

1 STATE OF MISSOURI
2 PUBLIC SERVICE COMMISSION
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6 TRANSCRIPT OF PROCEEDINGS
7 Evidentiary Hearing
8 March 23, 2010
9 Jefferson City, Missouri
Volume 31
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11

12 In the Matter of Union Electric)
Company d/b/a AmerenUE's Tariffs)
13 To Increase Its Annual Revenues) File No. ER-2010-0036
For Electric Service)
14

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16 MORRIS L. WOODRUFF, Presiding,
CHIEF REGULATORY LAW JUDGE.
17

18 ROBERT M. CLAYTON III, Chairman,
JEFF DAVIS,
19 TERRY JARRETT,
KEVIN GUNN,
20 ROBERT S. KENNEY
COMMISSIONERS.
21

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1 P R O C E E D I N G S

2 JUDGE WOODRUFF: Welcome back to the next
3 day of the AmerenUE rate case hearing. I hope everyone
4 enjoyed the late start day, got a little extra sleep
5 perhaps. Wish we could do it this way every day.

6 We'll start today with resuming on the fuel
7 adjustment clause with Ms. Mantle. I understand there's
8 some housekeeping things we want to take care of first.

9 MR. BYRNE: Yes, your Honor. There's been
10 some exhibits over the last week that we've had to get
11 reproduced, in particular the cross-examination exhibits I
12 used for Mr. Lawton and Mr. Gorman, I had to put new
13 titles on those, and I also -- there was also an exhibit
14 that was handwritten that I used for Mr. Lawton, and
15 there's also a handwritten exhibit from Ms. Cannell when
16 she drew the chart. We've had those reproduced on 8 1/2
17 by 11 sheets of paper. So I guess I'd like to -- I think
18 they've already been offered and accepted.

19 JUDGE WOODRUFF: They've already been
20 offered and accepted, so if you want to just give a copy
21 to the court reporter and to the parties.

22 MR. WILLIAMS: Judge, in addition, I have
23 three Data Request responses from AmerenUE that I'd like
24 to mark as exhibits for the record in this case.

25 JUDGE WOODRUFF: You can do that.

1 JUDGE WOODRUFF: All right. Mr. Williams,
2 did you have something else?

3 MR. WILLIAMS: Yes, judge. I have three
4 Data Request responses from AmerenUE that I'd like to have
5 marked as exhibits and entered into the record. I believe
6 all three should be treated as highly confidential.

7 JUDGE WOODRUFF: Okay.

8 MR. WILLIAMS: The first one would be
9 AmerenUE hedge positions on coal needs at March 31, 2009,
10 July 31, 2009, October 31, 2009, December 31, 2009 and
11 February 28, 2010.

12 JUDGE WOODRUFF: And that will be 235. Do
13 you have copies?

14 MR. WILLIAMS: Yes, I do.

15 (EXHIBIT NO. 235HC WAS MARKED FOR
16 IDENTIFICATION BY THE REPORTER.)

17 MR. WILLIAMS: The next one pertains to
18 uranium conversion, enrichment and fabrication hedging as
19 of March 31, 2009, July 31, 2009, October 31, 2009,
20 December 31, 2009 and February 28th, 2010. Again, this is
21 a highly confidential Data Request response.

22 JUDGE WOODRUFF: That will be 236HC, then.

23 (EXHIBIT NO. 236HC WAS MARKED FOR
24 IDENTIFICATION BY THE REPORTER.)

25 MR. WILLIAMS: And the third one is an

1 AmerenUE response to a Data Request regarding AmerenUE's
2 hedge positions for gas for its combustion turbine
3 generators asking for that information as of March 31,
4 2009, July 31, 2009, October 31, 2009, December 31, 2009
5 and February 28th, 2010. Again, that exhibit should be
6 treated as highly confidential as well.

7 JUDGE WOODRUFF: That will be 237HC.

8 (EXHIBIT NO. 237HC WAS MARKED FOR
9 IDENTIFICATION BY THE REPORTER.)

10 JUDGE WOODRUFF: Mr. Williams, it looks
11 like 235 and 237 are the same. They both say they're the
12 coal.

13 MR. WILLIAMS: I distributed the wrong
14 copy. I do have three different exhibits.

15 JUDGE WOODRUFF: 237 should be the gas,
16 right?

17 MR. WILLIAMS: Yes.

18 JUDGE WOODRUFF: Okay.

19 MR. WILLIAMS: We're going to have to get
20 some more copies of Exhibit 237.

21 JUDGE WOODRUFF: Do you want to offer the
22 exhibits at this point?

23 MR. WILLIAMS: Yes, I would like to offer
24 what have been marked as Exhibits 235HC, 236HC and 237HC,
25 and I will provide additional copies of Exhibit 237.

1 JUDGE WOODRUFF: Exhibits 235, 236 and 237
2 have been offered. Any objections to their receipt?

3 MR. BYRNE: These are all Data Requests
4 that we provided responses to, right, Mr. Williams?

5 MR. WILLIAMS: Yes.

6 MR. BYRNE: We have no objection.

7 JUDGE WOODRUFF: Hearing no objection, they
8 will be received.

9 (EXHIBIT NOS. 235HC, 236HC AND 237HC WERE
10 RECEIVED INTO EVIDENCE.)

11 JUDGE WOODRUFF: And Mr. Williams, just so
12 I'm clear, I believe these were all relevant to the
13 testimony that was offered late yesterday from various
14 AmerenUE witnesses about their hedge positions; is that
15 the reason for this?

16 MR. WILLIAMS: Yes.

17 JUDGE WOODRUFF: All right. Well, let's go
18 ahead and call our next witness, then, which would be
19 Ms. Mantle.

20 MS. BAKER: Your Honor, may I make an entry
21 of appearance?

22 JUDGE WOODRUFF: Sure.

23 MS. BAKER: Christina Baker for the Office
24 of the Public Counsel.

25 JUDGE WOODRUFF: Thank you.

1 JUDGE WOODRUFF: Please raise your right
2 hand.

3 (Witness sworn.)

4 JUDGE WOODRUFF: Thank you. And
5 Ms. Mantle, I'm sure you've been listening to the hearing,
6 so you know what I'm about to say, but I've been telling
7 all the witnesses to please answer the questions that are
8 asked and not to elaborate unless the attorney asks you to
9 elaborate.

10 You may inquire.

11 MR. WILLIAMS: Thank you, Judge.

12 LENA MANTLE testified as follows:

13 DIRECT EXAMINATION BY MR. WILLIAMS:

14 Q. Would you please state your name.

15 A. My name is Lena Mantle.

16 Q. And by whom are you employed and in what
17 capacity?

18 A. I'm employed by the Missouri Public Service
19 Commission as the Energy Department Manager.

20 Q. Did you prepare portions of the Staff
21 Report Revenue Requirement Cost of Service that's been
22 marked for identification as Exhibit No. 200?

23 A. Yes, I did.

24 Q. And are the portions of that report for
25 which you're responsible identified in your revised

1 affidavit that's also a part of that Exhibit 200?

2 A. Yes.

3 Q. And did you also prepare supplemental
4 direct testimony that's been marked for identification as
5 Exhibit No. 221?

6 A. Yes.

7 Q. And did you also prepare surrebuttal
8 testimony that's been marked for identification as Exhibit
9 No. 222?

10 A. Yes, I did.

11 Q. Do you have any -- would you make any
12 changes to those portions of Exhibit No. 200 that
13 you're -- for which you're responsible or to Exhibits
14 No. 221 or 222 here today?

15 A. No.

16 Q. Are those portions identified as being your
17 responsibility in Exhibit No. 200 and Exhibits 221 and 222
18 your testimony here today?

19 A. Yes, they are.

20 MR. WILLIAMS: I offer those portions of
21 Exhibit 200 identified in the revised affidavit of Lena M.
22 Mantle and Exhibit 221 and Exhibit 222.

23 JUDGE WOODRUFF: All right. Portions of
24 200 as well as 221 and 222 have been offered. Any
25 objections to their receipt?

1 MR. BYRNE: No, your Honor.

2 JUDGE WOODRUFF: Hearing no objections,
3 they will be received.

4 (PORTIONS OF EXHIBIT NO. 200 AND EXHIBIT
5 NOS. 221 AND 222 WERE RECEIVED INTO EVIDENCE.)

6 JUDGE WOODRUFF: For cross-examination, we
7 begin with Public Counsel.

8 MS. BAKER: No cross-examination.

9 JUDGE WOODRUFF: MIEC?

10 MS. VUYLSTEKE: No questions.

11 JUDGE WOODRUFF: Ameren?

12 MR. BYRNE: I have a few.

13 CROSS-EXAMINATION BY MR. BYRNE:

14 Q. Good morning, Ms. Mantle.

15 A. Good morning.

16 Q. Do you have your testimony with you?

17 A. Yes, I do.

18 Q. I'm looking at your supplemental direct
19 testimony on page 6, and it begins at line 8, and the
20 question is, has Staff changed its position since it filed
21 its Staff Report on December 18, 2009? Do you see that
22 question?

23 A. Yes.

24 Q. And in the answer you talk about an
25 agreement among the parties that the non-AmerenUE parties

1 would raise their substantive issues regarding AmerenUE's
2 FAC in their December 18th, 2009 direct case. Do you see
3 that?

4 A. Yes, I do.

5 Q. Can you explain a little bit more about
6 that agreement? Where was it and how did it come to be?

7 A. That was part -- when we were coming up
8 with the procedural schedule and the parties were getting
9 together to come up with the procedural schedule for this
10 case, it's my recollection that the parties wanted quite a
11 bit of time between direct -- well, actually, I think it
12 was three weeks between direct on revenue requirement and
13 the direct on class cost of service and rate design, and
14 the company was concerned about having less time to work
15 on any FAC issues or ECRM issues or different issues. And
16 we agreed then that we would put our positions regarding
17 the FAC in the direct filing, I believe, yeah, on December
18 18th.

19 Q. And that was -- was that agreement filed as
20 part of the procedural schedule?

21 A. I don't remember.

22 Q. Okay. And as I understand it, Staff did
23 live up to that agreement and submitted any changes that
24 it had proposed for the FAC with its December 18th direct
25 testimony; is that correct?

1 A. Yes. Staff suggested some modifications to
2 AmerenUE's current FAC.

3 Q. And that was filed on December 18th, 2009?

4 A. Yes.

5 Q. The agreement, right?

6 A. Yes.

7 Q. On page 5, of your direct testimony on the
8 fuel adjustment clause, line 15, the question is, why did
9 Staff not propose discontinuing AmerenUE's FAC in this
10 case? Do you see that question?

11 A. Yes.

12 Q. And I think the first -- you say there's
13 two reasons, and the first reason is that we were
14 authorized to have an FAC in the last case,
15 Case No. ER-2008-0318; is that correct?

16 A. That's correct.

17 Q. And the circumstances since that case have
18 not changed significantly; is that correct?

19 A. Yes.

20 Q. Okay. And then your second answer is at
21 the top of page 6, your second reason for not proposing a
22 change, and it starts on line 3. Are you there?

23 A. Yes.

24 Q. And it says, second, but not insignificant,
25 since little time had passed after AmerenUE's FAC was

1 implemented, Staff did not have enough data to
2 meaningfully analyze the effectiveness of AmerenUE's FAC
3 in delivering the purported benefits AmerenUE had or
4 AmerenUE asserted an FAC would provide.

5 Do you see that?

6 A. Yes.

7 Q. And I was wondering if you could elaborate
8 on that a little bit. What additional data would you be
9 able to get, how would it help you do that analysis?

10 A. At the time even that we filed I think our
11 direct case, there had only been one change to the fuel
12 adjustment clause for AmerenUE. We would look at the
13 magnitude of the changes, the impacts on customer rates.
14 Would even possibly consider public comments provided.
15 Off the top of my head, that's the main ones that I can
16 think of now.

17 Q. How about information from the prudence
18 review, would that be useful in determining whether the
19 FAC was delivering benefits?

20 A. Right. That's correct. The prudence
21 review is very important, as in also seeing if AmerenUE's
22 practices had changed regarding their purchase and hedging
23 of fuel and sale of off-system sales on the market.

24 Q. And we haven't gotten to that first
25 prudence review; is that correct?

1 A. No. The Staff filed to open it, I think,
2 two weeks ago.

3 Q. And I assume that will take -- how long do
4 you think a prudence review will take to complete?

5 A. We have, I -- we have 180 days.

6 Q. In your surrebuttal testimony on page 16,
7 at line 7, you have just -- you discuss some bilateral
8 contracts AmerenUE had with American Electric Power
9 Company, Wabash Valley Power Cooperative that we entered
10 into in the wake of the loss of the Noranda load. Do you
11 see that discussion?

12 A. Yes.

13 Q. And my understanding is that these two
14 contracts with AEP and Wabash Valley were bilateral
15 long-term partial requirements contracts. Would you agree
16 with that?

17 A. Yes.

18 Q. And AmerenUE entered into these contracts
19 because it lost significant load from Noranda; isn't that
20 correct?

21 A. That's what we were told, yes.

22 Q. Okay. And that was following the January
23 2009 ice storm in southeast Missouri; is that correct?

24 A. Yes.

25 Q. And do you know the magnitude of the load

1 that AmerenUE lost from Noranda as a result of that ice
2 storm?

3 A. I'm assuming that's not highly
4 confidential?

5 Q. No, it's not.

6 A. I believe it's between 470 and 480
7 megawatts.

8 Q. And that's pretty significant, isn't it?

9 A. Yes.

10 Q. And AmerenUE did not lose any of its
11 generating units during that ice storm, did it?

12 A. No, it did not.

13 Q. And my understanding is you proposed in
14 your testimony and there's been subsequent agreement to
15 change the terms of the definition of OSSR in our fuel
16 adjustment clause tariff; is that correct?

17 A. I would say it's to clarify.

18 Q. Okay. Can you explain what the benefit of
19 making that change to the term OSSR is?

20 A. That long-term bilateral contracts that
21 AmerenUE enters into and should enter into when it has
22 excess capacity and energy, that that revenues would flow
23 through the fuel adjustment clause since the ratepayers
24 are paying for the plants.

25 Q. And if you did not make that change to

1 OSSR, what would happen to those revenues?

2 A. I think that definition that's currently in
3 there in OSSR is up for interpretation.

4 Q. Okay. Ms. Mantle, would it be fair to say
5 that you're not a fuel contracting expert?

6 A. Yes.

7 Q. You've never negotiated a coal contract; is
8 that true?

9 A. That's true.

10 Q. You've never negotiated a coal
11 transportation contract?

12 A. No.

13 Q. Or a gas supply contract?

14 A. No.

15 Q. Or a nuclear fuel contract?

16 A. No.

17 Q. Or any of the hedging contracts that would
18 be associated with any of those sources of fuel supply?

19 A. No, I have not.

20 Q. Have you ever seen any of AmerenUE's fuel
21 contracts or hedging contracts?

22 A. No.

23 Q. Okay. Take a look at your surrebuttal
24 testimony on page 2, beginning at line 21.

25 COMMISSIONER DAVIS: Mr. Byrne, could you

1 repeat that?

2 MR. BYRNE: I'm sorry. Surrebuttal
3 testimony, page 2, line 21.

4 BY MR. BYRNE:

5 Q. And you're talking about the different fuel
6 commodities that AmerenUE buys, and the testimony reads,
7 Staff agrees with these witnesses that the spot market
8 prices of each of these commodities are volatile.
9 However, the amount of fuel purchased by AmerenUE on any
10 of these spot markets as a percentage of its total fuel is
11 very small. Therefore, the volatility of these spot
12 markets does not translate in volatility in fuel cost for
13 AmerenUE. Do you see that?

14 A. Yes.

15 Q. But, Ms. Mantle, isn't it true that when
16 long-term fuel contracts are negotiated, the price that
17 AmerenUE pays is based on the spot market for that
18 commodity at that time?

19 A. I don't know.

20 Q. Were you here when Mr. Neff testified
21 yesterday about that?

22 A. Yes, I was.

23 Q. And didn't Mr. Neff testify that when he
24 enters into long-term coal contracts, the price that he's
25 offered by the suppliers is based on the market price of

1 coal at the time? Were you here for that?

2 A. I was here for that. I can't say for sure
3 exactly what he said.

4 Q. Would you have any reason to disagree with
5 whatever Mr. Neff said yesterday about the price of coal
6 that he has to -- that he has to take when he enters into
7 long-term contracts?

8 A. I have no reason to not believe Mr. Neff.

9 Q. Ms. Mantle, you were critical of the notice
10 provisions that KCPL GMO used in its last rate case which
11 was, as I understand it, their first rate case after their
12 fuel adjustment clause was approved; is that correct?

13 A. That is correct.

14 Q. And specifically, as I understand it, KCPL
15 GMO did not include the increase in its fuel cost in its
16 notice to customers; is that correct?

17 A. That is correct.

18 Q. And I think KCPL GMO's rationale for not
19 doing that was that those costs would have been recovered
20 anyway under the fuel adjustment clause, so there was no
21 reason to provide notice of the increase when the fuel
22 adjustment clause was rebased in the rate case, is that --
23 is that true?

24 A. That's what they told Staff.

25 Q. And Staff was pretty unhappy with that; is

1 that fair to say?

2 A. That puts it mildly, yes.

3 Q. You didn't think that was adequate notice
4 to customers of the rate change they were getting; is that
5 fair to say?

6 A. That's fair.

7 Q. Okay. And -- but -- but then in this case
8 you analogized that to some of the problems you had to a
9 lesser degree with AmerenUE; is that fair to say?

10 A. Yes.

11 Q. I'd like to take a look, if we could, at
12 the filing that KCPL GMO made in that case, and maybe
13 compare it to what AmerenUE did with this case. This is a
14 fairly long document. I don't want to mark it as an
15 exhibit unless we have to, but I can -- maybe I can refer
16 you to pieces of it. But will you agree with me that that
17 is KCPL GMO's minimum filing requirements associated with
18 the case that you were discussing in your testimony?

19 A. I believe it is.

20 Q. Okay. And there's a cover sheet on the
21 front and then the next -- the second page is beginning
22 with the application that they filed; is that correct?

23 A. That is correct.

24 Q. And I've marked, I guess, page 3 of that
25 application. Can you go to where I've marked page 3?

1 A. Yes.

2 Q. And there's paragraph 8, and it says, and I
3 quote, the schedules filed with this application establish
4 a gross revenue deficiency of approximately \$66.0 million
5 and \$17.1 million for MPS and L&P respectively based on
6 normalized operating results for the 12 months ending
7 December 31, 2007, adjusted for known and measurable
8 changes in revenues, operating and maintenance expenses,
9 cost of capital and taxes and other adjustments referred
10 to herein. This represents a rate increase of
11 approximately 14.4 percent for MPS based on test year
12 revenue of approximately \$460 million and a 13.6 percent
13 increase for L&P based on test year revenue of
14 approximately \$125 million.

15 Did I read that correctly?

16 A. Yes.

17 Q. And as I understand it, MPS and L&P are
18 their two divisions; is that true?

19 A. They're two terr -- service territories.
20 They're designations of the service territories of which
21 they have different rates.

22 Q. Okay. And is this an example of the
23 problem they had with their whole filing? In other words,
24 the \$66 million and the \$17.1 million are only the
25 non-fuel portions of their proposed increase; isn't that

1 right?

2 A. Yes.

3 Q. And similarly, the 14.4 percent increase
4 for MPS and the 13.6 percent increase for L&P, those are
5 percent increases that only reflect non-fuel costs; is
6 that correct?

7 A. Yes.

8 Q. Okay. And then if you turn to the next
9 thing that I have marked in that document, which is --
10 it's item 1 attached to it, and the title of that item is
11 aggregate annual increase. Do you see that?

12 A. Yes.

13 Q. And again, I'm not going to read the whole
14 thing, but again, doesn't this item reference the
15 \$66 million for -- for MPS and the \$17.1 million for L&P,
16 which again don't reflect fuel costs; is that correct?

17 A. That is correct.

18 Q. So it's another example of what I think the
19 Staff believes is a misleading representation of their
20 rate increase; is that correct?

21 A. That's correct.

22 Q. Okay. Then turn to the next one, if you
23 could, which is item 4 attached to the filing, and the
24 title of that is The Average Annual Change Requested in
25 Dollars and Percentage Changed from Current Rates Based on

1 March 2009 Projected Sales, and I think this applies to
2 the MPS service territory; is that correct?

3 A. Yes.

4 Q. And again, they have the 14.37 percent
5 increase, which as I understand it is only the non-fuel
6 portion; is that correct?

7 A. That's correct.

8 Q. Okay. And again, that's the same problem
9 that you identified, right?

10 A. Yes.

11 Q. And then the last one is item 5, which says
12 the proposed annual aggregate change including dollar
13 amounts and percentage change in revenues from current
14 rates based on March 2009, and this one is for L&P; is
15 that correct?

16 A. Yes.

17 Q. And again, they only have the 13.6 percent
18 increase shown, which is only the non-fuel portion; is
19 that correct?

20 A. That's correct.

21 Q. Okay. Thanks. And then the notice for the
22 case was -- the customer notification was attached to the
23 direct testimony of Tim Rush. So I'm handing you a copy
24 of the direct testimony of Tim Rush, and again, I don't
25 want to make it an exhibit because it's -- I don't want to

1 kill that many trees, but would you agree this is the
2 direct testimony of Tim Rush from that case?

3 A. Yes.

4 Q. And the part -- the attachment that I've
5 marked is the draft notice to customers for that case;
6 would you agree with that?

7 A. Yes.

8 Q. And again, this draft notice references the
9 14.4 percent increase for MPS and the 13.6 percent
10 increase for the L&P service area; is that correct?

11 A. That is correct.

12 Q. And so those percentage increases are only
13 the non-fuel part of that rate increase; is that correct?

14 A. That's correct.

15 Q. And they don't even mention the fuel cost
16 increase in that notice; is that correct?

17 A. No, they did not.

18 Q. Okay. And in contrast, I mean, AmerenUE
19 didn't do exactly that; is that fair to say?

20 A. That's fair to say.

21 Q. And isn't it true that when AmerenUE put
22 together its initial draft of the notice, that it
23 didn't -- that it didn't file but it submitted to Staff,
24 it had broken the rate increase request into two pieces,
25 the fuel piece and the non-fuel piece; is that correct?

1 A. That's correct.

2 Q. And so the notice, even as we had initially
3 drafted it, had both pieces, but they were just separated;
4 is that true?

5 A. Yes.

6 Q. Okay. And then isn't it true that we sent
7 it to the Staff to get their comments on it; is that true?

8 A. Yes.

9 Q. And we scheduled a phone call and had a
10 phone discussion about whether this was the appropriate
11 way to give notice to our customers?

12 A. Yes.

13 Q. And my recollection from that phone call,
14 correct me if I'm wrong, is that Staff wanted us to
15 combine the two numbers together, so that instead of
16 having -- so that the first line of the notice would say
17 we were requesting a \$402 million rate increase which
18 would be comprised of both fuel and non-fuel components.
19 Am I remembering that correctly?

20 A. And I believe we actually provided you some
21 suggested language. We didn't know the amounts at that
22 time, but we did say we wanted the total increase to be
23 the first -- in the first sentence, not split out.

24 Q. And isn't it true that AmerenUE accepted
25 the Staff's suggestion and ended up filing it the way that

1 the Staff wanted us to?

2 A. Yes.

3 Q. So I mean, do you have any objection to the
4 way we handled that?

5 A. No. I think you did a good job. You
6 learned from the lessons of prior utilities.

7 Q. We're always trying to learn. Okay. In
8 your surrebuttal on page 3, line 20, you also talk about
9 something that Empire District Electric Company did in one
10 of their cases, and I guess was this -- was this a rate
11 case after they got their fuel adjustment clause?

12 A. It's the rate case that's currently open
13 now.

14 Q. Okay. And my understanding from your
15 testimony is that Empire did not model a normalized
16 annualized fuel and purchased power expense as part of
17 their rate case; is that what happened?

18 A. That is correct.

19 Q. But -- but AmerenUE hasn't done that, have
20 they?

21 A. They did file with a normalized annualized
22 fuel run.

23 Q. So you don't have the same objection to
24 anything that AmerenUE did that you have for Empire; is
25 that correct?

1 A. That's --

2 Q. Perhaps that was an inartfully worded
3 question. We -- our filing doesn't suffer from the same
4 deficiency as Empire's; is that correct?

5 A. The filing doesn't, that's correct.

6 Q. On page 5 of your surrebuttal testimony,
7 towards the top, I believe you take issue with AmerenUE
8 witness Lynn Barnes' testimony that without an FAC there
9 would be substantial losses. Do you see that?

10 A. Yes.

11 Q. And I think in particular you're taking
12 issue with the fact that she's characterized the losses as
13 substantial; is that fair to say?

14 A. She characterized my testimony as saying
15 there would be substantial losses.

16 Q. Were you here yesterday when Ms. Barnes
17 testified that the fuel cost increases for the first six
18 months of 2010 would be 70 to \$75 million?

19 A. Yes.

20 Q. Do you consider 70 to \$75 million to be a
21 substantial amount?

22 A. Yes.

23 Q. And were you here when Ms. Barnes testified
24 that the net fuel cost increase between last rate case and
25 this rate case was approximately \$200 million?

1 A. I was here for her testimony.

2 Q. Would you consider \$200 million to be a
3 substantial amount?

4 A. Yes.

5 Q. On page 5 of your surrebuttal, on line 18,
6 there's a sentence that says -- and I think you're talking
7 about if a utility doesn't have a fuel adjustment clause,
8 and the sentence says, if the utility chooses to request a
9 rate increase to recover costs, there is 100 percent
10 recovery of the cost -- I'm sorry, of the increase in
11 costs between the time the costs are incurred and the
12 effective date of the rates authorized by the Commission.
13 Do you see that?

14 A. I see that sentence.

15 Q. That struck me as maybe not correct, or am
16 I reading it wrong?

17 A. I'm not for sure what I meant by that
18 sentence, but yes, I can see how it can be read -- I can't
19 figure out what I meant by that.

20 Q. Okay. If you don't have a fuel adjustment
21 clause, don't you -- don't you -- you don't recover the
22 cost of the fuel cost increases that occur prior to the
23 effective date of new rates; is that true?

24 A. That's correct. That's correct.

25 Q. On page 6 of your surrebuttal testimony,

1 line 15, you are also -- you're talking about -- in the
2 middle of the page, you're talking about Ms. Barnes said
3 the lag between when fuel costs increase and when they can
4 be reflected in rates would be many months. Do you see
5 that?

6 A. Again, that's a characterization of my
7 testimony. That's not her testimony. I mean, that's her
8 testimony as to what I said.

9 Q. Okay. And you're -- you're particularly
10 taking issue with her use of the term many months; is that
11 fair to say?

12 A. That's fair to say.

13 Q. And you say on line 19 and 20, you say, if
14 there were coal cost increases that went into effect on
15 January 1, 2011, the lag could be -- or recovery could
16 begin as soon as six months from that; is that correct?

17 A. Yes.

18 Q. And I think that would be if AmerenUE
19 filed a rate case immediately after this one; is that
20 true?

21 A. Yes.

22 Q. But in your example, AmerenUE would not
23 recover the coal costs in that six-month lag; is that
24 correct?

25 A. That's correct.

1 Q. And then the same thing would happen the
2 next year if we filed the rate case immediately after that
3 one, wouldn't it? There would be a six-month lag to
4 recovering the coal cost increases that went into effect
5 January 2012?

6 A. I think if you filed one immediately after
7 that, you probably wouldn't get the next coal contract in
8 because the true-up period would have -- you couldn't file
9 one immediately afterwards and get the next January
10 because you're moving 11 months up each time. So you're
11 moving a month up, so you would probably not catch that
12 January, but you could time it again to where you could
13 get that January 1st increase.

14 Q. And you could -- even if you perfectly
15 timed it, you've still got a lag of about six months?

16 A. Yes.

17 Q. And you never get to recover the six months
18 of cost increases that you've missed during that lag; is
19 that correct?

20 A. Correct.

21 Q. On page 6, line 21 of your surrebuttal,
22 you've got a sentence that says, Ms. Barnes fails to point
23 out that without an FAC AmerenUE would get to retain
24 100 percent of the decreases in fuel costs up until new
25 rates go into effect. Do you see that?

1 A. Yes.

2 Q. And -- but you don't have any evidence, do
3 you, that AmerenUE's net fuel costs are decreasing?

4 A. No, but there is evidence that natural gas
5 prices are going down.

6 Q. Okay. Okay. On page 7 of your
7 surrebuttal, line 6, you say, again, Staff would agree
8 that AmerenUE does not control the markets, but by the
9 sheer volume of coal that it purchases, AmerenUE should be
10 able to influence the price and terms for its coal. Do
11 you see that?

12 A. Yes.

13 Q. And -- but Ms. Mantle, you don't have any
14 specific evidence that AmerenUE is able to control the
15 price and terms of its coal, do you?

16 A. No.

17 Q. And were you here yesterday when Mr. Neff
18 testified that AmerenUE only buys 8 percent of the coal in
19 the Powder River Basin?

20 A. I believe he also testified --

21 Q. Just that, please.

22 A. Yes.

23 Q. And were you here when he said that
24 AmerenUE is a price taker and the price AmerenUE pays for
25 coal is based on the market?

1 A. I can't remember those specific words, but
2 I was here for it and it is possible that was said.

3 Q. Okay. At the bottom of page 8 of your
4 surrebuttal testimony, you say that Staff has always
5 respected the fuel modeling work of AmerenUE and has never
6 known it not to take care in modeling the fuel and
7 purchased power expense. Do you see that?

8 A. Yes.

9 Q. Can you expand on that a little bit? What
10 has AmerenUE done that makes you respect their work?

11 A. They have often worked with Staff to
12 estimate fuel costs, not just in rate cases, but in
13 different cases before the Commission where fuel costs
14 were important. We -- the staff of the energy department
15 had a good working relationship with them. They've always
16 been willing to talk with us, explain things to us, listen
17 to us, and always been a relationship where we were able
18 to work together, and we see no evidence that care wasn't
19 taken in running the fuel model. That doesn't mean we
20 agree every time.

21 Q. Sure. I understand. So to give credit
22 where credit is due, are you talking about Tim Finnell
23 primarily?

24 A. Yes.

25 Q. It's not me that's easy to work with?

1 And would it be fair to say Mr. Finnell
2 does high quality work in fuel modeling?

3 A. Yes. He makes mistakes sometimes, just as
4 we all do.

5 Q. Sure. On page 9, line 3 of your
6 surrebuttal testimony you say, while there is no absolute
7 fact that there was a lack of care in this case, the
8 limited discussions among the parties and AmerenUE's draft
9 public hearing notice that placed the amount of the
10 increase -- of increase requested due to increases in fuel
11 in the second paragraph of the notice are indications that
12 fuel and purchased power costs were treated differently in
13 this case.

14 Did I read that correctly or almost
15 correctly?

16 A. Yes.

17 Q. And I think we've already talked about the
18 notice, but I'd like to talk about the limited discussions
19 that you mentioned, and isn't it true -- well, isn't it
20 possible that some amount of the limited discussion is due
21 to the Staff, to the fact that we've had two rate cases in
22 a row and Mr. Finnell and the Staff modelers have worked
23 close together to work out the kinks in the models and try
24 to get on the same page with regard to modeling in a
25 general sense?

1 A. That could be some of the reason for
2 reduced amount of interaction.

3 Q. Okay. And -- and isn't it true also that
4 there really -- and this may not have even been true when
5 you wrote your testimony, but in this case there actually
6 has been, as it turns out, quite a bit of discussion about
7 some fuel issues?

8 A. I would say in the last couple weeks, yes,
9 there has been.

10 Q. And in particular isn't it true -- well,
11 we've always had an issue in this case with regard to the
12 Callaway fuel; isn't that true?

13 A. That's true.

14 Q. And basically the company's position is
15 we've bought and paid for Callaway fuel. It's sitting
16 onsite. It ought to be included in the net base fuel
17 costs. Staff's position is it's beyond the cutoff period.
18 Is that a fair description of the debate we've been
19 having?

20 A. That's my understanding.

21 Q. That's been going on since the beginning of
22 the case; is that fair to say?

23 A. Yes.

24 Q. Okay. But then we've had some more recent
25 discussions about various fuel modeling differences, and

1 in particular Ms. Maloney filed some -- I don't know, some
2 supplemental testimony regarding the price of power that
3 was an input into the fuel model; is that true?

4 A. Her direct supplemental I think it was
5 rebuttal testimony laid out an error that she had found --
6 she had found in her calculations and provided the new
7 Staff positions to the parties in that rebuttal.

8 Q. And hasn't this new Staff position, the
9 correction of that error led to a lot of discussion
10 between AmerenUE and the staff?

11 A. There's been a lot of discussion since
12 then.

13 Q. Yes. That's what I mean. And isn't there
14 also an issue regarding forecasting error with regard to
15 the differences in our fuel models, if you know?

16 A. I believe so.

17 Q. And do you know if that's led to a
18 discussion between the Staff and the company?

19 A. I only really first heard about that
20 yesterday.

21 Q. And as we're sitting here right now, aren't
22 those all still contested issues in this case?

23 A. To the best of my knowledge, yes.

24 MR. BYRNE: Thank you very much,
25 Ms. Mantle. That's all the questions I have.

1 JUDGE WOODRUFF: Come up for questions from
2 the Bench. Commissioner Davis?

3 COMMISSIONER DAVIS: No questions,
4 Ms. Mantle. Thank you.

5 JUDGE WOODRUFF: Commissioner Jarrett?

6 COMMISSIONER JARRETT: I have no questions.
7 Thanks, Ms. Mantle.

8 QUESTIONS BY JUDGE WOODRUFF:

9 Q. Commissioner Gunn had left me a question to
10 ask you, Ms. Mantle. I will ask it here. I believe he's
11 referring to the testimony from the witness, Ameren's
12 witnesses yesterday about the standards that they use in
13 making their decision about the purchasing of fuel. This
14 is his question. Do you agree that Ameren's processes are
15 the gold standard in the industry?

16 A. I don't have enough knowledge to say
17 whether they are or not.

18 Q. And do you believe the company adequately
19 reviews those processes to make sure that they continue at
20 or above the industry standard?

21 A. I don't have information to make that
22 determination either.

23 JUDGE WOODRUFF: Okay. That was my only
24 question. Any recross based on those questions?
25 Redirect? I'm sorry. Recross.

1 MR. BYRNE: I believe I have recross.

2 RECROSS-EXAMINATION BY MR. BYRNE:

3 Q. Ms. Mantle, will the Staff and other
4 parties get a chance to look at those processes in the
5 context of the prudence review for the FAC?

6 A. I believe they will.

7 MR. BYRNE: Thank you.

8 JUDGE WOODRUFF: Redirect?

9 MR. WILLIAMS: Thank you, Judge.

10 REDIRECT EXAMINATION BY MR. WILLIAMS:

11 Q. Ms. Mantle, do you recall when Mr. Byrne
12 took you, I believe it was to page 5 of your supplemental
13 direct testimony and particular to around lines 18 and 19
14 where he -- one of your responses was that circumstances
15 had not changed? Do you recall that?

16 A. I recall that, yes.

17 Q. And what circumstances were you referring
18 to that have not changed?

19 A. AmerenUE's energy requirements of its
20 retail customers are still mostly met by coal and nuclear
21 that comprises -- of the fuel costs, according to Staff's
22 fuel run, just to meet the load, that alone accounts for
23 91 percent of the fuel costs. Very little of its retail
24 load is met with natural gas, just as it was in the past,
25 and -- or spot purchased power prices.

1 And the other thing would be that AmerenUE
2 makes significant sales on the off-system sales market to
3 offset that, just as they -- just as I testified they had
4 done in ER-2008-0318 and ER-2007-0002. Also, that their
5 hedge on their fuel, the amount of fuel that they had
6 hedged had stayed approximately the same. Varies a little
7 bit.

8 Those circumstances around the -- their
9 fuel acquisition and the fuel cost remain -- and
10 volatility or the lack thereof remain the same since they
11 filed their case in 2006.

12 Q. Let me follow up with a couple on that.
13 You said their hedging's remained about the same. Can you
14 elaborate more?

15 A. They have hedged -- with the exhibits that
16 you passed out previously, it has their hedge positions on
17 coal and natural gas and nuclear, and they show that, just
18 as in the last case, most of the -- these Data Requests
19 show that most of the nuclear hedging price and quantity
20 for the spring 2010 refueling is at 100 percent. At fall
21 2011 it runs -- I do want to make a correction to that,
22 then, the enrichment for the spring 2010 at the time as of
23 March 31st --

24 Q. Ms. Mantle before you go on, I know those
25 exhibits were HC --

1 THE WITNESS: I'm sorry.

2 MR. BYRNE: Yeah, we better go into
3 in-camera.

4 JUDGE WOODRUFF: Do we need to go
5 in-camera?

6 MR. WILLIAMS: I think we may be able to
7 handle it.

8 BY MR. WILLIAMS:

9 Q. When you're referring to these hedging
10 amounts, are you referring to what have been marked as
11 Exhibits 235HC, 236HC and 237HC?

12 A. Yes. They're very similar to documents
13 that I saw in the last case regarding their hedging
14 amounts.

15 Q. And is there a need for you in making your
16 answer to do any more than to refer to these exhibits
17 without referencing the specific numbers on them?

18 A. No. Since they have been submitted as
19 exhibits, they can be referred to.

20 Q. I think we've avoided in-camera that way.
21 You also reference volatility as part of your answer.
22 Would you expand on what you mean by that, differences in
23 volatility?

24 A. Typically volatility means changes in price
25 both up and down over a short period of time. I know

1 staff would not disagree with AmerenUE that its coal costs
2 are rising or that its uranium costs are rising, but they
3 do know it is a -- they know it's going to occur. The
4 coal, when the coal increase is going to occur, they have
5 an estimate of how much. It's not going up and down,
6 swinging wildly like the spot market prices are. Even if
7 they set -- each of their coal contracts are set on the
8 spot that day, the prices that they see themselves do not
9 swing wildly across a short amount of time.

10 Q. Is there any relationship between hedging
11 and volatility?

12 A. Hedging is done to mitigate volatility.

13 Q. And how does hedging mitigate volatility?

14 A. It gives the purchaser or the seller some
15 constraints on the amount or the price that they will be
16 purchasing or selling at. Also, a contract for coal --
17 for coal purchase could be considered a hedge because at
18 that point they've hedged the price that they will have to
19 pay for coal. So there are different types of hedges.
20 There's financial but then there's actual also.

21 Q. When you say they've hedged the price
22 they'll pay for coal, does that mean they've locked it in
23 or does it mean something else?

24 A. They've locked it in for a period of time.
25 I do believe all the coal, the contracts have an

1 escalation rate. So I wouldn't disagree that they do
2 change and they may not know what those changes will be,
3 but they will occur on January 1st mostly for the coal
4 every year.

5 Q. Do you recall when Mr. Byrne asked you
6 about some AmerenUE witness testimony yesterday referring
7 to long-term contract prices being based on a current spot
8 market price?

9 A. Yes.

10 Q. Do you know if the long-term contract
11 prices have the same kind of volatility as the spot market
12 price?

13 A. I don't believe that they did.

14 Q. Do you recall when Mr. Byrne asked you
15 about the definition of OSSR in the fuel adjustment clause
16 that AmerenUE has?

17 A. Yes.

18 Q. What is the Staff's current position on the
19 treatment of the AE -- or how the AEP and the Wabash
20 contract should be treated under the current definition of
21 OSSR?

22 A. It's Staff's position that they should be
23 treated the way that all the parties have agreed to treat
24 on an ongoing basis with these new rates. These were
25 contracts, long-term contracts that were entered into by

1 AmerenUE to sell to other electric utilities or
2 cooperative in one case.

3 They're the same as a contract to KCPL or
4 Empire. Staff would expect, just as they have long-term
5 purchased power agreements to purchase the fuel that comes
6 through the fuel adjustment clause, that any long-term
7 sales would likewise flow through the fuel adjustment
8 clause.

9 Q. Whenever Mr. Byrne asked you about the
10 modifi -- the proposed modification to the definition of
11 OSSR, you referred to it as being a clarification. Would
12 you explain why there was a need for that clarification?

13 A. When we drafted the tariff and the parties
14 agreed in the last rate case, it was our understanding
15 that the definition that was in there was a definition for
16 wholesale municipal utilities, the FERC jurisdictional
17 sales that AmerenUE makes to municipalities. And so we
18 clarified that definition with those words, Missouri
19 municipalities.

20 Q. Have you just related Staff's understanding
21 or all of the parties' understanding, including
22 AmerenUE's?

23 MR. BYRNE: I'm going to object. It calls
24 for speculation, your Honor.

25 JUDGE WOODRUFF: I'll sustain that

1 objection.

2 BY MR. WILLIAMS:

3 Q. Have you just related Staff's
4 understanding?

5 A. Yes.

6 Q. Has AmerenUE done or said anything that
7 makes you think AmerenUE might have a different
8 understanding?

9 A. Yes. When they did not flow the revenues
10 from those contracts through the fuel adjustment clause,
11 when they -- and in their filed case they classified those
12 two contracts as wholesale customers. So that leads me to
13 believe that they used a different definition than Staff
14 did.

15 Q. And you reference two contracts. Which
16 contracts were you referring to?

17 A. The one with AEP, which is American Energy
18 Power, I believe, and Wabash Cooperative.

19 Q. Do you remember when Mr. Byrne asked you if
20 you'd heard Mr. Neff say that AmerenUE, I believe,
21 purchases or is it -- purchases 8 percent of the coal out
22 of the Powder River Basin?

23 A. Yes.

24 Q. Do you know how that compares to -- or have
25 you heard how that compares to other purchasers in terms

1 of the volume of coal purchased by a single purchaser from
2 the Powder River Basin?

3 A. I believe Mr. Neff said they were the
4 largest purchaser.

5 Q. And does the share of the market that a
6 purchaser has indicate some power to control that market
7 to a degree?

8 A. To a degree.

9 MR. WILLIAMS: No further questions.

10 JUDGE WOODRUFF: All right. Ms. Mantle,
11 you can step down. And we'll call the next witness, which
12 is Mr. Brubaker. Good morning, Mr. Brubaker. Is this the
13 first time you've testified in this case?

14 A. Yes, sir, it is.

15 (Witness sworn.)

16 JUDGE WOODRUFF: You may be seated. You
17 have probably heard my little speech also about only
18 answering the questions that are asked and not
19 elaborating?

20 THE WITNESS: Yes.

21 JUDGE WOODRUFF: Things will go much more
22 smoothly. You may inquire.

23 MAURICE BRUBAKER testified as follows:

24 DIRECT EXAMINATION BY MS. VUYLSTEKE:

25 Q. Good morning, Mr. Brubaker. Could you

1 state your business address for the record?

2 A. Yes. My business address is 16690 Swingley
3 Ridge Road, Chesterfield, Missouri 63017.

4 Q. And by whom are you employed and in what
5 capacity?

6 A. By Brubaker & Associates as a managing
7 principal and president of the firm.

8 Q. Are you the same Mr. Brubaker that filed
9 additional direct testimony on February 22nd, 2010 on fuel
10 adjustment clause issues?

11 A. Yes.

12 Q. And if I were to ask you the questions that
13 are contained today -- if I were to ask the questions
14 today that are contained in your prefiled testimony, would
15 your answers be the same?

16 A. Yes, they would.

17 MS. VUYLSTEKE: At this point I would
18 request to have Mr. Brubaker's testimony admitted into the
19 record, and tender the witness for cross-examination.

20 JUDGE WOODRUFF: Which testimony of his are
21 you offering at this point? He's got several.

22 MS. VUYLSTEKE: I apologize. I'm just
23 offering his fuel adjustment testimony at this time, and I
24 need to let you know the exhibit number.

25 JUDGE WOODRUFF: 413 would be his FAC

1 direct. Is that what we're talking about?

2 MS. VUYLSTEKE: Yes, his FAC direct, and we
3 would propose to offer his rate design testimony when
4 those issues are heard.

5 JUDGE WOODRUFF: 413 has been offered. Any
6 objection to its receipt?

7 (No response.)

8 JUDGE WOODRUFF: Hearing none, it will be
9 received.

10 (EXHIBIT NO. 413 WAS MARKED AND RECEIVED
11 INTO EVIDENCE.)

12 JUDGE WOODRUFF: Cross-examination, we
13 begin with Public Counsel.

14 MS. BAKER: No questions, your Honor.

15 JUDGE WOODRUFF: For Staff?

16 MR. WILLIAMS: No questions.

17 JUDGE WOODRUFF: AmerenUE?

18 MR. BYRNE: No questions, your Honor.

19 JUDGE WOODRUFF: Questions from the Bench.
20 Commissioner Davis?

21 COMMISSIONER DAVIS: Good morning,
22 Mr. Brubaker.

23 THE WITNESS: Good morning, Commissioner
24 Davis.

25 COMMISSIONER DAVIS: No questions.

1 JUDGE WOODRUFF: Commissioner Jarrett?

2 COMMISSIONER JARRETT: I can't let you get
3 off that easy, Mr. Brubaker.

4 THE WITNESS: I knew I could count on
5 someone.

6 QUESTIONS BY COMMISSIONER JARRETT:

7 Q. I have a few questions. Are you familiar
8 with how other states handle the fuel adjustment clauses?

9 A. Generally, yes, I am.

10 Q. About how many states have fuel adjustment
11 clauses?

12 A. I don't have an exact count. I would say
13 probably 90 percent of states, well, maybe a little bit
14 more than that, have some form of fuel adjustment clause
15 for most of their electric utilities.

16 Q. And is it your understanding that states
17 either use projected cost or historical cost in figuring
18 those?

19 A. Yes. Those are two basic views of cost
20 inputs for FACs.

21 Q. And Missouri uses historical cost?

22 A. Correct.

23 Q. What is the difference between using
24 historical cost and projected costs?

25 A. It's basically a lag in the collection of

1 increased costs or a lag in the flow back of reductions in
2 cost. Primarily a cash flow type of issue as opposed to
3 an earnings issue.

4 Q. So what would produce a better cash flow
5 for a utility, using projected cost or historical cost?

6 A. It would depend on which direction costs
7 are moving. If costs are moving up, then the projected
8 would provide a quicker cash flow. If costs are moving
9 downward, then the reverse would be true.

10 Q. Okay. Now, as far as the sharing
11 mechanism, currently in the last rate case we approved a
12 95/5. Do you have any knowledge about what other states
13 are using as far as splits?

14 A. I have some knowledge. There's a variety
15 of practices out there, a number of those that do have a
16 sharing mechanism that's explicit. Probably most are in
17 the range of 90/10. Some are larger shares than that.
18 Some have bandwidths or tiers. Wyoming for example, with
19 Rocky Mountain Power has a tiered structure which has the
20 -- a dead band deviation from base. The company retains
21 all of the costs and then the successive bands have the
22 company retaining 30 percent, 15 percent and then 10
23 percent. So there's a variety of applications.

24 Q. Do a lot of states use 100 percent?

25 A. They do.

1 Q. Are you aware of any state that uses 50/50?

2 A. Not offhand I'm not, no.

3 Q. What about 85/15? I know maybe in the
4 bands that you were talking about, but does any company
5 use this, any state use just a straight 85/15 that you're
6 aware of?

7 A. There may be. I couldn't say for sure
8 whether there is or there isn't, but as you've indicated,
9 there's some states where that would be within the band.

10 Q. Would you say the vast majority of states
11 use the 100/0?

12 A. By head count, yes, I would.

13 COMMISSIONER JARRETT: Thank you. No
14 further questions. Thanks, Mr. Brubaker.

15 JUDGE WOODRUFF: Anyone wish to recross
16 based on questions from the Bench?

17 (No response.)

18 JUDGE WOODRUFF: All right. Redirect?

19 REDIRECT EXAMINATION BY MS. VUYLSTEKE:

20 Q. Mr. Brubaker, based on Commissioner
21 Jarrett's questions, he asked you about fuel adjustment
22 sharing mechanisms in other states. Why should -- could
23 you explain why this Commission for Missouri, for AmerenUE
24 should adopt an 80/20 sharing mechanism?

25 A. Sure. I think the 80/20 provides a

1 meaningful incentive to the utility, more meaningful in
2 terms of exposure of earnings than a 95/5. AmerenUE's
3 fuel costs in relation to its equity base is relatively
4 favorable, relatively low compared to other utilities.
5 And so where a 5 percent may be effective with its
6 exposure to earnings for a utility that has very high fuel
7 costs, when the fuel costs are lower, that same 5 percent
8 doesn't provide the same earnings exposure.

9 So that's why I come toward a 20 percent
10 sharing or at least higher than a 5 percent sharing with
11 my 50 percent basis point cap on financial impact in
12 either direction to make sure we have a signal that's
13 effective but yet is not going to be -- produce a
14 devastating result. Fuel costs generally go one way or
15 the other.

16 MS. VUYLSTEKE: Thank you. No other
17 questions.

18 JUDGE WOODRUFF: All right. Then,
19 Mr. Brubaker, you can step down, and we'll call the next
20 witness, which is Mr. Kind.

21 MR. WILLIAMS: Judge, I do have copies of
22 Exhibits 237.

23 JUDGE WOODRUFF: Do you want to go ahead
24 and pass them out?

25 MR. WILLIAMS: Okay.

1 JUDGE WOODRUFF: I don't remember,
2 Mr. Kind, is this the first time you testified in this
3 proceeding?

4 Mr. KIND: I testified briefly during the
5 stip presentation yesterday morning.

6 JUDGE WOODRUFF: You were sworn at that
7 point?

8 MR. KIND: That's correct.

9 JUDGE WOODRUFF: Then you are still under
10 oath.

11 RYAN KIND testified as follows:

12 DIRECT EXAMINATION BY MS. BAKER:

13 Q. Good morning, Mr. Kind.

14 A. Good morning.

15 Q. Could you state your name for the record,
16 please.

17 A. My name is Ryan Kind.

18 Q. And who are you employed by?

19 A. I'm employed by the Missouri Office of the
20 Public Counsel.

21 Q. Are you the same Ryan Kind that has
22 previously filed direct testimony regarding class cost of
23 service and rate design issues?

24 A. Yes, I am.

25 Q. Are you also the same Ryan Kind that has

1 previously filed rebuttal testimony?

2 A. Yes.

3 Q. Are you also the same Ryan Kind that's
4 previously filed additional direct testimony regarding FAC
5 issues in this case?

6 A. That is correct.

7 Q. Do you have any changes to any of the
8 testimony that you have filed?

9 A. No, I do not, and I think -- I'm not sure
10 if you mentioned it, but I've also filed surrebuttal
11 testimony in this case as well.

12 Q. All right.

13 MS. BAKER: At this time we would offer the
14 additional direct testimony regarding FAC issues, and we
15 will offer the rest of the testimony at another time.

16 JUDGE WOODRUFF: That would be Exhibit
17 301HC and NP has been offered. Any objections to its
18 receipt?

19 (No response.)

20 JUDGE WOODRUFF: Hearing none, it will be
21 received.

22 (EXHIBIT NOS. 301NP AND 301HC WERE RECEIVED
23 INTO EVIDENCE.)

24 MS. BAKER: We will tender the witness for
25 cross-examination.

1 JUDGE WOODRUFF: For cross-examination we
2 begin with MIEC.

3 MS. VUYLSTEKE: No questions. Thank you.

4 JUDGE WOODRUFF: Staff?

5 MR. WILLIAMS: No questions.

6 JUDGE WOODRUFF: AmerenUE?

7 MR. BYRNE: No questions, your Honor.

8 JUDGE WOODRUFF: Questions from the Bench.
9 Commissioner Davis?

10 COMMISSIONER DAVIS: No questions,
11 Mr. Kind.

12 JUDGE WOODRUFF: Commissioner Jarrett?

13 COMMISSIONER JARRETT: Good morning. No
14 questions.

15 MR. KIND: Good morning. Thank you.

16 JUDGE WOODRUFF: No questions from the
17 Bench, so no need for recross, and no need for redirect.
18 Mr. Kind, you can step down.

19 And I believe that completes the fuel
20 adjustment clause issue. The next issue on my list is low
21 income rate class issue, and I believe that's in the
22 process of being resolved.

23 MR. BYRNE: Yes, your Honor. We circulated
24 a draft stipulation amongst the parties, so we should
25 expect to have something to file before too much longer.

1 JUDGE WOODRUFF. Then the next issue then
2 is the union issues.

3 MS. TATRO: And I believe the cross of
4 Mr. Kind went faster than we expected, and my witness is
5 on his way over.

6 JUDGE WOODRUFF: Let's go ahead and take
7 about a 15-minute break, and we will finish this before
8 lunch.

9 MR. BYRNE: Your honor, one housekeeping
10 thing. I guess Mr. -- Mr. Williams pointed out that there
11 may have been some mentioning of some HC stuff on the
12 record. I guess my thought -- and that's happened a
13 couple times before in this case. Hopefully we can maybe
14 comb through the record after we get the transcript, and
15 if there are specific numbers or things like that, maybe
16 we could after the hearing's over get them marked HC.
17 Would that be okay?

18 JUDGE WOODRUFF: That would be fine, if you
19 want to just -- I don't know if you need to file a motion
20 to do that or --

21 MR. BYRNE: We'll look through the record
22 and we'll file a motion.

23 JUDGE WOODRUFF: You'll have to do that
24 before the transcript is actually published, however.

25 MR. BYRNE: That's probably true.

1 MR. WILLIAMS: Judge, isn't the webcast
2 itself being recorded as well?

3 JUDGE WOODRUFF: It is.

4 MR. WILLIAMS: So there would be portions
5 of that that probably need to be changed to be in-camera
6 then.

7 MR. BYRNE: That's probably too much
8 trouble, unless there's something really, really bad, but
9 at least the written transcript.

10 JUDGE WOODRUFF: If you would speak with
11 the court reporter during the break, and if you need for
12 me to make an order, I'll do that.

13 MR. BYRNE: That's okay. I'll just see the
14 court reporter.

15 JUDGE WOODRUFF: Let's take a break. Come
16 back at 11:30.

17 (A BREAK WAS TAKEN.)

18 JUDGE WOODRUFF: Let's come to order,
19 please. Welcome back from the break, and we're ready to
20 move into the next issue, which is described as the union
21 issue. Before we do that, there is a pending motion to
22 strike that I'll deal with here first.

23 This is a motion that was filed by AmerenUE
24 on March 5th to strike in its entirety the direct
25 testimony of Michael Walter, who's the union witness, or

1 in the alternative to strike portions of the -- of
2 Mr. Walter's testimony. The first portion of this
3 indicates that Walter's testimony is misidentified as
4 direct testimony when -- although it was actually filed at
5 the time rebuttal testimony was filed. Therefore, if it
6 was direct testimony, it was filed late. It is, in fact,
7 misidentified, but in substance it is at least arguably
8 rebuttal and the Commission is not willing to strike the
9 party's case based on that technicality. So that portion
10 of the motion to strike will be denied.

11 The second motion is to strike portions of
12 the testimony as irrelevant in that it asks the Commission
13 to intrude on the management function of the company.
14 That is a question that will be addressed by the
15 Commission when it makes its decision in the Report and
16 Order that it'll be issuing in this case, but it's not a
17 basis for striking the testimony, so that portion of the
18 motion to strike will also be denied.

19 We'll move on, then, to mini openings on
20 this union issue, and we'll start with the Staff -- or
21 with the unions.

22 MS. SCHRODER: Thank you, your Honor. I'm
23 Sherrie Schroder for the unions.

24 And actually, I would like to beg your
25 indulgence to let my client make the opening if you don't

1 mind. He had some prepared remarks that he wanted to
2 make, and it made more sense to do them that way if you're
3 willing to than to -- than to put it in a question and
4 answer form.

5 JUDGE WOODRUFF: Is this something that we
6 would want him to be sworn as testimony or is this just
7 his opening remarks?

8 MS. SCHRODER: Really, it could be looked
9 at either way, and I was going to ask actually to let --
10 to see if you would allow him to supplement his testimony
11 with that and to do it before I turn him over for cross so
12 that the parties could cross-examine him on that.

13 JUDGE WOODRUFF: Does Ameren have an
14 objection to doing it that way?

15 MR. FISCHER: Judge, as I understand the
16 procedures we've had so far in the hearing, we haven't
17 allowed witnesses to do mini openings from the stand.
18 Therefore, just based on what's happened so far, I guess I
19 would lodge an objection to doing that.

20 JUDGE WOODRUFF: That is an unusual
21 request, and I think it's probably inappropriate given
22 that there is an objection to it.

23 MS. SCHRODER: I understand that it is an
24 unusual request. This is also kind of an unusual issue,
25 though. The unions don't have a direct interest, a direct

1 stake in the case. They don't have a financial interest.
2 They're here representing the unique interests of the
3 employees that nobody else represents, and they're also
4 here representing the interests of the public that really
5 only the employees can attest to, the behind-the-scenes
6 reliability, service and future looking issues and safety,
7 and it was for those reasons that -- that we went ahead
8 and made this unusual request.

9 JUDGE WOODRUFF: Well, let's -- let's -- if
10 you want to make an opening at this point, we'll put him
11 on the stand and then decide exactly what -- where we want
12 to go with him. Do you want to make an opening?

13 MS. SCHRODER: Sure.

14 JUDGE WOODRUFF: Okay.

15 MS. SCHRODER: I pretty much actually just
16 did. The unions are here, as I indicated, not because
17 they have a direct stake in this rate case, but because
18 they are representing both the interests of the bargaining
19 unit employees, the hourly employees at AmerenUE and also
20 the interests of the public in behind-the-scene
21 protections that only those employees really understand,
22 service issues, reliability, safety, quality of the
23 electric service.

24 And because we have -- because of this, the
25 unions really have no case in chief. They merely want to

1 bring a few issues to light, and those issues deal with
2 recruiting, hiring, training and subcontracting, also with
3 some infrastructure additions or changes that the unions
4 believe need to be made to both keep the quality of
5 service where the public wants it and expects it and also
6 to move it into the future with the Smart Grid and address
7 the ever-increasing energy usage within the community.

8 So those are the -- those are why the union
9 is involved, the unions are involved here today, and
10 they're the issues that Mike Walter is going to address.

11 JUDGE WOODRUFF: Thank you. I'll let
12 AmerenUE make an opening also.

13 MR. FISCHER: Thank you, Judge. My name is
14 Jim Fischer, and I'm representing AmerenUE on this issue.
15 The company's position is set forth in our position
16 statement, and I won't elaborate too much on that. We're
17 also addressing these issues in the surrebuttal testimony
18 of David N. Wakeman.

19 We believe that the union's request for
20 relief basically exceeds the legal authority of the
21 Commission, and that's essentially what the Commission
22 found in Union Electric's last rate case where similar
23 issues were raised. The relief requested by the unions is
24 simply beyond the Commission's jurisdiction of authority
25 because the unions asked the Commission to dictate to

1 Ameren how it would hire and fire its work force.

2 The union witness also asks that the
3 Commission dictate to the company the -- how it would
4 spend its -- the revenue requirement that's authorized in
5 this case, and we also believe that that would be stepping
6 over the line.

7 So based on that, we would ask that the
8 Commission rule in the same manner that it did in the last
9 rate case and rule against the unions.

10 JUDGE WOODRUFF: Staff and Public Counsel
11 wish to make an opening on this issue?

12 MR. WILLIAMS: Judge, staff's taken no
13 position on these issues, and it has no witnesses, so
14 Staff waives opening.

15 JUDGE WOODRUFF: Public Counsel?

16 MR. MILLS: I also have no opening.

17 JUDGE WOODRUFF: All right. Well, then,
18 let's bring Mr. Walter up to the stand. Good morning,
19 Mr. Walter.

20 THE WITNESS: Good morning.

21 (Witness sworn.)

22 JUDGE WOODRUFF: Thank you very much. And
23 before each witness has testified, I've made a little
24 announcement. That's simply that please answer the
25 questions that are asked of you rather than trying to

1 elaborate responses, giving explanations and so forth,
2 unless that's requested by the attorneys.

3 MR. WALTER: Sure.

4 JUDGE WOODRUFF: Everything goes much more
5 smoothly that way, and we get done much faster.

6 MR. WALTER: Okay.

7 JUDGE WOODRUFF: Thank you. You may
8 inquire.

9 MICHAEL WALTER testified as follows:

10 DIRECT EXAMINATION BY MS. SCHRODER:

11 Q. Mr. Walter, are you the same Michael Walter
12 who caused to be filed in this case rebuttal testimony
13 that was inadvertently marked direct testimony which has
14 been prefiled and premarked as Exhibit 650?

15 A. Yes.

16 Q. Do you have any corrections to that
17 testimony?

18 A. No.

19 Q. If I asked you the same questions today as
20 are in your testimony, would your answers be the same?

21 A. Yes.

22 Q. And are those answers true and correct to
23 the best of your knowledge and ability?

24 A. Yes.

25 MS. SCHRODER: At this time the unions

1 would request that Michael Walter's testimony be offered
2 into evidence.

3 JUDGE WOODRUFF: Are you talking about
4 Exhibit 650, the prefiled rebuttal?

5 MS. SCHRODER: Yes, I am.

6 JUDGE WOODRUFF: 650 has been offered. Any
7 objection to its receipt?

8 MR. FISCHER: Judge, you've already ruled
9 on our motion to strike. That would have been my basis
10 for opposing it.

11 JUDGE WOODRUFF: 650 will be received.

12 (EXHIBIT NO. 650 WAS MARKED AND RECEIVED
13 INTO EVIDENCE.)

14 MS. SCHRODER: I think I need to go ahead
15 and give this to the court reporter.

16 JUDGE WOODRUFF: Yes. Now, Ms. Schroder,
17 some additional documents were filed last night in EFIS,
18 and then you handed me another document this morning.
19 What do you want to do with those?

20 MS. SCHRODER: Right. These are -- the
21 union witness Mr. Walter has, as I previously stated, had
22 hoped to give some additional testimony, and with that he
23 added three hearing exhibits, and I would like to tender
24 those hearing exhibits to the court reporter to mark.

25 One is -- the first one, which would be

1 marked as Exhibit No. 651, is the National Commission on
2 Energy Policy's Task Force on America's Future Energy
3 Jobs. It was issued in January of this year, and it
4 addresses a lot of the issues that my witness has already
5 testified about in the written testimony and would like to
6 elaborate on today.

7 The second document, which we've marked as
8 Exhibit 652, is a tabulation of the average ages of the
9 personnel in various classifications at AmerenUE to
10 show -- to show sort of visually the aging of the work
11 force.

12 The third exhibit which we've marked as
13 Exhibit 653, is a one-page chart entitled Change in Work
14 Force by Division, and it reflects the hiring and
15 attrition from 2004 to date, again in various divisions
16 across Ameren, divisions that this witness has special
17 knowledge about.

18 JUDGE WOODRUFF: All right. And these
19 would be basically attachments to his testimony, is that
20 what you're offering them as?

21 MS. SCHRODER: Yes, they would be
22 attachments to his testimony.

23 JUDGE WOODRUFF: All right. Anyone have
24 any objections to their receipt?

25 MR. FISCHER: Yes, Judge. Ameren would

1 express an objection to the receipt of, I guess, all three
2 of them because they are late. We were handed the task
3 force report only as we came in to the hearing room today,
4 so we have not had an opportunity at all to look at that.
5 The other two were filed in EFIS last night, and I did
6 have an opportunity to review those.

7 With a little voir dire, I think I can
8 probably show there's a lack of foundation for the
9 introduction to the task force report and will do so if
10 given that opportunity.

11 JUDGE WOODRUFF: Proceed.

12 VOIR DIRE EXAMINATION BY MR. FISCHER:

13 Q. Mr. Wakeman -- I'm sorry. Mr. Walter, the
14 Exhibit 651 entitled Task Force on America's Future Energy
15 Jobs, did you have any -- any role in the preparation of
16 that particular report?

17 A. Personally, no.

18 Q. Do you know who that task force is, who's
19 made up of that?

20 A. There's various organizations that are
21 listed in that task force.

22 Q. Was anyone in your union a part of that
23 task force?

24 A. One of our international directors of our
25 utility work branch was involved in that study, yes.

1 Q. Did you have any role in the development of
2 the recommendations contained in that report?

3 A. No.

4 MR. FISCHER: Judge, on that basis, I think
5 there's a lack of foundation for the introduction of this
6 particular exhibit and would oppose the introduction of
7 that at this time.

8 JUDGE WOODRUFF: Ms. Schroder, what was the
9 reason for delaying filing this?

10 MS. SCHRODER: The reason for delaying the
11 filing of all three exhibits was simply that we didn't get
12 them until yesterday. They were being prepared, the final
13 two were being prepared until yesterday. I don't actually
14 know the answer to why the first one took so long to come
15 through, but I do know that the client tried to get it to
16 me several times, and we had the same issues receiving it
17 from the client that we had filing with the Commission.
18 They kept thinking we had it, and we kept not getting it,
19 and so it's just such a large document that it was very
20 difficult to get.

21 I could also -- I should also say that this
22 Exhibit No. 651 is really being introduced for -- there's
23 just four pages that the client has identified that he
24 wanted to bring to the attention -- to the specific
25 attention of the Commission, and then he thought that the

1 Commission would be interested. It's more of a -- it's
2 more of an informational exhibit than it is a document
3 that is really considered evidence, I guess.

4 JUDGE WOODRUFF: Well, the Commission
5 procedures require that information be prefiled, and this
6 should have really been filed along with your rebuttal
7 testimony. In fact, that might have even -- should have
8 been, according to that should have been filed with direct
9 testimony, which would have been filed several months ago.

10 I've not heard an adequate explanation for
11 why these documents were not offered consistent with the
12 Commission's procedure, and Commission procedure requires
13 for -- requires the prefiling of this information, and the
14 proceeding today is only to be for cross-examination
15 purposes.

16 Given the objections from the company, I'm
17 going to have to refuse to admit these into evidence. So
18 651, 652 and 653 will not be received.

19 And you've tendered the witness for
20 cross-examination?

21 MS. SCHRODER: Yes. I'm sorry. That was
22 the next step. Yes, I would like to tender Mr. Walter for
23 cross-examination.

24 JUDGE WOODRUFF: Okay. And for
25 cross-examination, we'll begin with Public Counsel.

1 MR. MILLS: I have no questions. Thank
2 you.

3 JUDGE WOODRUFF: Staff?

4 MR. WILLIAMS: No questions.

5 JUDGE WOODRUFF: AmerenUE?

6 MR. FISCHER: Just a few, your Honor.

7 CROSS-EXAMINATION BY MR. FISCHER:

8 Q. Good morning, Mr. Walter. My name is Jim
9 Fischer, and I'm representing AmerenUE in this proceeding.
10 I'd like to begin with your -- with your direct or your
11 rebuttal, whichever that you'd classify it as, if that
12 would be all right with you.

13 A. Sure.

14 Q. You're the business manager for the IBEW
15 Local No. 1439; is that correct?

16 A. Correct.

17 Q. And you're testifying on behalf of other
18 unions, is that right, or just to Local Union 1439?

19 A. I'm testifying on behalf of Local 1439.

20 Q. Okay. On page 1, lines 16 through 17 of
21 your testimony, you state, I generally support Ameren's
22 petition for a rate increase given the increasing demands
23 for power and the investment in infrastructure that will
24 be necessary to meet that demand; is that correct?

25 A. That is correct.

1 Q. I believe you also reiterate that statement
2 on page 7 of your testimony at line 7 through 8 where you
3 state, as I stated at the onset, we believe that a rate
4 increase for Ameren is necessary and appropriate; is that
5 correct?

6 A. I don't have that in front of me, but I do
7 recall, I believe that's correct.

8 Q. Okay. And you still believe that as you
9 sit here today on the witness stand?

10 A. I sure do.

11 Q. Later, in answer at lines 10 through 16 on
12 that page, you go on to recommend, we also feel, however,
13 that Ameren should be required to expend the anticipated
14 rate increase in a manner that will ensure long-term
15 efficiency and quality of service. To accomplish that
16 end, we ask the Commission to require Ameren to expend a
17 substantial portion of the rate increase on investing in
18 its employee infrastructure, hiring, training, and
19 utilizing its internal work force to maintain its normal
20 and sustained work load. Is that your testimony?

21 A. Yes, it is.

22 Q. Mr. Walter, is it correct to conclude from
23 your testimony that you believe that the Commission should
24 direct Ameren's management to hire, train and utilize more
25 of your union members for its internal work force?

1 A. Could you repeat that?

2 Q. Yes. Should the Commission direct Ameren's
3 management to hire, train and utilize more of your union
4 members for the internal work force of the company?

5 A. I don't believe they really have the
6 authority to direct, but I'm -- I'm hopeful that some
7 policy or something will be granted through this
8 Commission to address those needs.

9 Q. And does your local represent workers who
10 work for subcontractors at Ameren?

11 A. No.

12 Q. On page 3, line 6 through 11 you state,
13 first Ameren has historically used outside contractors for
14 major power plant projects, seasonal work, during extreme
15 power outages and weather conditions that represent time
16 sensitive emergency conditions when its internal work
17 force is otherwise overloaded or when the work requires
18 specialized training or equipment beyond what's available
19 with the internal work force. My testimony today does not
20 pertain to the use of outside contractors.

21 Is that correct?

22 A. That's correct.

23 Q. Is it correct, then, to conclude from your
24 testimony that you're not addressing Ameren's use of
25 outside contractors for major power plant projects or

1 seasonal work or during storm outages? That's not a
2 complaint that you have?

3 A. No.

4 Q. So you understand that that kind of thing,
5 those kinds of projects is very important to be able to
6 use outside contractors to build power plants or restore
7 power to Ameren's customers in an outage situation?

8 A. That's correct.

9 Q. Now, is one of your responsibilities as the
10 business manager for the union to increase the membership
11 of your local?

12 A. Our constitution sets out that we organize
13 and -- that we organize. So to answer that question, I
14 guess the answer would be yes.

15 Q. Okay. But your duties don't include
16 managing the work force of Ameren; is that correct?

17 A. That's correct.

18 Q. And you understand, I believe, from your
19 testimony that it's not the job of the Commission to
20 manage the work force of the company either; is that
21 correct?

22 A. That's correct.

23 Q. And you testified, I believe, in Ameren's
24 last general rate case; is that correct?

25 A. Correct.

1 Q. And you raised many of the same points in
2 that rate case that were included in your testimony today;
3 is that true?

4 A. My recollection is probably pretty close.

5 Q. Do you recall that the Commission found in
6 that case that the Commission does not have the authority
7 to dictate the manner in which AmerenUE conducts its
8 business; therefore, the Commission will not attempt to
9 dictate the company -- to the company regarding its use of
10 outside contractors? Do you remember that?

11 A. I do recall that, yes.

12 Q. You also recall the Commission added
13 \$1.4 million to Ameren's cost of service to fund increased
14 training of staff? Were you aware of that?

15 A. I don't know if that figure is correct. I
16 thought it was 3.3 million.

17 Q. There was an additional amount for capital
18 expenditures, I believe, too. And then on page 6 of your
19 testimony, you state, in the last two years, Ameren has
20 increased its training program for overhead linemen; is
21 that right?

22 A. That is correct.

23 Q. Do you believe that Ameren's increased
24 training for the overhead linemen is a step in the right
25 direction from your perspective?

1 A. Certainly.

2 Q. Do you know if the Commission would have
3 the authority to require Ameren to hire a specific number
4 of your union members?

5 A. I don't believe they do have that
6 authority.

7 MR. FISCHER: Judge, I think that's all the
8 questions I have. Thank you very much.

9 JUDGE WOODRUFF: Thank you. Come up for
10 questions from the Bench, then. Commissioner Davis?
11 QUESTIONS BY COMMISSIONER DAVIS:

12 Q. Good morning, Mr. -- good morning,
13 Mr. Walter, for six, seven more minutes.

14 Mr. Walter, what -- what does this
15 Commission need to know? What do you think is important?
16 What do you want us -- distill down into a nutshell and
17 tell us?

18 A. I'd like to state first of all that, as I
19 testified in the last rate case, we have a problem across
20 the country, and I think we are very typical with
21 Local 1439 and Ameren, that we have an aging work force.
22 We have a potential problem of -- of retirements that are
23 going to be coming shortly. We have a problem with
24 training in advance of that happening. And we've got the
25 aging work force and we have technological changes that

1 are very apparent. I think it's evident that it's not
2 going to go away. I think there's enough facts provided
3 even in the National Work Force Study that this has to be
4 addressed.

5 And in the last rate case, there was
6 some -- an allocation for that recruitment and training,
7 whatever that sum was. I think that needs to happen
8 again, but I think that must be specific to the
9 distribution and transmission portion of the business.

10 That is where the outages occur. That's
11 where our technology -- I'm not saying the power plants
12 don't have advanced technology approaching even, but with
13 our Smart Grid, and that's what everybody's talking about
14 the Smart Grid, and that takes a lot of different forms,
15 but the Smart Grid is something that's going to be here.
16 It is here. Ameren's already implementing some Smart Grid
17 technology.

18 We do not have -- presently in my opinion
19 we do not have an appropriate amount of technical
20 technicians to handle our present workload as well as what
21 are we going to have in the future. These type jobs
22 require anywhere from, I'm going to say accurately
23 probably five to seven years of training before they're
24 able to go out in the field and efficiently and with some
25 confidence work on the system. If we have even 10 percent

1 of that work force in that technical group leave in the
2 next couple years, we're going to be behind, even further
3 behind.

4 So I just -- I think this is an
5 industry-wide problem and that it has to be addressed.
6 And I also really believe that even though the -- and I
7 have no reason to believe that any of the figures -- I
8 don't know any of the figures, so I can't -- but I know
9 that we are strapped with an economic crisis where we
10 don't have the -- we don't have the approval to increase
11 the work force, provide trainers, provide additional
12 training programs.

13 And although the -- we have a decline in --
14 in revenue or a return on earnings is -- diminishes, the
15 significant needs still remain. They don't go away. So
16 somehow we have to address this problem because we've
17 continued to put it off since I think the mid '90s, and
18 it's just continuing to build,. So specifically, I think
19 we need to address the aging work force and how do we
20 train for this future.

21 COMMISSIONER DAVIS: Okay. Let me -- I'm
22 still digesting that, Mr. Walter, so I'm going to pass,
23 see if Commissioner Jarrett has anything or if the Judge
24 has any questions, then I might come back and ask you a
25 couple more.

1 THE WITNESS: Sure.

2 COMMISSIONER JARRETT: Thank you,
3 Commissioner.

4 QUESTIONS BY COMMISSIONER JARRETT:

5 Q. Good morning, Mr. Walter.

6 A. Good morning.

7 Q. How are you this morning? One more minute
8 'til afternoon. I wanted to explore a little bit with
9 you, what do you see as some of the solutions or how can
10 we discuss the issue and come to solutions? You know,
11 would the Commission opening a docket inviting the unions
12 and the utilities and all the stakeholders in to try to
13 come up with some consensus that we could use and develop
14 some sort of statewide policy on this issue, 'cause I know
15 it is an important issue on the aging work force, is that
16 something you would view as positive?

17 A. Yes.

18 Q. And as far as this rate case, I think
19 Mr. Fischer pointed out and you discussed with
20 Commissioner Davis, there was some money added in the last
21 rate case for training and also like training materials.
22 Do you think that needs to be increased over what we did
23 last rate case?

24 A. That's -- I don't know. I can't really
25 answer that question. I don't know what the cost would be

1 to -- to recruit and train in the technical portion of the
2 company of the distribution system and transmission
3 system, but -- and I don't know how effective it was in
4 the last rate case when it was applied to the power
5 operations.

6 They -- they have a -- they have --
7 presently they have a state of the art training center
8 that is very impressive, and so they -- I believe that
9 portion of the company has moved in that direction. How
10 effective that amount was, I don't know. I think the
11 company would probably have to answer that question.

12 Q. Now, does your union or other unions that
13 you know of, do they have training programs? Do you have
14 any sort of national, you know, policies on training? Are
15 you guys setting up training programs with other utilities
16 that you know of?

17 A. Yes. We have regional training centers
18 that are in the infant stages, but there's four or five in
19 the making across the country, which are partnering with
20 the International Brotherhood of Electrical Workers and
21 investor-owned utilities to develop training centers that
22 can provide trained people throughout their regions. So
23 that is something that is in the making.

24 Q. And I believe Kansas City Power & Light is
25 a participant in one of those?

1 A. Yes, they are. As far as IBEW and locally,
2 we do not have a training program. We partner with Ameren
3 on training programs. IBEW Local 1 and IBEW Local 2 have
4 their own training programs. But not to identify or not
5 to recognize the present technology that's approaching, I
6 do not believe -- I do not believe there is a program out
7 there that's really addressing what we need, and I think
8 that's where this partnership with the utilities and the
9 IBEW is going to -- that's one of the things that will
10 have to be addressed. It's a long way off, though.

11 COMMISSIONER JARRETT: Thank you,
12 Mr. Walter. I appreciate your testimony.

13 JUDGE WOODRUFF: Commissioner Davis,
14 anything else?

15 FURTHER QUESTIONS BY COMMISSIONER DAVIS:

16 Q. So, Mr. Walter, if the concern is the aging
17 work force, you've got a large portion of your trained
18 workers that are retiring here in the next couple years,
19 plus things are getting additionally complicated because
20 we're adding in all of this new technology, and the -- I
21 mean, my impression is that it's difficult for us to get
22 involved in the day-to-day management of the company.

23 So I guess my question to you is, within
24 the bounds of our jurisdiction, you know, what do you
25 think the Commission can do? What would you like to see

1 out of us?

2 A. I would like to see something similar that
3 was issued in the last rate case as far as training. I
4 would also like to see some -- somehow address the issue
5 of the lag in return on their capital expenses, because I
6 really do believe the infrastructure is aging and that
7 needs to be addressed as well. And it seems that the
8 budget will dictate the work now versus the work dictating
9 the budget.

10 And so through your policy directive, how
11 do we -- how do we improve that system to allow the
12 companies to get that return quicker, providing that
13 there's a guarantee it goes back into the reconstruction
14 of the infrastructure, or of the system itself, whether
15 it's upgrade or replacing old poles and equipment? I
16 don't know if that is within your jurisdiction, but I see
17 that as a problem.

18 Q. Okay. And when you talk about the
19 infrastructure being outdated, is that just the poles have
20 been up for 60 years, they're using copper wires as
21 opposed to something else? Specifically in your mind what
22 is the problem?

23 A. The age.

24 Q. Just the age?

25 A. Right. Expected -- life expectancy of some

1 of the transformer substation equipment, everything. I
2 mean, it's -- it's not going to go away. If we built to
3 prepare for the 60s, we're now in 2010, and the viewpoint
4 of my members doing this work every day, we're behind.

5 Q. And Mr. Walter, there's a term, it's a
6 legal standard, I know you're not a lawyer, but there's a
7 lot of discussion here about that the utility has a duty
8 to provide safe and adequate service. Adequate can mean
9 different things to different people. But I guess my
10 question to you is, when I think of adequate, you know, I
11 think that it means acceptable, and I think there's a
12 concern that may not necessarily be expressed by many of
13 the other parties, but certainly there's a concern that we
14 spend -- we can spend a lot of money on, you know,
15 upgrading the system to get us a minimal more amount of
16 reliability. How would you -- how would you respond to
17 that?

18 A. I -- I guess what you're saying is that we
19 can spend and provide a lot more energy and attention, but
20 what are we going to get as a result at the end? Do we
21 have adequate now?

22 Q. Right. And that's -- I'm sure Ameren would
23 tell you that it's much better than adequate, but assuming
24 that, quote, safe and adequate is the standard, and -- you
25 know, how do we reconcile that?

1 A. Well, the inspection program I think is
2 something that identifies it. If that inspection program
3 is, in fact, a good quality product that we're really
4 seeing good results, I don't have that. I suspect that
5 that is something that needs to be improved.

6 But adequate, like you say, I think it
7 takes on many different forms. It's kind of a broad
8 statement. Adequate in customer relations, you know, I
9 don't think anybody'll deny the fact that when our
10 members, Ameren's employees touch those customers,
11 everybody wins, and that direct relationship with those
12 customers I think provides more adequate service.

13 As far as safety, I can't identify any real
14 safety issues. I could say I'm very proud of the response
15 that our members have when it comes to emergency callouts,
16 things of that nature. At times is, do we have an
17 adequate amount to do that? Is there at times when this
18 overtime demand becomes more than reasonable? I think
19 those things happen, and what kind of effect does that
20 have on the customer? I guess I could talk about adequate
21 for a long time. It's kind of a difficult thing to
22 identify.

23 Q. You're not going to find any disagreement
24 here, Mr. Walter. We have those debates here almost
25 daily.

1 So is there anything else you'd like to
2 add, Mr. Walter?

3 A. Only that I -- I think the -- I think the
4 fact that you're somewhat strapped in addressing these
5 problems of the aging work force and the real need to have
6 some additional training and what I believe is an increase
7 in staffing levels of the internal work force, which I
8 think is the most satisfying to the customer.

9 I don't have anything real specific to tell
10 you. I just think that it's -- it has to be a concern of
11 the Commission that the utility must provide an adequate
12 work force to continue what we need to continue, and I
13 think that's -- I think it's something of concern. It's
14 not sitting right in front of us, but we can see it in the
15 near future.

16 Q. And, I mean, is it the fact that -- forgive
17 me, Mr. Walter, but I'm not intimately familiar with, you
18 know, you have apprentices, you have journeymen, so if --
19 if I get the classification wrong, you know, let me know.
20 But you're looking at people who are retiring after
21 20-plus years of service, and those are journeymen,
22 correct?

23 A. Correct.

24 Q. And then you're replacing them with
25 apprentices, and, you know, in your -- and I'm just

1 inquiring because I'm -- have not studied your collective
2 bargaining agreements. Do they provide for so many
3 positions in each job classification or is there -- is
4 there a specific number in the unit and when those people
5 retire, they're just backfilled with, instead of, you
6 know, a journeyman you've got an apprentice? How does all
7 that work?

8 A. Yes, we do. We have journeymen and then we
9 have apprentices, and the apprentices basically -- and
10 I'll use the overhead right now, overhead linemen. There
11 has been a backfill of apprentices in that program to
12 address what we're talking about.

13 Whether we've reached the -- the magic
14 number that we're going to be able to keep up, I'm not
15 sure. One of my documents would have shown that we're --
16 in every case except for the overhead linemen, we just
17 barely keep up with attrition. And so when you take that
18 fact and you look at the age of the journeymen in any of
19 those classifications, and there's many of them, and the
20 fact that in five years they could -- many could -- maybe
21 40 percent in some cases could retire, you don't replace a
22 head until that head is gone.

23 So when a journeyman retires, we backfill
24 that with an apprentice, someone who has to go through
25 some type of training program. So we're never ahead of

1 the game. In fact, we go behind, because now you've
2 got --

3 Q. All right. You got --

4 A. -- for lack of a better term, another lag
5 in when they come to a proficient level to replace that
6 guy that went out the door four years prior. So that's
7 something that -- that I don't know you have the ability
8 to correct, but I believe it's an honest fact, and it's a
9 dilemma that's there.

10 Q. Okay. And so this is what -- this is what
11 I'm getting from what you just said, and correct me if I'm
12 wrong. Okay. So your journeyman lineman retires, and
13 then there is a lag and then there is an apprentice that's
14 hired to replace that person?

15 A. It used to be that way in the overhead, but
16 in the past couple years that program's changed, but all
17 the other classifications outside of that overhead group
18 is where we still have that problem.

19 Q. Okay.

20 A. That's been corrected to a certain extent
21 in that overhead group.

22 Q. With the overhead?

23 A. Right.

24 Q. And I guess can you be a little more
25 specific, what other -- what other groups are you

1 referring to, just so I'm clear?

2 A. Our system relay group, our substation
3 group, our distribution group, even fleet services.

4 Q. Okay.

5 A. You know, just about every group honestly
6 outside of that overhead group.

7 Q. And this is just kind of a learning
8 experience for me, Mr. Walter. I think I know substation
9 workers work on substations. What does a system relay
10 person do?

11 A. That's a technical group that takes care of
12 relays, different devices that -- that either monitor or
13 they're for safety reasons for the system, the integrity
14 of the system, from the power plant through to your
15 distribution substations. We have distribution technician
16 which now -- which we only have one, which is responsible
17 for the new automated switches that is part of the Smart
18 Grid system. Substation mechanics take care of the
19 substation, but the relay group is responsible for that
20 more technical type work.

21 Q. Okay. And then what is -- what is -- is it
22 fleet maintenance, what is that?

23 A. It would be all of your trucks and
24 equipment, all the mechanics that work on that equipment.

25 Q. Okay. Last questions. We've had the

1 reliability rules in place now for approximately two
2 years, maybe a little less. And so, I mean, what -- what
3 are your -- what are your mental impressions from -- from
4 your workers regarding, you know, the vegetation
5 management rules, the infrastructure inspection rules,
6 reliability reporting? I mean, can you share those with
7 me?

8 A. I don't know. I can't speak much about the
9 reliability reporting.

10 Q. Okay.

11 A. The vegetation, the -- the comments I get
12 is that it's worked very well. That's probably one of the
13 most significant things that have happened is, to their
14 perspective, is the improvement in the vegetation, in tree
15 trimming.

16 The inspection of the overhead and
17 underground distribution system, I do not myself and my
18 members aren't really seeing a dramatic improvement for
19 our quality or value there. I do get a lot of complaints
20 about that. So I don't know how that reporting, if you
21 receive reports on that, that inspection process, I'm not
22 -- I don't receive those reports, so I'm not sure how
23 that's handled. But at this point in time, I guess I'm --
24 I don't see a lot of satisfaction on that portion of it.

25 Q. And specifically is it because, you know,

1 people are walking through other people's yards, is it --
2 are they digging holes in the ground? I'm just trying --
3 because, you know, we get reports, but we don't get any
4 real kind of feedback, I guess I could say. So --

5 A. The reports I get from the field are
6 perhaps you may have -- you may have three people
7 inspecting a pole for -- for -- it's the integrity of that
8 pole itself, and after that inspection, some -- one of my
9 crews may go to that exact pole a week later, two weeks
10 later, maybe a month later, and find that the pole, in
11 fact, needs to be replaced. Or a job comes to a crew to
12 change the location of the insulator on a guy wire and
13 they get there and they find there's much more needed
14 things on that pole than moving that insulator.

15 Q. Just changing the insulator on the guide
16 lines?

17 A. So the question of the quality of that
18 inspection is of a concern to my members, and I am not
19 aware of any real training program that that vendor uses,
20 so I don't know if that's -- I think there's a lot of
21 improvement to be made in that end of the reliability
22 portion.

23 COMMISSIONER DAVIS: Well, and for us, I
24 think that feedback is very helpful, Mr. Walter. So thank
25 you for coming up to Jefferson City today, and thank you

1 for indulging me as I ask you all manner of questions.

2 Thank you.

3 THE WITNESS: Okay.

4 QUESTIONS BY JUDGE WOODRUFF:

5 Q. I just want to follow up on a question, the
6 last question the Commissioner asked about the
7 inspections.

8 QUESTIONS BY JUDGE WOODRUFF:

9 Q. I take it from your comments that it's not
10 your people that are out there doing the inspections?

11 A. That's correct.

12 Q. Who is doing the inspections?

13 A. Utility Map. It's a contractor.

14 JUDGE WOODRUFF: That's all. Recross based
15 on questions from the Bench?

16 MR. WILLIAMS: No questions.

17 JUDGE WOODRUFF: Public Counsel?

18 MR. MILLS: Just one or two.

19 RECROSS-EXAMINATION BY MR. MILLS:

20 Q. Who's the contractor that's doing the
21 infrastructure inspections?

22 A. Utility Map.

23 Q. Is that a different group than Davy?

24 A. I don't know. That's tree service, isn't
25 it, Davy? I'm not familiar with Davy, other than a tree

1 service.

2 MR. MILLS: No further questions. Thank
3 you.

4 JUDGE WOODRUFF: For the company?

5 MR. FISCHER: Yes.

6 RECROSS-EXAMINATION BY MR. FISCHER:

7 Q. Mr. Walter, in your conversation with
8 Commissioner Jarrett, I believe you indicated that you
9 weren't in a position to suggest the specific amount of
10 money for training increases, but perhaps the company
11 could; is that what you testified to?

12 A. That's correct.

13 Q. And I believe in your conversation with
14 Commissioner Davis, you suggested you'd like to see
15 something happen like happened in the last AmerenUE rate
16 case; is that right?

17 A. That's correct.

18 Q. Do you recall in the last Ameren rate case
19 the company was asked to come forward with a late-filed
20 proposal on how they would spend a specific amount of
21 money if given that opportunity?

22 A. I do recall that.

23 Q. Would that be helpful from your perspective
24 if that happened here in this case?

25 A. Yes.

1 MR. FISCHER: Okay. Thank you.

2 JUDGE WOODRUFF: All right. Any redirect?

3 MS. SCHRODER: Yes.

4 REDIRECT EXAMINATION BY MS. SCHRODER:

5 Q. Mr. Walter, first of all, in response to
6 Ameren's questioning -- well, there was some questions
7 that made it sound like IBEW 1439 is a hiring hall. Is
8 that really the purpose of IBEW 1439?

9 A. 1439 is not a hiring hall.

10 Q. All right. So you're not standing --
11 you're not asking the Commission to require Ameren to hire
12 IBEW 1439 members, right?

13 A. Not specifically, no.

14 Q. Okay. But you have been -- you've been
15 talking about the age of the work force and that there's a
16 need to fill here, and I want to go back and see if we can
17 make that a little bit clearer. First of all, in
18 preparation for testifying today, did you go through and
19 review the ages of the 1439 membership --

20 A. Yes.

21 Q. -- that works at -- and that was
22 specifically the people that work at Ameren?

23 A. Specifically Ameren, yes.

24 Q. And did you find that there were several
25 job classifications where the average age of the work

1 force was 60 or greater?

2 A. I know -- there's a few of them that are at
3 57, so I don't know. I'd have to look to see.

4 Q. All right. And are there going to be -- is
5 it your concern that there could be occasions where a
6 majority -- or I'm sorry, where a portion of that work
7 force retires and there's no one there at all to replace
8 them?

9 A. That's correct.

10 Q. What happens at that point if Ameren has to
11 go hire off the street to replace an experienced person
12 who's retired because they don't have the body count?

13 A. I think that's going to be a problem. Very
14 good example is Mr. Davis asked me about the relay
15 technicians. The company has been looking for trained
16 relay technicians with utility background at least for
17 three years. We have also advertised out throughout the
18 various locals across the country, and we cannot find
19 them. So that is an example right there.

20 Q. How long does it take to train a relay
21 technician from the street?

22 A. The actual program's about four years, but
23 the journeyman in the field, and I think management has
24 agreed that there's about a three to four-year on-the-job
25 training that really goes back, follows up with that until

1 they become comfortable and proficient to go into a power
2 plant or Callaway and perform maintenance or repair on
3 that relay system.

4 Q. So we're talking about a seven to
5 eight-year process?

6 A. Could be.

7 Q. All right. And is that true also for
8 distribution technicians?

9 A. A distribution technician right now, if the
10 company would bid that job, which they did bid one, that
11 comes out of the relay technician group because they're
12 the only group that really has that -- that type of
13 training and knowledge and skills. So that --

14 Q. And they need that before they can become a
15 distribution technician?

16 A. Yes. And that -- that just creates another
17 problem because they come out of a work group that's
18 already strapped. So I don't know that, as I mentioned to
19 Mr. Jarrett, I don't know that there is a good training
20 program out there to address that need. So to say that we
21 could just go hire somebody, I don't believe that's going
22 to happen, just as offering \$15,000 bonuses for linemen,
23 we got a few, but we didn't get nearly what we -- were
24 hoped to get.

25 Q. Okay. And I want to follow up for just a

1 minute on the relay technician and distribution
2 technicians importance specifically. First of all, you
3 said there's only one distribution technician right now.
4 Is that a brand-new classification at Ameren?

5 A. Yes.

6 Q. And why was -- why was it created?

7 A. To address the needs of the new automated
8 switches, which I consider part of the Smart Grid
9 movement.

10 Q. All right. And are relay technicians also
11 important to the advancing technology, Smart Grid and
12 other things?

13 A. I believe it certainly is, yes.

14 Q. And you said that the relay technicians are
15 already -- that that's a group that's already underfilled.
16 Do you have an estimate of how many additional relay
17 technicians there need to be?

18 A. Right now, I couldn't give you a good
19 accurate count of that.

20 Q. All right.

21 A. I could tell you, though, that the studies
22 that are -- work force development studies here in
23 Missouri even that they've had done, they've identified a
24 gap in that portion of the business. Of the energy
25 business, there's a gap in trained technicians.

1 Q. And what prerequisites does a relay
2 technician, does somebody need before they can become a
3 relay technician?

4 A. Associate's degree in electrical
5 technology. I don't know the exact title of it. There's
6 some specific classes that are kind of hard to identify
7 with. We have problems finding people with those
8 qualifications, just to get into it.

9 Q. While we're on the subject of the whole
10 Smart Grid advanced technology issue, are there
11 infrastructure changes that need to be made in order to --
12 in order for Ameren to be ready for Smart Grid?

13 MR. FISCHER: Judge, I think I'm going to
14 object on the grounds that I think we're straying beyond
15 the scope of any cross or any questions from the Bench
16 with that question. I think we've been going that
17 direction already, but I think at this point we crossed
18 the line.

19 JUDGE WOODRUFF: I'll sustain that
20 objection.

21 BY MS. SCHRODER:

22 Q. All right. So let's go back for a moment
23 to the age of the work force, and I want to just name off
24 a couple of classifications and -- and have you tell me
25 what these classifications do and whether they are one of

1 the classifications that has very advanced age, average
2 age. Electrical mechanical leaders?

3 A. Our report says 64. I --

4 Q. 64 what?

5 A. 64 years old.

6 Q. That's the average age of those people?

7 A. Yeah, but I don't think that's correct.

8 I'll be honest with you, I have question about that.

9 Q. Okay. What do the electrical mechanical
10 leaders do?

11 A. They are the leader of a substation crew.

12 Q. And what do substation -- what does that
13 mean? What do they do?

14 A. Maintenance and construction of
15 substations.

16 Q. Okay. What about electrical machinists?

17 A. Electrical machinists. They are out of our
18 shop, our stores, which is a supply chain group. They
19 have a shop there, and they have some crafts there that
20 perform some fabrication work. I believe we have two of
21 them.

22 Q. All right. You got asked questions by, I
23 think, both of the Commissioners and by the company
24 about -- about whether you would like to see additional
25 money given to Ameren specifically for training. And I

1 just want to clarify, in the last rate case the money that
2 was given for training was spent how?

3 A. In the power operations group, generation.

4 Q. And that was important; is that right?

5 A. Sure. Uh-huh.

6 Q. Is that what you're asking for today,
7 though?

8 A. Not for power operations, but for the
9 distribution transmission system.

10 Q. And the money that was given last time for
11 training wasn't spent in power distribution and
12 transmission, was it?

13 A. Not to my knowledge.

14 Q. All right. And are those the areas that
15 you've been concerned have the aging work force and need
16 the additional work force for Smart Grid?

17 A. That's correct.

18 Q. And in addition to training money, are you
19 also asking the Commission for some additional funds for
20 Ameren for recruiting?

21 A. Yes.

22 Q. And why do you think that is important?

23 A. It's a necessity, and if the -- if the
24 budget constraints are what they have -- what I've been
25 led to believe they are, maybe the last thing that money

1 is allocated to is additional recruitment. So I'm
2 concerned with that.

3 Q. Are you aware of Ameren reducing its
4 recruitment efforts recently?

5 MR. FISCHER: Judge, I'm going to object on
6 the grounds that I haven't heard any questions on cross or
7 from the Bench regarding reductions from Ameren on that.

8 MS. SCHRODER: Your Honor, we've been
9 hearing questions from the Bench about what this witness
10 thinks needs to be done to address these issues, and
11 that's what I'm asking him about.

12 JUDGE WOODRUFF: I'll overrule the
13 objection. You can answer the question.

14 THE WITNESS: Right now, I guess I'd say
15 that there's an informal type of hiring freeze, maybe
16 based on this rate case. I can't say for sure. I can
17 only assume. Has recruiting been reduced? From my
18 perspective, I think it probably has at this point in
19 time.

20 BY MS. SCHRODER:

21 Q. Have there -- I'm sorry. There's been some
22 discussion of, I think you maybe just mentioned it, of a
23 recruiting bonus. Is that going on at the moment?

24 A. I don't believe so.

25 Q. All right. There's also been some

1 discussion of apprentices. Is the -- has there been any
2 recent change in the apprentice program?

3 A. Other than my understanding that we will
4 not at this point be backfilling that system like we were.
5 We were actually moving about, I'm going to say 24
6 apprentices in the last couple years a year through that
7 program. So as 14 or 12 go into the actual training
8 program, you backfill that with people who are staged to
9 go into that program.

10 It's my impression anyway that that's going
11 to cease. We probably won't backfill. And again, that
12 might be based on what the outcome of this rate case.

13 Q. All right. And you testified somewhat in
14 response to some of the Commissioners about the need for
15 advanced technology, and can you tell me what benefits the
16 customers are going to see and the state in general is
17 going to see from the advanced technology?

18 A. Well, I would hope to think that across the
19 state we'll see new jobs because these are going to be new
20 jobs. Whether they're my jobs or whose jobs, they're
21 going to be new jobs, and --

22 Q. What about the carbon footprint?

23 A. I really can't speak to the carbon
24 footprint. That's more in the line of the power
25 generation. I know it's a reality. I think everybody

1 knows that. What the Smart Grid have to -- effects it has
2 with that, I can't really speak to that. The reliability
3 of the system, I think the Smart Grid is going to improve
4 the integrity of the system, which in the long run will
5 certainly benefit the customer. I think that's -- I think
6 that's a fact.

7 Q. All right. Commissioner Davis asked you
8 specifically about certain job classifications, the system
9 relays, substation distribution, fleet services that you
10 identified as being part of the aging work force as I
11 recall; is that correct?

12 A. Our entire bargaining unit, I think the
13 average is 49 or 50, and that's overall. So there's a
14 variety. We have numerous divisions, and I just use them
15 as examples just to name a few, but I think it's -- I
16 think it's a reality across the company.

17 Q. All right. And I just wanted to ask you
18 about two more classifications in there. First of all,
19 what do line trouble men do?

20 A. They're the emergency responders, usually
21 one of them, and lights flicker, lights out, line down,
22 something like that, they respond to that.

23 Q. All right. And is that another
24 classification that is underfilled at the moment?

25 A. I think so, yes.

1 Q. And is it another area where the work force
2 is aging?

3 A. Without looking at the numbers, I think it
4 probably is, yes. We do have some younger guys going into
5 that now. For whatever reason this time period we see
6 newly -- new journeymen transferring to the trouble man
7 classification.

8 Q. All right. And then the other
9 classification I wanted to ask you about was linemen.
10 What do linemen do?

11 A. Linemen work on the lines, the overhead
12 lines.

13 Q. All right. And is that an area that is
14 also underfilled at the moment?

15 A. Again, I think we made moves in the right
16 direction the last few years to address that. We've
17 increased our line group, and hopefully we'll continue
18 because we're going to have to.

19 Q. I was going to say, why are we going to
20 have to?

21 A. Just because the age of the work force,
22 and -- and I guess self-serving, I believe that it's
23 better, more efficient and a more responsive work force to
24 have your internal work force do that type of work than
25 relying on so many contractors to do the normal sustained

1 work.

2 Q. And are you anticipating that there will be
3 more normal sustained work than in the past?

4 A. I can't really predict that.

5 Q. Okay. And I just want to follow up for a
6 minute, then, on what you just testified about. Putting
7 aside the issues of whether the internal work force is
8 your membership, are there reasons that an internal work
9 force is more efficient or reliable than an external work
10 force for performing everyday work?

11 A. We certainly are trained for the Ameren
12 system. Our members are familiar with the Ameren system.
13 There is a -- a certainly undisputable allegiance to the
14 employer and to the customers by the internal work force.
15 I speak with confidence that the majority of my members,
16 employees of Ameren are very serious about customer
17 response and customer satisfaction, so it has to overall,
18 and in my biased opinion that I think we are more
19 efficient.

20 Q. All right. Are you -- again, Commissioner
21 Davis asked you a couple of different times what you'd
22 like to see done here. Are you aware of a mechanism that
23 was approved in another utility's rate case that could
24 help monitor the efficiency of subcontracting?

25 A. I believe there was -- could have been

1 Missouri American Water had some that was addressed, I
2 believe. Obviously ISRS, which legislation that covers
3 the water and gas in this state, I think that helps
4 address some of it. But that's not here. To answer your
5 question, I think that's how I would answer.

6 Q. All right. So like a reporting mechanism
7 is what you're talking about?

8 A. Correct. Well, and ISRS isn't necessarily
9 a reporting mechanism, but those two things are things
10 that I think help the problem.

11 MS. SCHRODER: All right. No further
12 questions.

13 JUDGE WOODRUFF: Mr. Walter, you may step
14 down.

15 THE WITNESS: Thank you.

16 JUDGE WOODRUFF: Let's call Mr. Wakeman.
17 Mr. Wakeman, I believe you testified last week, did you
18 not?

19 MR. WAKEMAN: That's correct.

20 JUDGE WOODRUFF: You're still under oath.

21 MR. WAKEMAN: Thank you.

22 JUDGE WOODRUFF: You may inquire.

23 MR. FISCHER: Thank you, Judge.

24 DAVID WAKEMAN testified as follows:

25 DIRECT EXAMINATION BY MR. FISCHER:

1 Q. Please state your name and address for the
2 record.

3 A. David M. Wakeman. Business address is 1901
4 Chouteau Avenue, St. Louis, Missouri.

5 Q. Are you the same David Wakeman that has
6 already testified in this proceeding that caused certain
7 surrebuttal testimony addressing the union issues to be
8 filed in this case?

9 A. I am.

10 MR. FISCHER: And I believe that
11 testimony's already been accepted into the record, Judge.
12 So I would just tender the witness for cross-examination.

13 JUDGE WOODRUFF: Okay. Cross-examination,
14 Staff?

15 MR. WILLIAMS: No questions.

16 JUDGE WOODRUFF: The unions?

17 MS. SCHRODER: I'm sorry. Did you say the
18 unions?

19 JUDGE WOODRUFF: Yes.

20 MS. SCHRODER: Yes. Thank you.

21 CROSS-EXAMINATION BY MS. SCHRODER:

22 Q. Mr. Wakeman, I'm Sherrie Schroder, I'm an
23 attorney for the unions, and I had a couple of follow-up
24 questions for you.

25 You stated at page 10, lines 11 and 12 of

1 your rebuttal testimony that until recently AmerenUE had
2 offered a hiring bonus for persons qualifying as
3 journeyman linemen. Do you recall that testimony?

4 A. Yes, I do.

5 Q. Does that mean that UE -- that AmerenUE has
6 stopped that practice?

7 A. That's correct.

8 Q. And when did they stop that practice?

9 A. I believe it was in July.

10 Q. July of 2009?

11 A. That's correct.

12 Q. And was that because of money?

13 A. It's because of a couple reasons. Money is
14 certainly one of them, and another reason would be that
15 attracting line resources. We're growing quite a few
16 apprentices, but yes, economic considerations are
17 significant in that decision.

18 Q. All right. You also stated at page 10,
19 line 12, that the lack of qualified personnel is why
20 AmerenUE and most electric utilities have no choice but to
21 rely on outside contractors. So would you agree that you
22 do lack the -- you lack sufficient numbers of qualified
23 personnel for your internal work force?

24 A. No, I wouldn't agree with that. What I
25 would say is that there are different locations within our

1 service territory that we need specific types of
2 employees, and so where we have a bulge in work or certain
3 amount of reliability work or new businesses, which is
4 down right now, in a certain area we use contractors to
5 fill those needs to handle escalation, temporary
6 escalations in work.

7 Q. Isn't it true that, in fact, you are having
8 to use contractors to perform your normal and sustained
9 workload across the company?

10 A. We use contractors, yes, throughout the
11 company, yes, throughout the distribution side of the
12 business.

13 Q. And you're using them to handle your normal
14 and sustained workload?

15 A. In some cases, absolutely.

16 Q. All right. Would you also agree that
17 energy usage in Missouri is increasing?

18 A. I would think energy usage is fairly flat
19 in the state, or if not down.

20 Q. Really? Despite all of the I-phones and
21 all that technology?

22 A. Yeah, there's a lot of use of technology.

23 Q. Do you agree with Mr. Walter's testimony
24 that the existing transmission and distribution work force
25 is aging?

1 A. Yes, I would agree with that.

2 Q. And that they're not being replaced in the
3 same numbers quickly enough to have some of the young
4 people get eight years, for instance, of training and
5 on-the-job training in order to be -- to be fully
6 proficient before some of these other people retire?

7 A. I think there's cases of that, but there's
8 certainly a number of examples where we've had additional
9 employees added that are able to receive that kind of
10 training before. In the case of apprentice linemen, for
11 example, in the last two years we've been able to triple
12 that number of apprenticeship linemen in our staff right
13 now, and so we're growing a significant number of linemen,
14 training those and allowing those to become proficient.

15 Q. And you've recently slowed your apprentice
16 program, haven't you?

17 A. We have not.

18 Q. You have not?

19 A. No.

20 Q. You have not slowed the number of people
21 that are entering into the apprentice program?

22 A. No. No. I don't know what you mean by
23 slowed exactly. What I can tell you is that 15
24 apprentices entered the program a week ago, March 15th,
25 about a week ago, week ago Monday.

1 Q. Okay. Would you agree that you would like
2 to have more people being trained so that, as people are
3 retiring out, you'll know that you've got good qualified
4 staff to replace them?

5 A. I think it is very important to have good
6 qualified staff to replace workers, absolutely.

7 Q. And Mr. Walter testified that he understood
8 there was an informal freeze on hiring at UE; is that
9 correct?

10 A. You know, these are difficult economic
11 times, and any time you're looking at cost of service and
12 other things for customers, we have to make prudent
13 decisions. So when there's an opening in the work force,
14 we have to look hard how we fill that opening.

15 Q. And you would be doing additional hiring
16 of -- of your hourly employees if you had additional money
17 to do it with?

18 A. We certainly may do that, yes. I'm not
19 exactly sure. I'm given a budget each year, and I operate
20 to that budget.

21 Q. What is the cost per apprentice to go
22 through the apprentice program?

23 A. I don't really know that dollar figure.
24 It's about -- in the 1439 area, it's a 30-month program
25 that you go through. So I don't actually have a cost

1 figure in front of me.

2 Q. Is that something that you could put
3 together if the Commission asked for it?

4 A. Absolutely.

5 Q. All right. And do you have -- do you have
6 a number or could you easily put together a target number
7 of apprentices that you need to see in the transmission
8 and distribution area per year -- I'm sorry, in order to
9 keep up with -- with the demands on the work force?

10 A. I think that's a difficult question because
11 retirement age and things like that, and when employees
12 leave the employment of AmerenUE is a difficult number to
13 attain sometimes. Those change with economic factors. I
14 think just recently we've seen a slow down in retirements
15 because of the economy. So knowing that exact number
16 would probably be difficult.

17 Q. You have predictions with an inside --
18 within AmerenUE, don't you, about work force retirements
19 and work force needs?

20 Q. Yeah. We certainly study employees' age
21 and different classifications and try to anticipate
22 potential shortfalls in employment -- employees going
23 forward. Again, it's difficult because of the retirement
24 age variability.

25 Q. But do you have projections that you rely

1 on; is that correct?

2 A. I don't have any projections that I rely on
3 specifically that look at the number of employees, again,
4 because of the issue around when employees retire. It's a
5 personal choice they make.

6 Q. Okay. I want to talk with you for just a
7 moment about -- about relay technicians and distribution
8 technicians.

9 A. Okay.

10 Q. You heard Mr. Walter talk about how those
11 two groups are very important for advance technology, the
12 Smart Grid sort of area, and the distribution technician
13 position is brand new. Did -- when Ameren created that
14 position, did it have a projection for how many people
15 they would like in that position?

16 A. When we started that program, we looked at
17 one in the 1439 area, which Mr. Walter's referred to. We
18 also have two in another area of our system. It really
19 depends on the number of employees needed there. Depends
20 on roll out and investment in Smart Grid as we go forward.

21 Q. All right. And in order to invest in Smart
22 Grid, is there infrastructure change that needs to be
23 made? And I don't even know if you're the right witness
24 for this. If you're not, just let me know.

25 A. I would be, but I don't exactly know what

1 you mean by infrastructure change.

2 Q. All right. Well, there's been a lot of
3 discussion just generally across the nation about whether
4 the existing transmission lines are sufficient in number
5 and in capacity to handle Smart Grid. Does AmerenUE have
6 that issue?

7 A. There's locations that we do have an issue
8 where you have to upgrade to additional facilities to use
9 the benefits of Smart Grid. Some parts of our system are
10 capable of having Smart Grid installed right away. It
11 just depends on the particular part of the system we're
12 talking about.

13 Q. If the Commission gave Ameren money
14 directed toward infrastructure growth, would that speed
15 along the rollout of Smart Grid?

16 A. Yes, I expect it could. I would have to
17 see how that would be written, but we're interested in
18 making investments in Smart Grid. We've made investments
19 in the past, but given the economy and regulatory lag and
20 other issues, we've had to pull back on some of those
21 investments. And I think those investments can
22 certainly -- do benefit customers and improve reliability.

23 Q. You also heard Mr. Walter testify that the
24 relay technician group, first of all, is the group that
25 you're bringing -- that you pull from to get distribution

1 technicians; is that right?

2 A. That happened in that case, yes, that
3 instance that he referred to, that one employee.

4 Q. And is that generally true from the
5 transmission department -- or I'm sorry, from the
6 distribution department?

7 A. I don't understand. I'm sorry.

8 Q. In the 1439 area, is that generally going
9 to be the group you pull from to get your distribution
10 technician?

11 A. I would expect it's a high probability of
12 getting them from there, yes.

13 Q. All right. And you also heard Mr. Walter
14 testify that you have -- that the relay technician
15 position right now is already underfilled. Is that
16 accurate?

17 A. You know, I don't know those exact numbers
18 to be honest. It's not an area I'm directly responsible
19 for.

20 Q. Did the recruiting bonuses help you recruit
21 people into transmission and distribution jobs?

22 A. Yes, they did. Not the numbers initially
23 we had hoped, but yes, it was a means to attract some
24 linemen that were already trained and skilled in their
25 trade.

1 Q. And those bonuses were, I think you
2 testified \$15,000 per person?

3 A. Yes. That's correct.

4 Q. Would you agree an employee trained on
5 Ameren's systems is going to be superior for work on
6 Ameren's systems to an employee given the same amount of
7 training that is not specific to the Ameren systems?

8 A. You know, I think that's a very specific
9 question. I don't think I could agree with that across
10 the board.

11 Q. Well, what about it do you disagree with?

12 A. Well, if you're talking about a specific
13 employee trained, I mean, a lot of the elements that
14 result in employees' performance are about their training,
15 about the individual, about the job that you're doing. So
16 I think that's a very specific question. It'd be
17 difficult to have a broad characterization.

18 Q. If you have ten employees that are trained
19 on Ameren equipment in the Ameren system and you have ten
20 employees that are trained outside of the Ameren system
21 and then are assigned to work on the normal and sustained
22 workload for the Ameren system, isn't it true that your
23 ten Ameren trained employees are in general going to do a
24 better job?

25 A. First off, when we bring employees on to

1 our system, we familiarize them with our system. If
2 you're a trained journeyman lineman --

3 Q. Mr. Wakeman?

4 A. Yes.

5 Q. Would you answer the question?

6 A. Okay. Could you repeat it?

7 Q. Yes. If you have ten employees that are
8 specifically trained to the Ameren system on Ameren
9 equipment as part of their -- their apprenticeship and
10 their on-the-job training and then you've got ten
11 employees who come from outside of the Ameren system and
12 are then brought in to work on -- to perform work on the
13 normal and sustained workload of Ameren, isn't it true
14 that, of those two groups of employees, your internal work
15 force that was brought up on the Ameren system are going
16 to do a better job?

17 A. It's a very specific question. The
18 difficulty in answering it is, you're talking about the
19 individuals. But I would say that the Ameren training
20 programs are very good. I would also say that other
21 entities have good training programs.

22 Q. All right. I want to direct your attention
23 for a moment to this exhibit that you filed, that you late
24 filed with your -- or after your rebuttal testimony. You
25 recall that?

1 A. Do you have a copy of it?

2 Q. Yes. I have a partial copy with me. It's
3 the chart of the customer complaints that came out of --

4 A. Okay.

5 Q. -- the hearings.

6 A. Yes. Sure. I don't have it with me, but
7 I'm familiar with it.

8 Q. That's all right. I just have to ask you a
9 couple general questions about it, which is why I didn't
10 bother to bring the entire thing either.

11 MR. FISCHER: Judge, I would note that that
12 is confidential, and to the extent you get into anything
13 specific on it, we would need to go in-camera, I think.

14 JUDGE WOODRUFF: And it is the names,
15 addresses of particular witnesses, that's what's
16 confidential about it?

17 MS. SCHRODER: I have no intention of
18 asking questions that would go to any other specific --

19 MR. FISCHER: Yes, Judge.

20 JUDGE WOODRUFF: Go ahead.

21 BY MS. SCHRODER:

22 Q. All right. Mr. Wakeman, you're not saying
23 that the chart that you filed as -- that you filed in this
24 case represents all the customer complaints that Ameren
25 receives in a year, are you?

1 A. No, I am not.

2 Q. All right. And you're not saying that that
3 chart represents all the people who've experienced outages
4 with their electric service?

5 A. No. those charts were specifically
6 information we received during the public hearings.

7 MS. SCHRODER: All right. I have no
8 further questions.

9 JUDGE WOODRUFF: All right. Come up for
10 questions from the Bench. Commissioner Davis?

11 QUESTIONS BY COMMISSIONER DAVIS:

12 Q. Good afternoon, Mr. Wakeman.

13 A. Good afternoon.

14 Q. You heard Mr. Walter's testimony. You
15 know, would you like to respond to anything that -- that
16 Mr. Walter said?

17 A. I don't think I have a direct response to
18 that, no, sir.

19 Q. Okay. Well, let me get a little -- let me
20 get a little more specific then.

21 A. Okay.

22 Q. Mr. Walter -- Mr. Walter said, you know,
23 the overhead linemen situation is being pretty well taken
24 care of. That was my impression. But there are these
25 other job classifications where, you know, they've made --

1 they feel like they may be falling or still behind, and so
2 I guess, you know, I'd like for you to respond to that.

3 A. Okay. With respect to the individual
4 classifications that were pointed out, relay substations,
5 outside the lineman ranks, I think he spoke of line
6 trouble men and fleet mechanics. We try to look ahead
7 certainly and anticipate when we're going to have
8 additional needs for employees and begin those -- with
9 that training when we can up front.

10 It's not always -- it increases our cost of
11 doing business. There's a cost associated with bringing
12 additional employees on. There's a cost of training.
13 Those are necessary costs, but you have to be very prudent
14 about how you look at those staffing levels.

15 And again, as I mentioned in -- a few
16 seconds ago about retirement, those are individual
17 employee choices that they make, and so trying to
18 anticipate exactly when that's going to happen is
19 difficult. I think in a lot of the cases that we've done,
20 we've taken good advantage of increases in proficiency,
21 increases in technology in order to get the most benefit
22 out of our current work force.

23 But we certainly have opportunities in
24 relay and other areas, as he spoke of, to increase
25 training and increase employees that we bring in in

1 anticipation, but again, that has a cost associated with
2 it.

3 Q. Okay. I remember -- do you recall
4 Mr. Fischer questioning Mr. Walter about, you know, would
5 he like to see a program similar to that for the -- to the
6 power plant operators, and he said yes. Do you have any
7 thoughts on whether something like that would be -- be
8 appropriate for these workers that are working in these
9 substations and doing these other things associated with
10 Smart Grid or things of that nature?

11 A. Certainly we would welcome the opportunity
12 to spend additional dollars on training. So if there was
13 a program -- I don't know the exact details around the
14 money that was given in the last rate case for that
15 training. I know that it was used in power operations.
16 Those kind of investments in training would be important
17 going forward. So an opportunity to invest additionally
18 in training I think would be important. We'd be glad to
19 try to put something together if that's appropriate to
20 take a position on that.

21 Q. Okay. So how much time do you think you
22 need, Mr. Wakeman, to put something together on that and
23 reappear here?

24 A. That's a great question.

25 Q. I'm thinking less than three days.

1 A. Less than three days? Well, I could
2 certainly begin to work on it right away. I don't know
3 how long it's going to take, but if that's what we need to
4 do, I can -- we can put something together before the end
5 of the week.

6 MR. FISCHER: Judge, I think we could
7 commit to putting something in front of the Commission
8 before the end of the hearing and give the opportunity to
9 ask questions before the record closes, if that would be
10 the Commission's desire.

11 COMMISSIONER DAVIS: I -- I think -- I
12 think I would -- I would like to see that, and then
13 certainly give -- it needs to be filed and Mr. Walter
14 needs to have -- well, all the parties need to have an
15 opportunity to examine and ask questions because it would
16 increase the cost of service.

17 So it would need to be filed posthaste, and
18 then maybe we could bring Mr. Wakeman back after we deal
19 with rate design or something. Maybe Mr. Wakeman would
20 want to start at the beginning of one morning as opposed
21 to waiting for rate design to be over. Maybe people will
22 be nice and you won't have to sit here through two days of
23 testimony.

24 Anything else that you want to add,
25 Mr. Wakeman?

1 THE WITNESS: I don't have anything at this
2 time, Commissioner.

3 COMMISSIONER DAVIS: All right. Thank you.

4 JUDGE WOODRUFF: Commissioner Jarrett?

5 COMMISSIONER JARRETT: I don't have any
6 questions, but put me down as a co-requester for that
7 information with Commissioner Davis. I'm interested in
8 seeing that as well. Thank you for your testimony.
9 Appreciate it.

10 JUDGE WOODRUFF: All right. Any recross
11 based on questions from the Bench? Mr. Mills.

12 RE-CROSS-EXAMINATION BY MR. MILLS:

13 Q. Mr. Wakeman, I think you referred to
14 training of employees as an investment; is that correct?

15 A. Sure. Yes. Absolutely.

16 Q. And so if the Commission were to give
17 you -- well, let me back up. Say, for example, the
18 Commission in this rate case gave you a rate increase of
19 \$200 million. Would you be able to provide safe and
20 adequate service with that amount of revenue coming in?

21 A. I believe we're providing safe and adequate
22 service.

23 Q. And would you continue to be able to do it
24 if the Commission gave you a rate increase in this case?

25 A. Yes.

1 Q. With an additional \$3 million, would you
2 get -- would the customers get safer service?

3 A. No. I believe we'd probably provide safe
4 service now.

5 Q. Would they get more adequate service?

6 A. I don't believe so. I think it's adequate
7 at this point.

8 Q. So, in other words, that would be just an
9 additional \$3 million that you could invest in your work
10 force that comes from ratepayers rather than shareholders?

11 A. Okay.

12 MR. MILLS: No further questions.

13 JUDGE WOODRUFF: Any other recross?

14 Ms. Schroder.

15 MS. SCHRODER: Yes, please.

16 RE-CROSS-EXAMINATION BY MS. SCHRODER:

17 Q. Mr. Wakeman, isn't it true that, I think
18 it's FERC is about to hand down new requirements for
19 preventive checks on systems that are going to require
20 additional -- additional labor demands?

21 A. There are some additional requirements
22 coming. I don't know exactly what they are. I'm not
23 familiar with them in detail.

24 Q. And that would specifically involve the
25 relay group that's already overtaxed?

1 A. I believe it does involve the relay group.
2 That's probably the extent of my knowledge.

3 Q. And those new regulations that are coming
4 down fall within the realm of adequacy of service, don't
5 they? I mean, you have to comply with them; isn't that
6 correct?

7 A. You would have to comply with them. Again,
8 I'm not much more familiar, so I don't think I can answer
9 any questions specifically about what they address.

10 Q. Okay. And isn't it true that if you had
11 additional money for additional internal work force, that
12 it could make a difference with regard to the length of
13 outages that -- weather-related outages that happen, just
14 happen with any electric company?

15 A. Can you restate that?

16 Q. Certainly. Let me just go back and set it
17 up differently. Isn't it true that Ameren experiences
18 weather-related outages every year?

19 A. Yes, typically that's true.

20 Q. All right. And some of those outages get
21 pretty lengthy? We don't have mild weather.

22 A. Right. That's correct.

23 Q. All right. And isn't it true that if you
24 had additional money to spend on your internal work force,
25 the length of some of those outages could be shortened?

1 A. I suppose it could be. That's a difficult
2 question because you're talking about employees in
3 training and -- and we have a -- the contractors we use
4 are available for restoration as well, so --

5 Q. And every time you use a contractor, you're
6 paying a premium for the amount -- for the work that
7 they're performing, aren't you?

8 A. We pay the contractors appropriate rate for
9 their services.

10 Q. And that includes their markup for their
11 hiring and training of their employees, doesn't it?

12 A. I assume it would.

13 Q. All right. Isn't it also true that if you
14 had additional work force, that you could go through,
15 that -- that those people -- if you had additional money,
16 I'm sorry, for the transmission and distribution
17 department, that the additional labor could be replacing
18 poles that need to be replaced more quickly, they could be
19 replacing old transmission substation equipment, et
20 cetera, and then those things wouldn't be breaking down?

21 A. If you're talking about internal versus
22 external work force, that's probably a different
23 discussion. If you're talking -- if we have contractors
24 doing that work now, we're still accomplishing that work
25 as we can in this time.

1 However, you know, investments have been
2 lessened given other issues we talked about, the economy
3 and regulatory lag and things like that. But certainly
4 somebody has to do that work, so if it wouldn't be a
5 contractor, it would be an internal work force.

6 MS. SCHRODER: All right. Thank you.

7 JUDGE WOODRUFF: Redirect?

8 MR. FISCHER: Just one briefly.

9 REDIRECT EXAMINATION BY MR. FISCHER:

10 Q. The Public Counsel asked you some questions
11 about safe and adequate service. Do you recall that?

12 A. Yes, I do.

13 Q. Do you know, do you have an opinion about
14 whether the cost of providing safe and adequate service is
15 increasing or decreasing at this point?

16 A. I think it's increasing.

17 Q. Is that -- the Public Counsel asked you
18 about that term, if that was the standard that was being
19 used in this case. Do you have an opinion about whether
20 other factors should be considered in this case besides
21 just the level of safe and adequate service?

22 A. Yes, absolutely. I think reliability I
23 think is an important aspect of customer service.

24 Q. Is the cost of providing service a factor?

25 A. I'm sorry?

1 Q. Is the cost of providing service a factor
2 that should be considered?

3 A. Yes, absolutely.

4 MR. FISCHER: That's all I have. Thank
5 you.

6 JUDGE WOODRUFF: All right. Then,
7 Mr. Wakeman, you can step down. And that completes the
8 evidence on the union issue. The only other issue that
9 was on the list for today was the rate case expense issue,
10 and I believe that has been settled in the Second
11 Stipulation & Agreement. Is there anything else we need
12 to do before we adjourn for the day?

13 (No response.)

14 JUDGE WOODRUFF: All right. I believe
15 we'll come back tomorrow then with the fuel modeling
16 issues. Those have not settled; is that correct? The
17 fuel modeling issues have -- part of those settled and
18 part not? Does anyone know?

19 MS. TATRO: I think they're still working
20 on that. Hang on just a second.

21 JUDGE WOODRUFF: Sorry.

22 MS. TATRO: I think there's still some
23 discussions, and perhaps I propose that we start late
24 again tomorrow on that issue.

25 JUDGE WOODRUFF: Even if it's not settled

1 it doesn't look like there's going to be extensive cross;
2 is that right?

3 MS. TATRO: Right.

4 JUDGE WOODRUFF: Let's go ahead and start
5 at ten o'clock again tomorrow. With that, then, we are
6 adjourned until ten o'clock tomorrow morning.

7 WHEREUPON, the hearing of this case was
8 recessed until March 24, 2010.

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1 AMERENUE'S EVIDENCE:

2 DAVID WAKEMAN

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20	Chart Showing Job Classification Average Age	*	
21	*Marked following the hearing.		
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1 C E R T I F I C A T E

2 STATE OF MISSOURI)
3) ss.
4 COUNTY OF COLE)

5 I, Kellene K. Feddersen, Certified
6 Shorthand Reporter with the firm of Midwest Litigation
7 Services, do hereby certify that I was personally present
8 at the proceedings had in the above-entitled cause at the
9 time and place set forth in the caption sheet thereof;
10 that I then and there took down in Stenotype the
11 proceedings had; and that the foregoing is a full, true
12 and correct transcript of such Stenotype notes so made at
13 such time and place.

14 Given at my office in the City of
15 Jefferson, County of Cole, State of Missouri.

16 _____
17 Kellene K. Feddersen, RPR, CSR, CCR
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