

Exhibit No.:
Issue: EEInc.
Witness: Greg R. Meyer
Sponsoring Party: MoPSC Staff
Type of Exhibit: True-Up Direct Testimony
Case No.: ER-2007-0002
Date Testimony Prepared: April 6, 2007

MISSOURI PUBLIC SERVICE COMMISSION
UTILITY SERVICES DIVISION

TRUE-UP DIRECT TESTIMONY
OF
GREG R. MEYER

UNION ELECTRIC
d/b/a AMERENUE

CASE NO. ER-2007-0002

Jefferson City, Missouri
April 2007

BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF MISSOURI

In the Matter of Union Electric Company)
d/b/a AmerenUE for Authority to File)
Tariffs Increasing Rates for Electric) Case No. ER-2007-0002
Service Provided to Customers in the)
Company's Missouri Service Area.)

AFFIDAVIT OF GREG R. MEYER

STATE OF MISSOURI)
) ss.
COUNTY OF COLE)

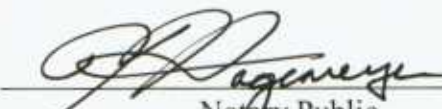
Greg R. Meyer, of lawful age, on his oath states: that he has participated in the preparation of the foregoing True-Up Direct Testimony in question and answer form, consisting of 5 pages to be presented in the above case; that the answers in the foregoing True-Up Direct Testimony were given by him; that he has knowledge of the matters set forth in such answers; and that such matters are true and correct to the best of his knowledge and belief.



Greg R. Meyer

Subscribed and sworn to before me this 5th day of April, 2007.





Notary Public

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**TRUE-UP DIRECT TESTIMONY
OF
GREG R. MEYER
UNION ELECTRIC COMPANY
d/b/a AMERENUE
CASE NO. ER-2007-0002**

Q. Please state your name and business address.

A. Greg R. Meyer, 9900 Page Avenue, Suite 103, Overland, Missouri, 63132.

Q. By whom are you employed and in what capacity?

A. I am a Regulatory Auditor V with the Missouri Public Service Commission.

Q. Are you the same Greg R. Meyer who filed Direct and Surrebuttal Testimony in this proceeding?

A. Yes, I am.

Q. What is the purpose of your True-Up Direct Testimony?

A. I am providing True-Up Direct Testimony on the new quantification of the Staff's position as it relates to the Electric Energy Inc. (EEInc.) issue in this case.

Q. What is the Staff's current estimate of the revenue requirement regarding the EEInc. issue?

A. The Staff's current estimate of the revenue requirement of the EEInc. issue is approximately \$67 million dollars.

Q. What was the Staff's revenue requirement value of this issue prior to the True-Up phase of this case?

A. The Staff's value of this issue prior to the True-Up phase of this case was approximately \$78 million.

Q. Why is there a difference in the value of this issue in the True-Up phase?

1 A. On pages 15 and 16, of the Surrebuttal Testimony, AmerenUE witness
2 Mr. Michael Moehn describes the concerns he has with the Staff's quantification of the
3 EEInc. issue. AmerenUE had not previously raised these concerns with the Staff. As part of
4 the True-Up, the Staff contacted AmerenUE about the matters raised by Mr. Moehn.
5 AmerenUE has provided to the Staff information which has changed the Staff's revenue
6 requirement valuation of this issue.

7 Q. Please describe the information that AmerenUE provided to the Staff.

8 A. AmerenUE informed the Staff that the amount of demand charges included in
9 the Staff's cost of service for the EEInc. Joppa capacity was incorrect. The Staff used the
10 actual invoices from EEInc. during 2005 to calculate the demand charges for the case because
11 there were no invoices after 2005. The Staff summed the actual invoices from EEInc. to
12 AmerenUE and then allocated the demand charges between Central Illinois Power Service
13 Company (CIPS), d/b/a AmerenCIPS and Union Electric Company (UE). AmerenUE on
14 April 3, 2007, told the Staff, via a conference call, that the demand charges from the actual
15 invoices should not have been allocated to AmerenCIPS as AmerenCIPS received its own
16 demand charges through separate bills. The Staff has requested that these AmerenCIPS bills
17 for the demand charges for 2005 be provided to the Staff for verification, but the Staff has
18 corrected its adjustment based on this information from AmerenUE.

19 AmerenUE also has within the last few days provided to the Staff, EEInc.'s fuel
20 budget for 2007 for the Joppa Plant. The Staff now has the information to price out the
21 generation from the Joppa Plant. The Staff previously used the 2005 energy costs that were
22 billed to AmerenUE from the actual 2005 invoices because AmerenUE had refused to
23 provide, or claimed that it was unable, until within the last few days, to provide fuel price data

1 more current than actual 2005 invoices. This new information was also discussed in the
2 April 3, 2007, conference call with AmerenUE. This new information lowered the value of
3 the EEInc. issue since it increased the fuel expense or energy charges for the power from the
4 Joppa Plant.

5 Q. What is the impact of AmerenUE now providing the 2007 fuel budget for the
6 EEInc. Joppa Plant?

7 A. The Staff now has the information that it sought from the beginning of its
8 fieldwork to properly model the Joppa Plant. With the 2007 fuel budget data, the Staff would
9 be able to actually include the Joppa Plant and the available generation in the Staff's fuel
10 production cost model. However, due to the lateness of AmerenUE providing this
11 information, the Staff is unable to model the Joppa Plant with this data. The Staff's
12 production cost model consultant, Michael Rahrer, is not available to rerun the Staff's fuel
13 production cost model. The Staff must now rely on AmerenUE's quantification of this issue
14 to meet the True-Up Direct Testimony filing deadline.

15 Q. When did the Staff receive the current information regarding the Joppa unit
16 2007 fuel budget?

17 A. The Staff received the information on Monday, April 2, 2007.

18 Q. Did the Staff attempt to get this information in the course of its audit?

19 A. Yes. When the Staff was in the field performing its audit, the Staff submitted
20 Data Request No. 280 to get the January 1, 2007 energy and capacity charges for the Joppa
21 Plant. AmerenUE objected to providing that information asserting, in part, that the data
22 request was "unduly burdensome and overbroad to the extent it seeks information relating to
23 the business, affairs or operations of affiliates of AmerenUE." Instead, AmerenUE provided

1 to the Staff the EEInc. data used in the 2005 fuel budget. I personally discussed the Staff's
2 desire to obtain current EEInc. fuel and operating data with AmerenUE representatives during
3 the course of the audit, and in those conversations I stressed that: (1) the Staff needed the
4 information to quantify the value of the EEInc. issue, and (2) the Staff did not want as a
5 hearing room issue the revenue requirement quantification of the issue, in addition to the
6 merits of the issue.

7 Q. Was the value of the EEInc. issue raised as a concern or an issue with the Staff
8 by AmerenUE prior to AmerenUE's filing of Mr. Moehn's Surrebuttal Testimony?

9 A. No. The Staff circulated a preliminary reconciliation to all Parties on
10 December 29, 2006. The Parties held a Technical/Settlement Conference on January 16-19,
11 2007, and a Settlement Conference on February 5-9, 2007, after the non-AmerenUE Parties
12 filed their Direct cases on December 15, 2006, and after I was deposed respecting my EEInc.
13 Direct Testimony. In neither of the aforementioned conferences, did AmerenUE ask to
14 discuss the value of the EEInc. issue. Not until Mr. Moehn's Surrebuttal Testimony did the
15 Staff have any quantification from AmerenUE regarding this issue.

16 Q. Are there any differences in the assumptions used to value the issue between
17 AmerenUE and the Staff that would explain differences in quantification between the Staff
18 and AmerenUE?

19 A. Yes. The Staff has used a different value for the average price of off-system
20 sales. The Staff's average price for off-system sales as calculated by Staff witness
21 Michael S. Proctor is \$41.81 per megawatt hour. This compares to AmerenUE's average
22 price of \$38.01. AmerenUE and the Staff also disagree on the amount of energy available
23 from the Joppa Plant. The Staff has included 3,314,000 megawatt hours in its fuel expense

1 and EEInc. valuation calculations. AmerenUE has included 3,178,000 megawatt hours in its
2 EEInc. valuation calculations.

3 Q. How will these differences be resolved?

4 A. The difference due to the price of off-system sales will be determined by the
5 Commission in its decision regarding the off-system sales issue. AmerenUE's difference in
6 the volume of energy from the Joppa Plant was not raised by AmerenUE as an issue in the
7 case and is not indicated as an issue respecting EEInc. in the List Of Issues, Order Of
8 Witnesses And Order Of Cross-Examination filed on March 7, 2007. Since AmerenUE did
9 not until the last few days, provide the necessary data to model the Staff's Joppa Plant
10 adjustment using the data the Staff had originally requested, the Staff was not aware that the
11 output from the Joppa Plant was in dispute respecting the calculation of the Staff's
12 adjustment. These matters would have been addressed in a timely manner if AmerenUE had
13 provided the data during the Staff's fieldwork in this case or when there was still time to
14 identify the basis for the differences. Waiting until the True-Up phase to provide data that
15 would have revealed differences in positions at an earlier stage of the proceedings is clearly
16 not the proper time to identify the output from a generating unit as an issue.

17 Q. Does this conclude your True-Up Direct Testimony?

18 A. Yes.