14 inspection program as part of this case, have they  
15 not?

16 A. Yes, they have.

17 Q. Okay. Let me ask a couple questions  
18 about the \$45 million that's been agreed to in this  
19 case.

20 A. Uh-huh.

21 Q. And you had mentioned a one-way tracker.  
22 Can you explain how that -- how that's gonna work a  
23 little bit?

24 A. Yeah, basically -- and originally the  
25 discussion was tracking the 15 million in addition.

1 In my testimony I recommended no, it should be all  
2 vegetation management, transmission and distribution  
3 with some breakdown in terms of reporting as  
4 currently exist in the Missouri 583 case.

5           The way the tracker would work is each  
6 year -- and Mr. Meyer addresses this at some length  
7 in his testimony. The idea would be that as dollars  
8 are spent in these programs out of that account,  
9 there would be an accounting of those dollars and a  
10 compliance issue in terms of each year hitting that  
11 dollar amount, and if the -- if, you know, let's say  
12 that, you know, a significant portion of your crews  
13 were called away to Louisiana to respond to a major  
14 hurricane. Maybe you fall somewhat under that  
15 \$45 million.

16           Well, there would be a commitment to  
17 ratchet the spending up with interest to put more  
18 effort into the following year. But if you spent 47,  
19 \$48 million one year, it doesn't mean that you get to  
20 take that difference between that and 45 and take it  
21 out of the next year.

22           Q.     You can't move the -- if you can't get a  
23 credit for overspending?

24           A.     A one -- a one-way credit with interest.  
25 It doesn't go the other way.

1           Q.       Got it. Vegetation, you said you had  
2       some site visits on vegetation encroachment. Was  
3       that the same -- sort of the same deal as the  
4       examination of the facilities? In other words, did  
5       you go to places where people identified vegetation  
6       problems?

7           A.       Well, we walked portions -- you know, we  
8       didn't just go to an address and walk to it and go  
9       yeah, that's the problem. We did that in addition to  
10      walking a portion of the neighborhood to see if --  
11      well, you know, there's some kind of vines that go  
12      grow very quickly. I mean, you could -- you could  
13      scorch earth, the whole thing and it would be right  
14      back up on the line the next year. We recognize  
15      those kind of issues. But they're -- you know, then  
16      there's the white oak tree that's right on the line  
17      and it's been there for 20 years.

18          Q.       Sure.

19          A.       So we needed to go -- you know, more  
20      than just walk to a particular address. But those  
21      were brought to our attention by consumers in the  
22      public hearings. And you know, obviously in this  
23      case there's a lot of pictures that have been entered  
24      in the record and those also triggered some of the  
25      addresses that we went and looked at.

1           Q.       And I mean, I guess the only point I'm  
2     trying to make is the same as before, it wasn't -- it  
3     wasn't just a random examination of vegetation; it  
4     was -- it was more focused on the areas where people  
5     identified problems and then maybe looked at some  
6     other areas?

7           A.       True.

8           Q.       You can't extrapolate what you found to  
9     our whole system, right?

10          A.       We didn't throw darts at a map and then  
11     just go to those locations.

12          Q.       Right. Okay. You talked about some  
13     recommendations. I think a lot of vegetation  
14     management recommendations came out of Case Number  
15     EW-2004-0538; is that fair to say?

16          A.       That is correct.

17          Q.       And has AmerenUE lived up to its  
18     commitments in that docket?

19          A.       The circuit trimming cycles, the dollars  
20     spent thus far, yes.

21          Q.       Okay. And I'd like to talk a little bit  
22     about the cycles, the four- and six-year cycles that  
23     you talked about. And as I understand it, correct me  
24     if I'm wrong, but that's a four-year cycle on urban  
25     circuits and a six-year cycle on rural circuits; is

1     that right?

2             A.       Yes.

3             Q.       And where did that come from, what's the  
4     origination of that standard, I guess, is the  
5     question?

6             A.       And I put quotation marks around  
7     standard.  There's not a ANSI -- you know, ANSI 8300.  
8     We hear a lot of standards thrown around for  
9     vegetation management.  There's not a standard that  
10    says thou shalt trim trees every so often, you know,  
11    that gives an X number of years.

12            This is something that we get from  
13    discussions with the other electric utilities outside  
14    of Ameren, and from talking with, you know, Florida  
15    and some other states that have some -- I think  
16    Kansas, Illinois, some of those have guidelines on  
17    how frequently you would trim.

18            Actually, we've summarized some of those  
19    findings in the back of either our '04 or '05 storm  
20    report.  We looked at some of the cycles in other  
21    states, and you know, three to -- three to six years  
22    is the kind of range you see between urban and rural  
23    areas.

24            Q.       Do you know when it first became the  
25    goal of Ameren to get on four- and six-year cycles?

1           A.       I do not know when that first became a  
2 goal.

3           Q.       Okay. Do you know -- okay. Do you know  
4 if we were ever on four- and six-year cycles or is  
5 this just something we're working to get to now, do  
6 you know that one way or the other?

7           A.       At the time that we conducted our  
8 investigation in '04, we were aware of internal  
9 practice documents of UE that four and six years were  
10 your targets, and you weren't on that. I don't know  
11 if you've ever been on four or six years.

12          Q.       Okay.

13          A.       That was the first time that an audit of  
14 those numbers had been looked at.

15          Q.       And we made a commitment to get on those  
16 cycles by the end of 2008; is that correct?

17          A.       Yes.

18          Q.       Do you know when we made that  
19 commitment?

20          A.       I do not recall the date of the  
21 commitment in the 583 docket.

22          Q.       Are we on schedule to make that  
23 commitment, do you know?

24          A.       According to the last quarterly report  
25 we looked at, yes.

1           Q.       And we've been providing you quarterly  
2 reports for several years, have we not?

3           A.       Yes.

4           Q.       Okay. Let me ask you a little bit about  
5 this -- I'm not sure what exhibit it is.

6           A.       975.

7                   JUDGE WOODRUFF: 975.

8 BY MR. BYRNE:

9           Q.       And this is the dollars of -- total --  
10 it's got total dollars of tree trimming and then  
11 broken down by pole mile and per-customer?

12          A.       Yes.

13          Q.       And I guess, you know, it shows Ameren  
14 has a lot more total dollars but I guess that's not  
15 really a very -- that's not the most relevant or  
16 representative chart, is it? I mean, the other two  
17 probably are more -- if you want to compare company  
18 to company, they're -- that's a better comparison on  
19 the other two, isn't it, than just --

20          A.       Yes, it is.

21          Q.       Okay. Let's look at the -- let's look  
22 at the second one -- well, before we leave the first  
23 one, I do notice that in 2006 we had 40 -- looks like  
24 about -- right about \$45 million for tree trimming;  
25 is that right?



1           A.       Yep.

2           Q.       And that's coincidental, I guess,  
3 because that's the amount that we've agreed to have  
4 as basically a minimum in this case, right?

5           A.       Yes.

6           Q.       So maybe if we look at the other charts  
7 we could see where that will put us relative to the  
8 other utilities, is where I'm going with this. And  
9 would that be true, do you think? Well, let's go to  
10 the other charts and see. Like in 2006 looking at  
11 the second chart, tree trimming per pole mile, were  
12 pretty significantly higher than the other utilities  
13 in 2006; is that right?

14          A.       I do expect this reflects some dollars  
15 post-storm recovery that's in tree trimming budgets  
16 but it does reflect at this level, it would be the  
17 highest in the state.

18          Q.       Sure. And I'm kind of -- I realize  
19 that's the case in 2006, but what I'm trying to say  
20 is on a going-forward basis, wouldn't it be about --  
21 we'd be -- we'd have about the same tree trimming per  
22 dollar spent per pole mile as long as we fulfill our  
23 commitment to spend \$45 million; is that fair to say?

24          A.       Yes, that's true.

25          Q.       So we'll probably be ahead of the other

1     utilities if we do that?

2             A.       If they don't do anything different,  
3     then, yes.

4             Q.       Okay. And then, I guess, wouldn't that  
5     also be true and, I guess, we're -- in 2006 we're  
6     about the same as Empire, maybe a little -- little  
7     higher but not much in dollars per customer. But you  
8     know, if we spend the \$45 million, we'll be doing  
9     good on the dollars per customer measure; isn't that  
10    fair to say?

11            A.       Yes.

12            Q.       Okay.

13            A.       And when we say good on the measure, I  
14    would clarify good in terms of if you're measuring  
15    more dollars per pole mile and customer is a good  
16    number. It doesn't mean the reliability numbers are  
17    good, it just means you're spending the dollars.

18            Q.       Sure. No, I agree. But we would all  
19    hope that if we spend the dollars and spend them  
20    wisely, at least for the long run it will improve  
21    reliability?

22            A.       That is very true.

23            Q.       Okay. Commissioner Gaw asked some  
24    questions about recommendations the Staff has made on  
25    tree trimming, and I know you've supported the

1     \$45 million in this case --

2             A.       Yes.

3             Q.       -- and which we've agreed too. But in  
4     2002 the Staff in -- in the EC-2002-1 rate case,  
5     didn't the Staff file testimony that reduced the  
6     amount of tree trimming expenses for the company?

7             A.       There was a dollar amount in that  
8     account as the over -- as a portion of the overall  
9     settlement. It was not an obligation or a commitment  
10    or a limitation in terms of spending.

11            Q.       Right. But I mean just in terms of the  
12    recommendations filed by the Staff, my recollection  
13    was it was like a four-year average and that was less  
14    than we had spent in the test year in that case; is  
15    that correct?

16            A.       I -- I don't recall how that was  
17    calculated.

18                   MR. BYRNE: Okay. I don't think I have  
19    any more questions. Thank you, Mr. Wood.

20                   JUDGE WOODRUFF: Any redirect?

21                   (NO RESPONSE.)

22                   JUDGE WOODRUFF: No redirect.

23                   COMMISSIONER GAW: I have some more  
24    questions as a result of the last two.

25    QUESTIONS BY COMMISSIONER GAW:

1           Q.       Mr. Wood, what was the testimony that  
2 was being referred to earlier? Was that in the  
3 complaint case for Ameren's overearnings?

4           A.       That would have been -- yes, the  
5 EC-2002-1 complaint case.

6           Q.       Was the -- was there a level of tree  
7 trimming expense that was set in that settlement on  
8 that complaint case?

9           A.       No.

10          Q.       Do you know whether or not the Staff's  
11 position regarding that expenditure on tree trimming  
12 in the testimony that was supposedly prepared or was  
13 prepared for that case was based upon an issue  
14 regarding the test year variation from what had been  
15 the case on expenditures from Ameren in other years?

16          A.       I'm sorry. I didn't follow your  
17 question.

18          Q.       All right. Do you know whether or not  
19 the Staff's adjustment proposal on the test year  
20 expenditure for vegetation management was as a result  
21 of that test year varying what from the expenditures  
22 that Ameren had been -- had been giving or expending  
23 on tree trimming in other years?

24          A.       Okay. Thank you for stating it again,  
25 and the answer is yes.

1           Q.       All right.  So in other words, was  
2   that -- was that an accounting adjustment proposal  
3   from Staff?

4           A.       It was, along with many other accounting  
5   adjustments.

6           Q.       All right.  And had, in fact, Ameren  
7   been spending less money in the years previous to the  
8   test year on tree trimming in that -- in the test  
9   year for the '02 case?

10          A.       I believe so.

11          Q.       Now, did Staff subsequently discover  
12   that Ameren was not maintaining its  
13   four-year/six-year cycle?

14          A.       Yes.

15          Q.       All right.  Was Staff under the  
16   assumption, if you know, that Ameren was keeping its  
17   four-year/six-year cycle until it was discovered  
18   subsequent to that case?

19          A.       I do not know.

20          Q.       Would it have been reasonable for Staff  
21   to have made that assumption?  Let me ask it a  
22   different way.

23          A.       Yeah, I --

24          Q.       Do you know whether -- was the  
25   four-year/six-year cycle a policy of Ameren in the

1 '02 -- by the -- in the time frame preceding the '02  
2 complaint case?

3 A. I do not know. I don't know.

4 Q. Did you make a notation in any of the  
5 reports regarding that policy in the storm reports?

6 A. In the 2002 following the storms --

7 Q. Yes.

8 A. -- I do believe there was a reference to  
9 maintaining cycle length but I do not recall if it  
10 had a specific year timeline in there.

11 Q. All right. So that would be in the  
12 report if it was or wasn't?

13 A. Yes, it would be.

14 Q. Okay. Who besides yourself would have  
15 been involved in that -- that analysis of the tree  
16 trimming cycles of Ameren?

17 A. Jim Ketter.

18 COMMISSIONER GAW: Okay. That's all I  
19 have. Thank you, Judge.

20 JUDGE WOODRUFF: Any further recross  
21 based on those additional questions? Redirect?

22 (NO RESPONSE.)

23 JUDGE WOODRUFF: All right. You can  
24 step down.

25 THE WITNESS: And I should go make

1 copies of these and bring them back asap?

2 JUDGE WOODRUFF: Yes, please do.

3 THE WITNESS: I will do so.

4 JUDGE WOODRUFF: Do you have any  
5 questions for Mr. Schallenberg?

6 COMMISSIONER GAW: Well, let me ask  
7 counsel questions first. There was some things that  
8 Mr. Rainwater, I believe, told me that he was going  
9 to see that we received on several issues, and I  
10 don't have them in front of me. Just wondering  
11 whether or not any of those things have been  
12 forwarded on or presented?

13 MR. BYRNE: I know we kept track of  
14 them. We've been keeping track of them for every  
15 witness but off the top of my head I'm not sure what  
16 became of the Rainwater ones.

17 JUDGE WOODRUFF: And I will add,  
18 Commissioner, that I have several documents and I'm  
19 not sure exactly which ones -- which ones were which,  
20 but certainly there have been -- the parties have  
21 submitted numerous documents that may be --

22 COMMISSIONER GAW: Okay. So that's  
23 something -- will be a follow-up on that?

24 JUDGE WOODRUFF: If it's not already in.

25 MR. BYRNE: Yes, yes. I will make sure

1 every document from Mr. Rainwater is put in the  
2 record.

3 COMMISSIONER GAW: Thank you. And then  
4 in regard to the -- in regard to EEI, are the  
5 articles of incorporation a part of the record?

6 MR. DOTTHEIM: Yes.

7 COMMISSIONER GAW: All right. Are they  
8 the articles that pertain to the time frame that  
9 we've been dealing with on when the contract that --  
10 in '05 was supposedly expired?

11 MR. DOTTHEIM: Yes, I believe so.

12 COMMISSIONER GAW: All right.

13 MR. DOTTHEIM: They're -- they're an  
14 attachment to Mr. Svanda's deposition.

15 COMMISSIONER GAW: Okay. And the -- and  
16 the bylaws, I think, are in, correct?

17 MR. DOTTHEIM: Yes, yes. They're also  
18 an attachment to Mr. Svanda's deposition.

19 COMMISSIONER GAW: Okay.

20 MR. DOTTHEIM: Two other documents that  
21 you requested were marked as exhibits today.

22 COMMISSIONER GAW: Okay.

23 MR. DOTTHEIM: That is the joint  
24 dispatch agreement and the board of directors for  
25 EEInc for a number of years, the years 1999 to 2005.



1 COMMISSIONER GAW: Yes.

2 MR. DOTTHEIM: They were marked as  
3 Exhibits 274 and 275.

4 COMMISSIONER GAW: Okay. And then I'd  
5 just ask counsel whether or not there is any action  
6 that parties are aware of regarding a vote of the  
7 shareholders dealing with EEI's contract -- contracts  
8 or offerings or business that relates to a change in  
9 the customers that it had or in regard to a change in  
10 the way -- in the purpose of EEI that anyone's aware  
11 of?

12 MR. DOTTHEIM: I believe there is  
13 nothing reflected in the board of directors' minutes.  
14 I've looked myself at the FERC Form 1, the annual  
15 report to the FERC of EEInc for 2005. I have not  
16 seen anything there reflected, and I've looked at  
17 the -- the annual report to -- of EEInc for 2005, and  
18 there's -- I have not seen anything in that document,  
19 both the FERC Form 1 for 2005 is an attachment to  
20 Mr. Naslund's deposition, and the EEInc annual report  
21 for 2005 is also an attachment to Mr. Naslund's  
22 deposition.

23 COMMISSIONER GAW: Okay. And Ameren  
24 have anything different?

25 MR. BYRNE: I -- I know of no such vote

1 by the shareholders.

2 COMMISSIONER GAW: Okay.

3 JUDGE WOODRUFF: Commissioner, you had a  
4 note here from your advisor that one of the bylaws  
5 also.

6 COMMISSIONER GAW: I think I asked for  
7 that already and -- and it's in, if that's what I  
8 recall. I couldn't remember about the articles  
9 themselves, but -- all right. And if that's the  
10 case, then Mr. Schallenberg, who now has his tie on,  
11 I guess I don't have any additional questions. I  
12 apologize for that. I do have just a few questions  
13 for Mr. Brubaker.

14 JUDGE WOODRUFF: Okay. Mr. Brubaker, do  
15 you want to come up to the stand?

16 COMMISSIONER GAW: And these will be in  
17 regard to command response. It is a nice tie, yes.

18 JUDGE WOODRUFF: And Mr. Brubaker, I  
19 believe you testified earlier so you're still under  
20 oath?

21 THE WITNESS: I am.

22 COMMISSIONER GAW: Looks like he  
23 switched ties with another -- with one of our counsel  
24 too.

25 QUESTIONS BY COMMISSIONER GAW:

1           Q.       Mr. Brubaker, I just wanted to ask you,  
2       generally speaking, from the standpoint of the  
3       collaboratives that have gone on regarding the --  
4       regarding demand response programs, can you give me  
5       your very brief general perspective on -- from your  
6       client's standpoint about how that has gone and  
7       whether or not there have been any -- any positive  
8       things that have occurred out of those  
9       collaboratives?

10          A.       Sure. I did participate in the  
11       collaboratives on the -- partly on the residential  
12       time of use because that was together, at least  
13       initially, and then we kind of split it off for ease  
14       of management. But I did participate on the  
15       development of a real time pricing tariff and to some  
16       extent on the discussions about interruptible  
17       tariffs.

18                   And my recollection is that the  
19       collaborative came together and agreed on a real time  
20       pricing tariff that Ameren could offer. At least one  
21       customer, one client of the mine expressed interest  
22       in taking service under that tariff. Several others  
23       expressed no interest.

24                   We urged Ameren to go ahead and file the  
25       tariff on the theory that neither we nor perhaps they

1 had gotten to all the people who might be interested  
2 because you might have people who are not current  
3 customers who would be interested, and you might have  
4 other people in the various companies or customer  
5 companies that would have a different view than the  
6 people that have been talked to by the customer rep.

7                   So we urged that Ameren go ahead and  
8 file the tariff and file it and see who comes, and  
9 it's my best recollection that that never happened.  
10 Ameren decided not to file the tariff because they  
11 didn't think there was enough interest in the tariff  
12 to warrant it.

13           Q.       From your client's standpoint, is there  
14 a real time pricing tariff that -- that could be  
15 constructed that would be attractive to -- to  
16 industrial or commercial load?

17           A.       I thought the tariff that the  
18 collaborative designed was a fairly well-designed  
19 tariff. I know that customer loads, customer  
20 business plans and production requirements change  
21 over time and so do market economics, and whether the  
22 tariff would be attractive if introduced at this  
23 time, I can't say. But I do know that things are  
24 dynamic and the tariff had the structure that any  
25 deviation from the baseline was at market price.

1                   So in times of very high market prices,  
2 customers could curtail below the baseline and  
3 receive a credit and allow Ameren to avoid paying  
4 high prices for that quantity of power. So I think  
5 the structure was there. We would like to see the  
6 opportunity to be present too just to see, because  
7 there's been a lot of things happen and a lot of  
8 improvement in customer understanding of markets over  
9 the last two or three years.

10           Q.       Okay. And that's -- that -- that  
11 proposal is not in this record; is that correct?

12           A.       It is not.

13           Q.       Okay. In regard to the -- to the  
14 interruptible load proposal on-demand response in  
15 this -- in this particular case, what's your --  
16 what -- what do you think is the greatest impediment  
17 to getting entities to sign up under that proposal?

18           A.       Commissioner, I didn't look a whole lot  
19 at the interruptible tariff because none of the MIEC  
20 member companies that are participating in this case  
21 indicated an interest in that -- in interruptible  
22 power.

23           Q.       And tell me why that is generally.

24           A.       I think it's just the nature of their  
25 operations. And I know that Ms. Langeneckert's

1 clients, particularly the cement companies, used to  
2 be on the tariff and have a greater interest in it,  
3 but MIEC companies have different processes and  
4 different requirements and it's just not something  
5 that fit their business plans at this time.

6 Q. Is part of that because they need to be  
7 able to control the decision-making to a greater  
8 extent or is that -- is that not an issue?

9 A. I don't know that I could speculate as  
10 to each company's requirements or reason --

11 Q. Okay.

12 A. -- for or against an appetite for  
13 interruptible power.

14 Q. Yes.

15 A. I think in general it more depends on  
16 the nature of the operations that they're conducting.  
17 A research operation such as we have in Chesterfield  
18 for some of the companies would not be susceptible at  
19 all to interruptible power because they need  
20 continuous operations. Others, like cement companies  
21 can do batch work and can be very flexible.

22 Q. Yes.

23 A. So there's just differences in the basic  
24 business processes.

25 Q. Overall just very generally speaking, is

1     it your experience that industrial and commercial  
2     load has an interest in demand response programs?

3           A.       As a general proposition I would say  
4     that's true, and increasingly so as we have more  
5     experience with markets.

6           Q.       Okay.

7           A.       So, yes.

8           Q.       What is it that we need to do to see  
9     that interest move toward a reality in programs?

10          A.       Well, getting something in a tariff book  
11     is a good first step, but in terms of the process,  
12     and we've tried the collaboratives and that was not  
13     fruitful. I don't -- I don't really, you know, know.  
14     Perhaps a positive indication by the Commission that  
15     this could be something that would be expected and  
16     desirable and that should be pursued with vigor would  
17     be helpful in getting that process started.

18          Q.       Would it be of help if the Commission  
19     set forth some sort of percentage of a portfolio for  
20     meeting demand that included certain percentages of  
21     demand response, and on a broader level demand supply  
22     management?

23          A.       Commissioner, I'm always reluctant to  
24     support that kind of thing, portfolio standards or  
25     percentages without having a chance to look at the

1 underlying economics and what would make sense. So  
2 at least based on what I know right now which is not  
3 enough, you know, to declare a percentage, I shy away  
4 from having that kind of a hard target.

5 Q. Well -- well, is -- I'm looking for ways  
6 to induce these programs to develop without designing  
7 them. What would you suggest if -- if we don't move  
8 towards something that actually requires a certain  
9 level of demand response within our utilities?

10 A. Well again, you know, I'm perfectly  
11 supportive of the concept, I'm just shying away from  
12 specific numbers.

13 Q. I'm not asking you for those.

14 A. No, no, I don't know that you know or  
15 that I know. I'm sure you know more than I do about  
16 a lot of things, but I don't know that I know enough  
17 to say that there is a magic percentage.

18 Q. I'm not asking you for any -- any  
19 figures, I'm just asking about reaction to concept  
20 here.

21 A. Yeah, I mean, if you could define a  
22 percentage that would be -- that would be reasonable,  
23 that would be a good -- you know, a good feature of  
24 that approach. But I just can't tell you what --  
25 what a percentage is understood to be.



1                   COMMISSIONER GAW: No, I understand, I'm  
2 not asking you for that. I think that's all I have,  
3 Judge. Thank you.

4                   JUDGE WOODRUFF: All right. Thank you.  
5 Does anyone wish to recross based on those questions  
6 from the bench?

7                   MR. CONRAD: Oh, I can't miss this  
8 opportunity.

9                   THE WITNESS: Yes, you can.

10                  MR. CONRAD: I wanted to go into that  
11 business that we had a day or two ago about the  
12 hourly rates, but I'll pass.

13                  THE WITNESS: Real time pricing?

14                  JUDGE WOODRUFF: All right. Staff?  
15 Ameren?

16 RE-CROSS-EXAMINATION BY MS. TATRO:

17                  Q. I have just a few questions for you.

18                  A. Sure.

19                  Q. MIEC was an intervenor in AmerenUE's  
20 last IRP filing, correct?

21                  A. Yes.

22                  Q. And as a result of that IRP filing,  
23 there was a stipulated agreement that was approved by  
24 the Commission; is that correct?

25                  A. That is my recollection, yes.

1           Q.       And that agreement set up a very lengthy  
2   and involved process to create the filing which is  
3   supposed to occur now in February of '08; is that  
4   correct?

5           A.       Yes.

6           Q.       Do you know, have those meetings begun?

7           A.       I remember there was a filing back in, I  
8   think, December of 2005 --

9           Q.       Let me -- I --

10          A.       -- from -- I'm not sure exactly what  
11   your question is.

12          Q.       Okay. Let me -- let me try that again,  
13   then. Part of the stipulation and agreement said  
14   that the next filing would be developed not just by  
15   UE but through the input of all the other parties in  
16   the case --

17          A.       Correct.

18          Q.       -- is that correct?

19          A.       Yes.

20          Q.       Has the process of that development of  
21   the next plan begun?

22          A.       Yes, it has.

23          Q.       How is that being done?

24          A.       There have been a series of meetings  
25   about contents of the studies and about waivers of

1 the DSM rules broken into several different areas,  
2 load forecast, IRP, PSM, I believe.

3 Q. And have you attended those meetings?

4 A. I attended one in person. I've  
5 monitored the filings and because of the rate case  
6 and other things, it's been difficult to get to as  
7 many as I'd like, but we've been monitoring the  
8 process.

9 Q. We certainly all have been busy. Does  
10 that seem to be proceeding along the track that was  
11 intended by the stipulation and agreement?

12 A. Well, it's proceeding along the lines  
13 that I would have expected. I don't know what  
14 everybody intended with the stip and agreement but it  
15 seems to be an open process and the parties seem to  
16 be getting information to allow them to be informed  
17 as to what's happening.

18 Q. Okay. Was MIEC a signatory to the stip?

19 A. I believe -- well, I'll let my counsel  
20 answer that. We either were a signatory or did  
21 not -- or did not oppose it.

22 Q. You did not oppose it, okay.

23 A. I'm not sure which.

24 Q. Okay. Has AmerenUE hired outside  
25 experts to work on the DSM portion which would

1 include demand and response portion of that plan?

2 A. They have.

3 Q. Okay. So that work is in progress?

4 A. Yes.

5 MS. TATRO: Thank you.

6 JUDGE WOODRUFF: Any redirect?

7 REDIRECT EXAMINATION BY MS. VUYLSTEKE:

8 Q. Mr. Brubaker, I just have a couple of  
9 questions. But Commissioner Gaw was talking to you  
10 about the desirability of demand response options to  
11 customers and whether the collaborative processes  
12 that have been used in the past have resulted in such  
13 programs.

14 Do you think it would be useful or  
15 helpful to the Commission and to AmerenUE's customers  
16 for a docket or a case to be established for such  
17 options to be explored and perhaps ordered by the  
18 Commission?

19 A. That could be another way to come at the  
20 issue.

21 MS. VUYLSTEKE: Okay. I don't have  
22 anything else.

23 JUDGE WOODRUFF: All right.

24 Mr. Brubaker, you can step down.

25 THE WITNESS: Okay.

1 JUDGE WOODRUFF: And I believe that  
2 completes all the testimony in this case. I know  
3 there are some -- yes, hallelujah. Or touchdown, I'm  
4 not sure what the symbolism is out there.

5 MR. WILLIAMS: Morris, wouldn't this be  
6 the time to take up further input on the impact of  
7 the objections to the nonunanimous stipulation and  
8 agreement regarding --

9 JUDGE WOODRUFF: Yes, that will be the  
10 time. I believe there's some other housekeeping  
11 matters to take up too. What do you want to tell us,  
12 Mr. Williams?

13 MR. WILLIAMS: Basically, it's Staff's  
14 position that Rule 4 CSR 240-2.115 2(d) which  
15 provides, "A nonunanimous stipulation and agreement  
16 to which a timely objection has been filed shall be  
17 considered to be merely a position of the  
18 signatory -- signatory parties to the stipulated  
19 position, except that no party shall be bound by it."  
20 And then there's a following sentence, "All issues  
21 shall remain for determination after hearing." We  
22 believe that applies.

23 JUDGE WOODRUFF: Okay. So basically,  
24 all issues involving depreciation are waiting for  
25 determination by the Commission?

1 MR. WILLIAMS: Correct.

2 JUDGE WOODRUFF: All right. Anybody  
3 else want to comment on that?

4 MS. VUYLSTEKE: Well, Judge, you had  
5 asked me earlier what our position was --

6 JUDGE WOODRUFF: Yes.

7 MS. VUYLSTEKE: -- with respect to the  
8 entire stipulation, and we would like also for all  
9 issues to remain. We agree with Mr. Williams'  
10 interpretation.

11 JUDGE WOODRUFF: Okay. And  
12 Ms. Vuylsteke, I believe there was one other document  
13 that you wished to offer yet?

14 MS. VUYLSTEKE: Yes, I would like to  
15 offer MIEC Exhibit 717 into the record or have it  
16 admitted into the record.

17 JUDGE WOODRUFF: Yes, that was the  
18 letter involving the tariff filing that was mentioned  
19 this morning, I believe.

20 MS. VUYLSTEKE: Correct.

21 JUDGE WOODRUFF: All right. 717 has  
22 been offered. Are there any objections to its  
23 receipt?

24 (NO RESPONSE.)

25 JUDGE WOODRUFF: Hearing none, it will

1 be received.

2 (EXHIBIT NO. 717 WAS RECEIVED INTO  
3 EVIDENCE AND MADE A PART OF THE RECORD.)

4 JUDGE WOODRUFF: Anything else anyone is  
5 aware of that needs to be brought up?

6 MR. LOWERY: Judge --

7 MR. MILLS: Judge --

8 MR. LOWERY: Oh, I'm sorry, Lewis.

9 MR. MILLS: -- I'd just like to run  
10 quickly through the way I've got my exhibits marked  
11 for the prefiled testimony because there was some  
12 confusion when I first submitted the list.

13 MR. DOTTHEIM: Yes, and could we do that  
14 for the other parties that remain, so to speak? The  
15 Staff certainly would like to -- to go through that.  
16 There are a number of Staff witnesses --

17 JUDGE WOODRUFF: Let's -- let's deal  
18 with Public Counsel first.

19 MR. DOTTHEIM: Okay.

20 MR. MILLS: The way -- the way I have  
21 them marked, and I believe this is the way the  
22 reporters have marked them, is this: 400 is Dunkel's  
23 direct; 401 is Dunkel's rebuttal; 402 is Dunkel's  
24 surrebuttal; 403 is Mr. King's direct; 404 is  
25 Mr. Kind's direct; 40 -- with respect to revenue

1 requirement; 405 is Kind direct with respect to FAC,  
2 406 is Kind rebuttal with respect to revenue  
3 requirement; 407 is Kind's rebuttal with respect to  
4 the FAC and 408 is Kind's surrebuttal.

5 409 is King's surrebuttal and 410 is  
6 King's surrebuttal; 411 is Meisenheimer direct; 412  
7 Meisenheimer rebuttal; 413 Meisenheimer supplemental  
8 rebuttal; 414 is Trippensee direct; 415 is Trippensee  
9 rebuttal and 416 is Trippensee surrebuttal.

10 JUDGE WOODRUFF: All right. Good thing  
11 we went through that because 414 you said was  
12 Trippensee direct?

13 MR. MILLS: That's correct.

14 JUDGE WOODRUFF: I had that as  
15 Meisenheimer surrebuttal so ...

16 MR. MILLS: Well, let me ...

17 JUDGE WOODRUFF: Did Trippensee have  
18 direct?

19 MR. MILLS: I better check on that.

20 JUDGE WOODRUFF: Yeah.

21 MR. LOWERY: I thought he only had  
22 rebuttal.

23 MR. MILLS: Okay. That's -- I think  
24 Meisenheimer -- I think 414 is Meisenheimer  
25 surrebuttal rather than Trippensee direct.



1 JUDGE WOODRUFF: Okay.

2 MR. MILLS: And then 415 is Trippensee  
3 rebuttal and 416 is Trippensee surrebuttal.

4 JUDGE WOODRUFF: Right.

5 MR. MILLS: Okay.

6 JUDGE WOODRUFF: And just looking  
7 through it, I don't see anything else that was not  
8 shown as received up here, other exhibits.

9 MR. LOWERY: Your Honor, we also had a  
10 few cleanup items, I think, like that as well, and I  
11 think Staff --

12 JUDGE WOODRUFF: All right.

13 MR. LOWERY: -- I think has some similar  
14 items on some of their --

15 MR. DOTTHEIM: You want to go?

16 MR. LOWERY: Do you mind?

17 MR. DOTTHEIM: No, go ahead.

18 JUDGE WOODRUFF: Let's go ahead with  
19 that.

20 MR. LOWERY: Your Honor, there's --  
21 these are -- these are prefiled testimonies of  
22 witnesses who did not appear, issues were settled out  
23 and we'd like to offer those at this time.

24 JUDGE WOODRUFF: All right.

25 MR. LOWERY: And let me try to do this

1 in an -- in an organized fashion. We've got the  
2 rebuttal testimony of Randall Irwin which is  
3 Exhibit 17 HC; the rebuttal testimony of Randall  
4 Irwin, 17 NP; surrebuttal testimony of Randall Irwin,  
5 18 HC; and then an 18 NP.

6 Rebuttal testimony of Charles Mannix,  
7 33 HC; and then a 33 NP for Mr. Mannix. Surrebuttal  
8 of Mr. Mannix, Exhibit 34; direct testimony of  
9 Michael Adams, Exhibit 82; rebuttal testimony of  
10 Mr. Adams, Exhibit 83; rebuttal testimony of Michael  
11 Datillo, Exhibit 84; direct testimony of Tim Finnell,  
12 Exhibit 85; supplemental direct of Mr. Finnell,  
13 Exhibit 86; rebuttal testimony of Mr. Finnell,  
14 Exhibit 87; surrebuttal of Mr. Finnell, Exhibit 88;  
15 direct testimony of Thomas LaGuardia, Exhibit 89;  
16 direct testimony of James Pozzo, Exhibit 90;  
17 supplemental direct of Mr. Pozzo, Exhibit 91; direct  
18 testimony of Mr. Vogl, Exhibit 92, that's Kenneth  
19 Vogl; and supplemental direct of Mr. Vogl, Exhibit 92.

20 JUDGE WOODRUFF: It's 93.

21 MR. LOWERY: Or it's 93, I apologize.  
22 And then, your Honor, I wanted to check on, I believe  
23 Mr. Mark's testimony is in the record, but I had him  
24 on a list where I had a question about that, and I  
25 would --

1 JUDGE WOODRUFF: Would it be 38 and 39?

2 MR. LOWERY: That's correct. Those are  
3 in; is that correct?

4 JUDGE WOODRUFF: Those are in. Those  
5 are in.

6 MR. LOWERY: And I believe we also had  
7 Mr. -- or Professor Downs' testimony, Exhibits 44, 45  
8 and 46, and I believe, if I remember, the bench had  
9 reserved ruling on that and my understanding was --  
10 and I have not had an opportunity, honestly, to look  
11 at this, but my understanding was Mr. Dottheim had  
12 said something on the record about there being some  
13 citations to some cases in a prehearing brief --

14 JUDGE WOODRUFF: Yes. My understanding  
15 was Staff was going to file a subsequent motion --

16 MR. DOTTHEIM: Yes.

17 JUDGE WOODRUFF: -- to strike and I'll  
18 rule on that before the briefs.

19 MR. LOWERY: And then we'd have an  
20 opportunity to respond to that motion, of course?

21 JUDGE WOODRUFF: Yes.

22 MR. LOWERY: And I just wanted to verify  
23 that that's where we stood procedurally. That was my  
24 understanding as well --

25 JUDGE WOODRUFF: Correct.

1                   MR. LOWERY:  -- but a lot has happened  
2     in the last three weeks, so --

3                   JUDGE WOODRUFF:  Well, you got that  
4     right.  Let's deal with the testimony that you just  
5     offered.  Does anyone have any objection to the  
6     admission of any of those documents?

7                   (NO RESPONSE.)

8                   JUDGE WOODRUFF:  Hearing none, they will  
9     all be received.

10                  (EXHIBIT NOS. 400 THROUGH 416, 17 HC AND  
11     NP, 18 HC AND NP, 33 HC AND NP, 34, AND 82 THROUGH 93  
12     WERE RECEIVED INTO EVIDENCE AND MADE A PART OF THE  
13     RECORD.)

14                  MR. DOTTHEIM:  And that means that all  
15     the other testimony that was premarked or identified  
16     as exhibits has been received into evidence --

17                  MR. LOWERY:  Yes, I -- I believe that --

18                  MR. DOTTHEIM:  -- that you did address?

19                  MR. LOWERY:  I believe all of AmerenUE's  
20     prefiled testimony with the exception of Mr. -- or  
21     Professor Downs' is -- that we just talked about is  
22     now in the record.

23                  JUDGE WOODRUFF:  There's one exception  
24     to that in looking at my chart.  No. 9, we've got it  
25     marked as what, rebuttal?

1                   MR. LOWERY: I meant to get his as well.  
2   He maybe got in the wrong stack.

3                   JUDGE WOODRUFF: Okay. All right. 9  
4   has been offered. Any objection to its receipt?

5                   (NO RESPONSE.)

6                   JUDGE WOODRUFF: That's the rebuttal of  
7   Mr. Rutz and that will be received.

8                   (EXHIBIT NO. 9 WAS RECEIVED INTO  
9   EVIDENCE AND MADE A PART OF THE RECORD.)

10                  MR. LOWERY: Thank you, your Honor.

11                  JUDGE WOODRUFF: And I'm looking through  
12   the charts other than Mr. Downs' testimony, I show  
13   everything as having been received that was prefiled.  
14   I'm also looking through all the other documents.  
15   Exhibit No. 120 shown as Mr. Marks' information was  
16   offered, and I indicated I would defer ruling. Does  
17   anyone remember what that was?

18                  MR. DOTTHEIM: 120?

19                  JUDGE WOODRUFF: 120.

20                  MR. DOTTHEIM: Oh, I think -- I think  
21   you had distributed that. I think some parties had  
22   requested that you delay ruling on that while they --  
23   while they reviewed it.

24                  MR. LOWERY: I guess -- and so you don't  
25   show it as admitted. I guess our lists show that it

1 was. But it says "Mark info for Commissioners." I  
2 don't know exactly --

3 MR. MILLS: I have looked at that. I  
4 have no objection to it.

5 JUDGE WOODRUFF: All right. It will be  
6 received into evidence.

7 (EXHIBIT NO. 120 WAS RECEIVED INTO  
8 EVIDENCE AND MADE A PART OF THE RECORD.)

9 JUDGE WOODRUFF: That's everything else  
10 for Ameren. Did Staff have some also?

11 MR. DOTTHEIM: Yes.

12 MR. BYRNE: Your Honor, could I -- could  
13 I add one more thing for Ameren? I'm sorry.

14 JUDGE WOODRUFF: Sure.

15 MR. BYRNE: I just want to make sure  
16 to -- if there are -- if there are documents that  
17 were at -- requested of Mr. Rainwater that aren't in  
18 the record, I may -- I may file a late-filed exhibit.

19 JUDGE WOODRUFF: That would be fine.

20 MR. BYRNE: Okay.

21 JUDGE WOODRUFF: And we'll deal with  
22 those in our usual procedure.

23 MR. LOWERY: And your Honor, I'm gonna  
24 go ahead and give the court reporter Professor Downs'  
25 testimony for her to have since they have been

1 marked.

2 JUDGE WOODRUFF: That would be  
3 desirable, yes. All right. For Staff, anything  
4 else?

5 MR. WILLIAMS: Yes, Judge. There are at  
6 least three witnesses we have that should be coming  
7 in under the nonunanimous stipulation and agreement  
8 regarding class cost of service and rate design.

9 JUDGE WOODRUFF: Okay.

10 MR. DOTTHEIM: Okay. But we're gonna  
11 have to provide copies of that. And it's  
12 nonunanimous anyway, so I think why don't we just --

13 JUDGE WOODRUFF: Yeah, it's not actually  
14 been approved yet, but --

15 MR. DOTTHEIM: So --

16 JUDGE WOODRUFF: Any -- any that would  
17 not be under that agreement that would need to come  
18 in?

19 MR. DOTTHEIM: Yes. I mean --

20 JUDGE WOODRUFF: Okay.

21 MR. DOTTHEIM: -- can I go through at  
22 least my list --

23 JUDGE WOODRUFF: Yes.

24 MR. DOTTHEIM: -- but unfortunately, I  
25 think yours is probably --

1 JUDGE WOODRUFF: Oh, mine should be  
2 the -- mine should be the same as yours as far as --

3 MR. DOTTHEIM: I don't think mine --  
4 mine is --

5 JUDGE WOODRUFF: Oh, as far as which  
6 ones have been received? Okay.

7 MR. DOTTHEIM: Yes. It's probably as  
8 accurate as -- as -- as yours is. I'm not  
9 showing that 200 -- well, Mr. Began's direct which is  
10 200; Leon Bender's direct, 201; James Busch's direct,  
11 202; James Busch's prefiled direct, 203 HC and NP;  
12 James Busch's rebuttal, 204, on revenues is 204; his  
13 class cost of service rebuttal is 205, and his  
14 surrebuttal is 206. I don't -- I don't show that as  
15 being offered or received. I don't believe any of  
16 those individuals took the stand.

17 JUDGE WOODRUFF: That is correct. Do  
18 you wish to offer them at this time, then?

19 MR. DOTTHEIM: Yes, I would like to  
20 offer them at this time.

21 JUDGE WOODRUFF: Anyone object to their  
22 receipt?

23 MR. LOWERY: No objection, your Honor,  
24 but that was Began, Bender and Busch?

25 JUDGE WOODRUFF: Yes.



1 MR. DOTTHEIM: Yes.

2 JUDGE WOODRUFF: They will all be  
3 received.

4 (EXHIBIT NOS. 200 THROUGH 202, 203 HC  
5 AND NP AND 204 THROUGH 206 WERE RECEIVED INTO  
6 EVIDENCE AND MADE A PART OF THE RECORD.)

7 JUDGE WOODRUFF: Your next exhibit  
8 that's not shown as offered or received is Mr. Gibbs'  
9 direct as 210.

10 MR. DOTTHEIM: Yes, Mr. Gibbs, 210. The  
11 next one I'm showing is -- I'm showing as received  
12 Gilbert's --

13 JUDGE WOODRUFF: Yes, that's been  
14 received.

15 MR. DOTTHEIM: -- rebuttal 211 and also  
16 the revision?

17 JUDGE WOODRUFF: Yes.

18 MR. DOTTHEIM: Okay. Next one I'm  
19 showing as not offered or received is 212, Jeremy  
20 Hagemeyer's direct.

21 JUDGE WOODRUFF: That's correct.

22 MR. DOTTHEIM: Next is 213 HC and NP,  
23 the direct of Hannekan.

24 JUDGE WOODRUFF: That's what I have,  
25 yes.

1                   MR. DOTTHEIM: And -- and I'm not  
2 showing but I -- I assumed 214, 215 and 216, the  
3 direct, rebuttal and surrebuttal testimonies of  
4 Steven Hill were offered and received?

5                   JUDGE WOODRUFF: Yes.

6                   MR. DOTTHEIM: Okay. So I would next be  
7 showing as not offered and received, the direct of  
8 Shawn Lange?

9                   JUDGE WOODRUFF: Yes.

10                  MR. DOTTHEIM: The direct which is 217,  
11 218, the direct of Erin Maloney. Would that be  
12 correct?

13                  JUDGE WOODRUFF: That's correct.

14                  MR. DOTTHEIM: Okay.

15                  JUDGE WOODRUFF: Let's deal with those  
16 you just named. Any objections to their receipt?

17                  (NO RESPONSE.)

18                  JUDGE WOODRUFF: Hearing none, they will  
19 all be received.

20                  (EXHIBIT NOS. 210, 212, 213 HC AND NP,  
21 217 AND 218 WERE RECEIVED INTO EVIDENCE AND MADE A  
22 PART OF THE RECORD.)

23                  MR. DOTTHEIM: Okay. Okay. The next --  
24 the next that I show on my list as is not offered is  
25 the direct -- excuse me, is the rebuttal testimony of

1 William McDuffey which is Exhibit 224.

2 JUDGE WOODRUFF: That's what I show.

3 Any objection to its receipt?

4 (NO RESPONSE.)

5 JUDGE WOODRUFF: It will be received.

6 (EXHIBIT NO. 224 WAS RECEIVED INTO  
7 EVIDENCE AND MADE A PART OF THE RECORD.)

8 JUDGE WOODRUFF: The next one I have,  
9 then, Mr. Dottheim, was down to 230 for Mr. Rackers.

10 MR. DOTTHEIM: Yes, and with  
11 Mr. Rackers, only part of his testimony is going to  
12 be offered which right now I'm searching for my copy.  
13 Mr. Rackers' testimony, pages 1 to line 14 on page 11  
14 are being offered.

15 JUDGE WOODRUFF: That's of his direct?

16 MR. DOTTHEIM: Of his direct which is  
17 Exhibit 230.

18 JUDGE WOODRUFF: Okay.

19 MR. DOTTHEIM: And on page 14, just  
20 lines 11 and 12 of his -- his direct. And  
21 Exhibit 231 which is Mr. Rackers' surrebuttal,  
22 Mr. Rahrer's direct which is Exhibit 232 --

23 JUDGE WOODRUFF: I'm sorry. Did you say  
24 you were gonna offer all of Rackers' surrebuttal?

25 MR. DOTTHEIM: Yes, all of -- all of

1 Rackers' surrebuttal. Mr. Rahrer's direct which is  
2 Exhibit 232, Mr. Roos's direct which is 233,  
3 Mr. Roos's rebuttal 234 and Mr. Roos's surrebuttal  
4 which is 235.

5 JUDGE WOODRUFF: Let's deal with those.  
6 Any objection to the admission of the documents that  
7 were just mentioned?

8 (NO RESPONSE.)

9 JUDGE WOODRUFF: Hearing none, they will  
10 be received into evidence.

11 (EXHIBIT NOS. 230 THROUGH 235 WERE  
12 RECEIVED INTO EVIDENCE AND MADE A PART OF THE  
13 RECORD.)

14 MR. DOTTHEIM: The next testimony I'm  
15 showing not offered or received is Michael Taylor's,  
16 his direct which is 238 HC and NP, his supplemental  
17 direct which is 239 HC and NP.

18 JUDGE WOODRUFF: Any objection to  
19 Mr. Taylor's -- the admission of Mr. Taylor's  
20 evidence?

21 (NO RESPONSE.)

22 JUDGE WOODRUFF: Hearing none, they will  
23 be received.

24 (EXHIBIT NOS. 238 HC AND NP AND 239 HC  
25 AND NP WERE RECEIVED INTO EVIDENCE AND MADE A PART OF

1 THE RECORD.)

2 MR. DOTTHEIM: The next I'm showing is  
3 the -- is Curt Wells' direct which is Exhibit 242.

4 JUDGE WOODRUFF: Any objection to the  
5 admission of Mr. Wells' testimony?

6 (NO RESPONSE.)

7 JUDGE WOODRUFF: Hearing none, it will  
8 be received.

9 (EXHIBIT NO. 242 WAS RECEIVED INTO  
10 EVIDENCE AND MADE A PART OF THE RECORD.)

11 MR. DOTTHEIM: The next is the Staff's  
12 accounting schedules which are Exhibit No. 247.

13 JUDGE WOODRUFF: Any objection to the  
14 admission of Exhibit 247?

15 (NO RESPONSE.)

16 JUDGE WOODRUFF: Hearing none, it will  
17 be received.

18 (EXHIBIT NO. 247 WAS RECEIVED INTO  
19 EVIDENCE AND MADE A PART OF THE RECORD.)

20 MR. DOTTHEIM: And then there was a -- a  
21 gap because we had --

22 JUDGE WOODRUFF: Right.

23 MR. DOTTHEIM: -- misnumbered originally  
24 the Staff testimony, so I have a gap between 248  
25 through 253. And starting then up with Staff

1 exhibits again, 254.

2 JUDGE WOODRUFF: I'll save you some  
3 time. I show everything else as having been received  
4 except for 263 which was not offered but was later  
5 determined to be considered administrative notice  
6 from the Metro East case.

7 MR. DOTTHEIM: Yes, and I just might  
8 note for the record that that document is also an  
9 attachment to Mr. Naslund's deposition.

10 JUDGE WOODRUFF: Okay.

11 MR. DOTTHEIM: And so you have through  
12 Exhibit No. 275, then?

13 JUDGE WOODRUFF: That's correct. Office  
14 of Public Counsel. Does the State want to go through  
15 theirs too?

16 MR. CARLSON: Yes, State has just one,  
17 505 Steven Carver, HC and NP versions.

18 JUDGE WOODRUFF: That shows up on as 506  
19 on my chart.

20 MR. CARLSON: Then it's 506 HC and NP.

21 JUDGE WOODRUFF: And that's his direct.  
22 Okay. 506 has been offered. Any objections to its  
23 receipt?

24 (NO RESPONSE.)

25 JUDGE WOODRUFF: It will be received

1     into evidence.

2                   (EXHIBIT NO. 506 HC AND NP WAS RECEIVED  
3     INTO EVIDENCE AND MADE A PART OF THE RECORD.)

4                   JUDGE WOODRUFF:  And I show everything  
5     else as offered and received up through 527.

6                   MEG, I show 550 through 556 all as  
7     having been received.  Noranda, I show everything as  
8     received.  Same for DNR.  I don't show Mr. Brubaker's  
9     testimony as having been received.  It was offered  
10    but for some reason it was not received so ...

11                  MR. LOWERY:  Well, I think we have an  
12    objection to that.

13                  MS. VUYLSTEKE:  Okay.  Go ahead.  What's  
14    your objection?

15                  JUDGE WOODRUFF:  Hearing no serious  
16    objection, all those documents -- all of  
17    Mr. Brubaker's testimony, which I believe is 700  
18    through 704, will be received.

19                  (EXHIBIT NOS. 700 THROUGH 704 WERE  
20    RECEIVED INTO EVIDENCE AND MADE A PART OF THE  
21    RECORD.)

22                  JUDGE WOODRUFF:  And then we've got 713  
23    as Hinkley direct, 714 is Owen direct and 715 is  
24    Kajander, correct?

25                  MS. VUYLSTEKE:  Yes, your Honor.  I was

1 mistaken. We thought that because of the stip that  
2 this testimony would be admitted into the record  
3 without having to do this, but I would like to have  
4 it all admitted.

5 JUDGE WOODRUFF: All right. Since we're  
6 doing everything else, we'll just do it at the same  
7 time. Any objection to the receipt of those  
8 documents?

9 (NO RESPONSE.)

10 JUDGE WOODRUFF: They will be received  
11 into evidence.

12 (EXHIBIT NOS. 713 THROUGH 715 WERE  
13 RECEIVED INTO EVIDENCE AND MADE A PART OF THE  
14 RECORD.)

15 JUDGE WOODRUFF: All of AARP's are in,  
16 all of MASW is in and all of Commercial Group's is  
17 in. And then the only other documents we had were  
18 the ones that were offered by the Commissioners and  
19 ones -- the 970, 971, 972 are all accepted on  
20 administrative notice. 773 through 977 were all  
21 admitted. And we do have copies, I guess. They  
22 were -- you-all have the copies of 976 and 977.

23 And I believe that's everything. There  
24 is a true-up hearing scheduled for, I believe it's  
25 April 19th and 20th, and if the parties find that



1 they do not need that -- those hearing dates, let me  
2 know; otherwise, we'll plan to be here for that.

3 I believe the schedule also calls for  
4 briefs to be filed on April 18th with true-up briefs  
5 to be filed on April 25th.

6 MR. LOWERY: Your Honor, we were going  
7 to suggest, I think we've checked with the other  
8 parties that are at least here, and nobody, I  
9 believe, had a concern with that, to move the brief  
10 due date two days to Friday the 20th rather than the  
11 18th. And correspondingly -- well, what is the 25th?  
12 19th and 20th, that must be Wednesday also the next  
13 week. Move the true-up brief if there's a necessity  
14 back two days as well. And we'd like to request that  
15 at least if that would please the Commission.

16 JUDGE WOODRUFF: I don't know if it  
17 would please me but --

18 MR. LOWERY: But you won't object to it  
19 perhaps.

20 JUDGE WOODRUFF: I won't object to it.

21 MR. LOWERY: Thank you.

22 JUDGE WOODRUFF: So the briefs will be  
23 due on the 20th with true-up briefs on the 27th if  
24 necessary.

25 MR. LOWERY: And we hope that's not

1     necessary --

2                   MR. CONRAD:  Are we doing -- I'm sorry.  
3     Are we doing just one round?

4                   JUDGE WOODRUFF:  One round.

5                   MR. MILLS:  Judge, one final matter  
6     with -- well, maybe not final but I think the last  
7     thing I can think of right now with respect to the  
8     record, and we've brought this up, I think, on a  
9     couple of different occasions, was the one statement  
10    that Mr. Wood has made subject to check, and he  
11    has -- you know, he was supposed to check over that  
12    lunch hour and didn't and a week has gone by and we  
13    haven't heard back from him.  So I would like to have  
14    that answer stricken.

15                  JUDGE WOODRUFF:  Do you know where it  
16    was in the record?

17                  MR. MILLS:  It was either last Thursday  
18    or Friday and basically he said, "I think Mr. Kind  
19    testified to such and such in the Metro East case."  
20    And as I said on the record last week, Mr. Kind  
21    checked over the lunch hour and does not believe that  
22    he made any such statement in the Metro East case,  
23    and Mr. Voytas has never told us that he's been able  
24    to find that in the Metro East -- Metro East case, so  
25    I ask that that answer be stricken.

1                   MR. LOWERY: Your Honor, let me do this:  
2     Let me get the transcript from that day and we will  
3     either respond or we will file something by Tuesday  
4     close of business if that's acceptable --

5                   JUDGE WOODRUFF: That would be fine.

6                   MR. LOWERY: -- And that would be better.

7                   JUDGE WOODRUFF: That would be fine.

8                   MR. MILLS: All right. Depending on  
9     what they file, I may object to it, but that's fine.

10                  JUDGE WOODRUFF: Well, we'll do with  
11     that as needed when we -- when we get there.  
12     Anything else?

13                  (NO RESPONSE.)

14                  JUDGE WOODRUFF: I've been waiting to do  
15     this for a long time. We are adjourned.

16                  (EXHIBIT NOS. 7, 8, 9, 17, 18, 33, 34,  
17     40, 41, 42, 44, 45, 46, 82 THROUGH 93, 120, 200  
18     THROUGH 206, 210, 212, 213, 217, 218, 224, 230, 231,  
19     233, 234, 235, 238, 239, 242, 247, 400 THROUGH 416,  
20     506, 700 THROUGH 704, 713 THROUGH 715 WERE MARKED FOR  
21     IDENTIFICATION BY THE COURT REPORTER.)

22                  (WHEREUPON, the hearing in this case was  
23     concluded.)

24

25

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14	normalized that was		
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18	*** Judge Woodruff will reserve ruling on these		
19	exhibits before the briefs are filed.		
20			
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## 1 CERTIFICATE OF REPORTER

2 STATE OF MISSOURI )  
3 ) ss.  
4 COUNTY OF COLE )  
5  
6

7 I, PAMELA FICK, RMR, RPR, CSR, CCR #447,  
8 within and for the State of Missouri, do hereby  
9 certify that the testimony of said witnesses were  
10 taken by me to the best of my ability and thereafter  
11 reduced to typewriting under my direction; that I am  
12 neither counsel for, related to, nor employed by any  
13 of the parties to the action to which this hearing  
14 was conducted, and further that I am not a relative  
15 or employee of any attorney or counsel employed by  
16 the parties thereto, nor financially or otherwise  
17 interested in the outcome of the action.

18

19

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21

22 \_\_\_\_\_  
PAMELA FICK, RMR, RPR, CSR, CCR #447

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