

Exhibit No.:
Issues: Cash Working Capital
Witness: Michael J. Adams
Sponsoring Party: Union Electric Company
Type of Exhibit: Rebuttal Testimony
Case No.: ER-2010-0036
Date Testimony Prepared: February 11, 2010

MISSOURI PUBLIC SERVICE COMMISSION

CASE NO. ER-2010-0036

REBUTTAL TESTIMONY

OF

MICHAEL J. ADAMS

ON

BEHALF OF

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

**St. Louis, Missouri
February 11, 2010**

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2 **REBUTTAL TESTIMONY**
3 **OF**
4 **MICHAEL J. ADAMS**
5 **CASE NO. ER-2010-0036**
6

7 **I. INTRODUCTION AND WITNESS QUALIFICATIONS**

8 **Q. Please state your name and business address.**

9 A. My name is Michael J. Adams. My business address is 293 Boston Post
10 Road West, Suite 500, Marlborough, Massachusetts 01752.

11 **Q. Are you the same Michael J. Adams that filed direct testimony in this**
12 **proceeding?**

13 A. Yes, I am.

14 **II. PURPOSE AND SCOPE**

15 **Q. What is the purpose of your rebuttal testimony?**

16 A. The purpose of my rebuttal testimony is to respond to the Cash Working
17 Capital (“CWC”) calculation sponsored by Missouri Public Service Commission (the
18 “Commission”) Staff witness Lisa Ferguson and Missouri Industrial Energy Consumers
19 (“MIEC”) witness Greg Meyer.

20 **Q. In addition to your rebuttal testimony in this proceeding are you**
21 **sponsoring any schedules?**

22 A. Yes. In addition to my testimony, I am sponsoring Schedules MJA-ER2
23 and MJA-ER3.

1 **III.SUMMARY OF POSITIONS**

2 **Q. What level of CWC requirements did the Company file for in its**
3 **direct case?**

4 A. As shown on Schedule GSW-E5, attached to the direct testimony of
5 AmerenUE witness Gary Weiss, the Company requested a CWC requirement of \$9.677
6 million, excluding income tax and interest offsets.

7 **Q. What level of CWC requirements is the Staff recommending in its**
8 **direct case?**

9 A. Staff witness Ferguson has recommended a negative CWC requirement of
10 \$27.3 million, excluding income tax and interest offsets.

11 **Q. Has MIEC witness Meyer proposed a reduced level of CWC in his**
12 **direct testimony?**

13 A. Yes. Mr. Meyer proposes to reduce the Company's proposed level of
14 CWC by \$10.2 million¹.

15 **Q. To what do you attribute the differences in the level of CWC**
16 **requirements requested by the Company and that proposed by Staff witness**
17 **Ferguson?**

18 A. The primary drivers of the differences between the Company's requested
19 level of CWC and that proposed by Staff are a result of the following proposed changes
20 presented in Staff's analysis:

21 1. An alternative method of calculating the Collections Lag portion of the
22 overall Revenue Lag;

¹ Direct Testimony and Schedule of Greg Meyer on Behalf of Missouri Industrial Energy Consumers, dated December 18, 2009, p. 31, lines 14-15.

Rebuttal Testimony of
Michael Adams

- 1 2. Elimination of the Payment Processing Lag portion of the Revenue Lag;
- 2 3. Elimination of the Service Lag portion of the Revenue Lag applied to sales
- 3 taxes;
- 4 4. Inclusion of vacation accrual expenses in the Payroll Expense Lead;
- 5 5. Further breakout of payroll dollars associated with alternative investments;
- 6 6. The breakout of Other Post-Employment Benefits (“OPEB”) expenses
- 7 when calculating the Benefits Expense Lead;
- 8 7. The inclusion of decommissioning fees in the CWC calculation; and
- 9 8. Use of Staff’s proposed expense levels in the determination of the CWC
- 10 requirement.

11 **Q. What adjustments to the Company’s CWC calculation does the MIEC**
12 **propose?**

13 A. The MIEC also proposes an alternative method of calculating the
14 Collections Lag portion and elimination of the Payment Processing Lag portion of the
15 Revenue Lag.

16 MIEC witness Meyer also proposes in his direct testimony that non-residential
17 customers be allowed 21 days after the issuance of the monthly bill to pay the bill, as
18 opposed to the 10 days currently allowed. The proposed treatment would be similar to
19 the elapsed time allowed for residential customers to pay their bills. This proposed
20 adjustment would increase the Company’s CWC requirements.

1 **Q. Have you prepared a side-by-side comparison of the results of your**
2 **CWC requirements calculation and those prepared by Staff witness Ferguson and**
3 **MIEC witness Meyer?**

4 A. Yes. Exhibit MJA-ER2 shows a side-to-side comparison of the three
5 calculations.

6 **Q. Does the Company agree with the expense levels included in Staff**
7 **witness Ferguson's CWC analyses?**

8 A. No. Staff witness Ferguson's expense levels reflect all of Staff's proposed
9 adjustments to the Company's requested levels. The expense levels ultimately included
10 in the CWC analyses should reflect the Commission's final position on overall expenses.
11 To the extent that the differences in Staff's expense levels are materially different than
12 those presented by the Company, various Company witnesses will address those
13 differences in their rebuttal testimonies.

14 **Q. Are there any adjustments made by Staff witness Ferguson which the**
15 **Company accepts?**

16 A. Yes. The Company accepts Staff witness Ferguson's proposed inclusion
17 of the vacation accrual expense in payroll, the further breakdown of payroll expenses to
18 reflect employees' contributions to various plans; the breakout of OPEB expenses; and
19 the inclusion of decommissioning fees in the CWC analysis.

20 **Q. Does the Company accept any of the adjustments to the CWC analysis**
21 **proposed by the MIEC?**

22 A. No. As I will discuss, the MIEC's proposed adjustments to the
23 Company's CWC calculation are flawed and should be rejected.

1 **Q. During your review of the Staff's CWC calculation, did you identify**
2 **components of the Company's CWC calculation that required corrections?**

3 A. I did. There are three areas in the Company's CWC calculation which
4 require correction. The first area that requires correction pertains to the Expense Lead
5 applied to Gross Receipts Taxes. The Service Lag was excluded from the Revenue Lag
6 applied to the Gross Receipts Taxes but the Expense Lead was not reduced by the Service
7 Lead. Given that both the Service Lag and Service Lead pertain to the period of time
8 during which service is provided, it is inappropriate to include or exclude one from the
9 Revenue Lag or Expense Lead without affording similar treatment to the other (i.e., both
10 the Revenue Lag and Expense Lead should either include or exclude the service period).
11 Therefore, I have eliminated the Service Lead from the overall Expense Lead related to
12 the Gross Receipts Taxes. Accordingly, the Expense Lead has been revised from 51.05
13 days to 30.42 days.

14 The second correction pertains to the calculation of the Expense Lead afforded to
15 the Company's pension payments during the test year. The Company's analysis
16 originally indicated that there was only one contribution to the pension plan during the
17 test year, which resulted in a lengthy Expense Lead. Staff's analysis also reflected a one-
18 time contribution to the pension plan. Upon further review, it was determined that the
19 Company, in fact, made quarterly contributions to the pension plan. As a result, the
20 original Pension Expense Lead of 167 days was revised to reflect the correct lead of
21 52.95 days.

22 Finally, in the calculation of the Collections Lag, the customer bills that have
23 been mailed but are not yet due are reflected in the "Current" bucket of the accounts

1 receivable aging analysis. As previously discussed, residential customers have 21 days
2 and non-residential customers have 10 days to pay their bills before a late payment
3 charge can be assessed². In the original analysis, the midpoint of the range from 0 to 24
4 days was used to calculate the overall Collections Lag for residential customers and the
5 midpoint of the range from 0 to 20 days was used to calculate the overall Collections Lag
6 for non-residential customers. After further review, the midpoints of 12 days for
7 residential and 10 days for non-residential have been updated to reflect the actual
8 experience of 13.42 days for residential and 12.77 days for non-residential.

9 **IV. COLLECTIONS LAG**

10 **Q. What is a “Collections Lag”?**

11 A. As I stated in my direct testimony, the Collections Lag refers to the
12 average amount of time from the date when the customer receives a bill to the date that
13 the Company receives payment from its customers³.

14 **Q. How did the Company calculate the Collections Lag?**

15 A. The actual report used by the Company to monitor the aging of its
16 accounts receivables was used to calculate the Collections Lag. This report, which is
17 referred to as the Accounts Receivable Analysis report (CSR1243), sets forth the total
18 level of accounts receivables, ages the receivables into “buckets” consisting of current
19 bills, 0-30 days past due, 30-60 days past due, and 60-90+ days past due. The weekly
20 reports were compiled and analyzed to determine the weighting of the accounts
21 receivables for each of the buckets. The weighting for each bucket was then multiplied

² The 21 day period for residential customers is established by Commission rule in 4 CSR 240-13.020 Billing and Payment Standards. No standard exists for non-residential customers in the Commission’s rules. The non-residential standard is set forth in the Company’s tariffs.

³ Direct Testimony of Michael J. Adams, July 2009, p. 6, lines 4 – 6.

1 by the midpoint of each bucket to determine the total Collections Lag. The Collections
2 Lag was calculated to be 21.70 days during the test year, as reflected in my direct
3 testimony.

4 **Q. How do Staff witness Ferguson and MIEC witness Meyer propose**
5 **that the Collections Lag should be calculated?**

6 A. Both Staff and the MIEC utilized a report referred to as the CURST246
7 report to calculate their respective Collections Lags. The CURST246 report provides a
8 summary of customer payments by the age of the bill. Using this report, Staff calculated
9 the Collections Lag to be 20.25 days. The MIEC, in addition to using the CURST246
10 report excluded payments over one year past due, and arrived at a Collections Lag of
11 20.63.

12 **Q. If the Staff and the MIEC are relying upon the same report to**
13 **calculate the Collections Lag, and the MIEC excludes customer payments for**
14 **receivables in excess of one year, how can the MIEC arrive at a Collections Lag**
15 **greater than that proposed by Staff?**

16 A. Staff relied upon information from the twelve months of the test year to
17 calculate its proposed Collections Lag. The MIEC relied upon information from only one
18 month (March 2009) to calculate its proposed Collections Lag and then adjusted the
19 month's data to exclude receivables over one year.

20 **Q. Do you agree with the Staff's and MIEC's proposed calculation of the**
21 **Collections Lag?**

22 A. I do not. While I understand that Staff and the MIEC are familiar with the
23 CURST246 report from prior cases, the report does not reflect the aging of the total

1 accounts receivables for the Company. The report upon which Staff and the MIEC rely
2 only reflects the aging of the payments received. The receivables which have not yet
3 been paid are not reflected in the CURST246 report and thus are ignored by Staff and the
4 MIEC.

5 **Q. How do you respond to MIEC witness Meyer's proposed exclusion of**
6 **all receivables over one year in age?**

7 A. MIEC witness Meyer provides no analytical support for his proposed
8 adjustment other than his apparent disdain for receivables in excess of one year.
9 Unfortunately, the Company does have receivables in excess of one year old and many of
10 these receivables are being collected via payment plans. The Company should not be
11 unjustly penalized (via a lower CWC requirement) simply because the MIEC witness
12 believes the fact is "not an acceptable premise."⁴

13 **Q. How did the Company treat the older receivables within its analysis?**

14 A. The oldest receivables that the Company included in its Collections Lag
15 analysis were included in the 60-90+ days aging bucket. The midpoint applied to these
16 receivables was approximately 85 days, i.e., much lower than the 365 days that
17 apparently troubles the MIEC. Therefore, the Company employed a very conservative
18 approach when calculating the Collections Lag. As such, an adjustment to handle
19 receivables over 365 days, as proposed by MIEC witness Meyer, is unnecessary.

⁴ Direct Testimony and Schedule of Greg Meyer on Behalf of Missouri Industrial Energy Consumers, dated December 18, 2009, p. 30, lines 9-17.

1 **Q. What rationale do Staff and the MIEC provide for disregarding the**
2 **aging of accounts receivables report that the Company utilized?**

3 A. MIEC witness Meyer argues that the Company's aging of accounts
4 receivables is flawed because it contains uncollectibles.

5 Staff's report is silent as to why it prefers the CURST246 report over the aging of
6 accounts receivables report used by the Company.

7 **Q. How do you respond to the criticism raised by MIEC witness Meyer?**

8 A. It is virtually impossible to accurately remove potentially uncollectible
9 dollars from total receivables because the Company cannot predict which receivables will
10 not be collected. To address MIEC witness Meyer's concern, one way to exclude
11 potentially uncollectible dollars would be to ratably spread a provision for uncollectible
12 receivables across the various buckets of aged receivables. This approach would produce
13 a result similar to the analysis originally produced in the Company's determination of the
14 Collections Lag. Given that actual data is not available, such an approach would be as
15 reasonable as any other.

16 **Q. Is it reasonable to presume, as MIEC witness Meyer apparently does,**
17 **that the older receivables should receive the greatest provision for uncollectibles?**

18 A. No. While as a general rule the older receivables would be presumed to
19 be less likely to be collectible, in AmerenUE's case approximately 50 percent of the 90+
20 day old receivables are covered under payment agreements, thus reducing the likelihood
21 of non-collection. Further, as I stated earlier, the Company's Collections Lag treats all
22 receivables with an age of over 90 days as if they were outstanding for between 60 and

1 90 days. Therefore, the Company has already effectively compensated for the older
2 receivables, some of which have a potentially lower likelihood of collection.

3 **Q. Why is the Company's proposed calculation of the Collections Lag**
4 **preferable to that proposed by the Staff and MIEC?**

5 A. As I stated previously, the aging of accounts receivables report used by the
6 Company to calculate the Collections Lag is preferable to the CURST246 report because
7 it accurately reflects the aging of all accounts receivables, not just those for which
8 payment has been received. The Company has also conservatively addressed the concern
9 regarding receivables in excess of 90 days. For these reasons, the Company's calculation
10 of the Collections Lag is preferable to that proposed by the MIEC.

11 **Q. What is the resulting difference between the Company's and Staff's**
12 **proposed calculations of the Collections Lag?**

13 A. The difference in the overall Revenue Lag as a result of the differing
14 calculations is only 1.45 days. While seemingly immaterial, the proposed change has a
15 material impact and reduces the Company's CWC requirements by \$7.2 million.

16 **V. PAYMENT PROCESSING LAG**

17 **Q. What is the Payment Processing Lag?**

18 A. As described in my direct testimony, the Payment Processing Lag refers to
19 the elapsed time between the Company's receipt of the customer's payment and its
20 transmittal to the bank for collection from the customer's account⁵.

⁵ Id., p. 6, lines 11 -13.

1 **Q. What amount of Payment Processing Lag did the Company include in**
2 **its CWC analysis?**

3 A. The Company includes 0.61 days of Payment Processing Lag in the CWC
4 analysis.

5 **Q. How was the Company's Payment Processing Lag calculated?**

6 A. The Company's calculation of the Payment Processing Lag considered all
7 of the various methods of receiving a customer's payment (i.e., mail, payment agent,
8 credit/debit card, Electronic Data Interchange ("EDI"); electronic check; or via Energy
9 Assistance). The elapsed time was estimated for each method of payment to ascertain the
10 amount of time that it required from the time payment was received until the payment
11 was ready to be sent to the bank.

12 **Q. Does the Company's Payment Processing Lag include the elapsed**
13 **time required from the point in time that the Company sends the payments to the**
14 **bank to the point in time at which such payments are available to the Company?**

15 A. No. That lag is referred to as Bank Float. The Staff has taken the position
16 in other AmerenUE rate proceedings that the Bank Float is not an appropriate Revenue
17 Lag component. While I disagree with the Staff's position, the Bank Float was excluded
18 from the Company's calculation of the overall Revenue Lag.

19 **Q. What is Staff witness Ferguson's and MIEC witness Meyer's**
20 **proposed treatment of the Payment Processing Lag?**

21 A. Both Staff witness Ferguson and MIEC witness Meyer propose to exclude
22 the Payment Processing Lag.

1 **Q. On what basis do the Staff and the MIEC propose to exclude the**
2 **Payment Processing Lag?**

3 A. MIEC witness Meyer states that he “cannot understand why additional
4 time must be added to the day the revenue is received by UE for processing that revenue
5 the same day⁶” and therefore proposes that the Payment Processing Lag be excluded.

6 Staff’s testimony and report are silent on their proposed treatment of the Payment
7 Processing Lag. No analysis was offered by MIEC witness Meyer to support his
8 position.

9 **Q. Do you agree with the Staff’s and MIEC’s proposed treatment of the**
10 **Payment Processing Lag?**

11 A. I do not. Clearly not all customer payments are available to the Company
12 immediately. The inclusion of a conservative estimate of the Payment Processing Lag is
13 an appropriate component of the overall elapsed time that it takes to obtain payment from
14 the Company’s customers for services rendered. As such, the Payment Processing Lag
15 should be included in the overall Revenue Lag.

16 **Q. You claim that the Payment Processing Lag employed in the**
17 **Company’s lead-lag study was a conservative estimate of the actual lag. Please**
18 **explain.**

19 A. In the Company’s analysis, it was assumed that mail payments would have
20 a 0.5 day lag to reflect payments that were not processed on the day received. Based
21 upon actual data from March 2009, the actual payment lag for mail payments should be
22 in excess of 1 day. Actual data reflects that approximately 26.5 percent of the payments

⁶ *Id.*, p. 31, lines 8-10.

1 were processed and deposited on the day received. While approximately 98 percent of
2 the mail payments were processed and deposited within 3 days, some payments require
3 up to 8 days to process.

4 For Energy Assistance payments, we assumed a 1 day lag for processing
5 payments. Actual data from the test year reflects that while the payments are posted the
6 first day it can take up to 21 days to process and deposit.

7 For payments received by Pay Agents, credit/debit card payments and ACH
8 payments, we assumed a Payment Processing Lag of 1 day, 1.5 days and 0.5 day,
9 respectively. Actual data from the test year reflects that while payments are received in
10 real time and post as a pending payments to stop any disconnect activity for each of these
11 payment types, the actual payment is not processed and deposited for up to 4 days.

12 Employing the actual data from above, the actual Payment Processing Lag should
13 have been approximately 1.7 days. Therefore, based upon the actual payment processing
14 data, the 0.61 day Payment Processing Lag represents a very conservative estimate of the
15 Payment Processing Lag and should be included in the CWC analysis as a component of
16 the overall Revenue Lag.

17 **Q. Are you aware of any other regulatory jurisdictions which exclude the**
18 **Payment Processing Lag and Bank Float from the determination of the overall**
19 **Revenue Lag?**

20 **A.** No. I have provided testimony regarding the CWC requirements on behalf
21 of my clients in a number of different regulatory jurisdictions. In each of those
22 regulatory jurisdictions the Payment Processing Lag and Bank Float were included in the
23 determination of the overall Revenue Lag.

1 **Q. What is the impact of excluding Payment Processing Lag from the**
2 **overall Revenue Lag?**

3 A. By excluding the Payment Processing Lag, the Company's CWC
4 requirements would be unjustly reduced by approximately \$3 million.

5 **VI. REVENUE LAG DAYS ASSOCIATED WITH SALES & USE TAXES**

6 **Q. What level of Revenue Lag days did the Company assign to Sales**
7 **Taxes?**

8 A. The Company applied a Revenue Lag of 36.82 days to Sales Taxes. In
9 other words, the full Revenue Lag consisting of a Service Lag, Billing Lag, Collections
10 Lag and Payment Processing Lag was applied to the Sales Tax dollars.

11 **Q. What is Staff witness Ferguson's proposed treatment of Sales Taxes?**

12 A. Staff proposes a Revenue Lag of 21.46 days be applied to the Sales Tax
13 dollars, which consists of Staff's proposed Revenue Lag of 35.00 days less the Service
14 Lag days.

15 **Q. Do you agree with Staff's proposed treatment of Sales Taxes?**

16 A. I do not. If the Sales Taxes are to be treated as a pass-through tax (i.e., in
17 a manner similar to that of the Gross Receipts Taxes), by excluding the Service Lag from
18 the Revenue Lag, then the Service Lead should similarly be excluded from the Expense
19 Lead applied to the Sales Tax dollars.

1 **Q. Please explain.**

2 A. Both the Service Lag and the Service Lead are associated with the timing
3 of the provisioning of service. If there is no Service Lag on the revenue side there can be
4 no Service Lead on the expense side.

5 **Q. Have you updated your CWC analysis to eliminate the Service Lag**
6 **and Service Lead applied to Sales Tax expenses, as proposed by Staff?**

7 A. I have not. Removing both the Service Lag and Service Lead (i.e., 15.21
8 days from both the lag and lead) would have no effect on the CWC calculation.

9 **Q. What is the impact to the Company's CWC requirements of excluding**
10 **just the Service Lag from the Revenue Lag applied to the Sales Taxes, as proposed**
11 **by Staff?**

12 A. Removing just the Service Lag from the Revenue Lag applied to the Sales
13 Taxes reduces the Company's CWC requirements by \$1.57 million.

14 **VII. MIEC'S PROPOSED PAYMENT DATE FOR INDUSTRIAL**
15 **CUSTOMERS**
16

17 **Q. Has the MIEC proposed that non-residential customers should be**
18 **allowed 21 days to pay their monthly bill before a late payment charge is assessed?**

19 A. Yes. MIEC witness Meyer proposes that both residential and non-
20 residential customers be allowed 21 days to pay their monthly bills prior to the
21 assessment of a late payment charge.

22 **Q. How do you respond?**

23 A. While other Company witnesses will address the merits of MIEC witness
24 Meyer's proposal, I would add that such a change would impact the Company's CWC
25 requirements. If adopted, the Collections Lag applied to the non-residential customers

1 should be changed to reflect the same Collections Lag as that reflected for residential
2 customers.

3 **Q. What is the impact of the MIEC's proposal on the Company's CWC**
4 **requirements?**

5 A. The MIEC's proposal to allow non-residential customers 21 days to pay
6 their bills would increase the Company's CWC requirements by approximately \$1.5
7 million. This increase has not been reflected in the Company's CWC request.

8 **VIII. SUMMARY OF RECOMMENDATIONS**

9 **Q. Have you prepared a schedule that shows the Company's proposed**
10 **Revenue Lags and Expense Leads to be assigned to the various cost classifications?**

11 A. Yes, I have. Schedule MJA-E2.2 sets forth the Revenue Lags and
12 Expense Leads that should be applied to each cost classification to determine the
13 Company's CWC requirements.

14 **Q. What changes have been made to the Revenue Lags and Expense**
15 **Leads since the filing of your direct testimony?**

16 A. The following changes have been incorporated in the Company's CWC
17 study from that which was presented in my direct testimony:

- 18 1. Eliminated the Service Lead from the Expense Lead applied to Gross
19 Receipt Taxes;
- 20 2. Corrected the Expense Lead applied to pension expenses to reflect the
21 Company's quarterly contributions;
- 22 3. Updated the Collections Lag to reflect the actual timing of customer
23 payments for receivables within the "Current" receivables bucket;

- 1 4. Accepted Staff's proposed Expense Lead applied to payroll expenses and
2 the treatment of vacation accrual expenses;
3 5. Accepted Staff's proposed Expense Lead applied to OPEB expenses; and
4 6. Accepted Staff's proposed inclusion and treatment of decommissioning
5 expenses.

6 **Q. What is the impact of incorporating these changes on the Company's**
7 **CWC requirements?**

8 A. Using the expense levels shown on Schedule GSW-5, incorporating the
9 above changes to the Company's CWC analysis would increase the Company's CWC
10 requirement from \$9.7 million to \$23.2 million.

11 **Q. Does this conclude your rebuttal testimony?**

12 A. Yes, it does.

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

In the Matter of Union Electric Company d/b/a
AmerenUE's Tariffs to Increase its Annual
Revenues for Electric Service.

-) Case No. ER-2010-0036
-) Tracking No. YE-2010-0054
-) Tracking No. YE-2010-0055

AFFIDAVIT OF MICHAEL ADAMS

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

Michael Adams, being first duly sworn on his oath, states:

1. My name is Michael J. Adams. I work in Marlborough, Massachusetts, and I am a Vice President with Concentric Energy Advisors, Inc.

2. Attached hereto and made a part hereof for all purposes is my Rebuttal Testimony on behalf of Union Electric Company, d/b/a AmerenUE, consisting of 17 pages and Schedules MJA-ER2 through MJA-ER3, all of which have been prepared in written form for introduction into evidence in the above-referenced docket.

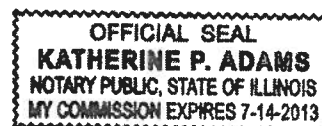
3. I hereby swear and affirm that my answers contained in the attached testimony to the questions therein propounded are true and correct.

Michael J. Adams

Subscribed and sworn to before me this 10th day of February, 2010.

Notary Public

My commission expires: 7/14/2013



AmerenUE
MISSOURI OPERATIONS
CASH WORKING CAPITAL
For the Twelve Months Ended March 31, 200:

	Company As Filed						Staff						MIEC					
	REVENUE LAG	EXPENSE LAG	NET LAG	FACTOR	TEST YEAR EXPENSE	CASH WORKING CAPITAL REQUIREMENT	REVENUE LAG	EXPENSE LAG	NET LAG	FACTOR	TEST YEAR EXPENSE	CASH WORKING CAPITAL REQUIREMENT	REVENUE LAG	EXPENSE LAG	NET LAG	FACTOR	TEST YEAR EXPENSE	CASH WORKING CAPITAL REQUIREMENT
PENSIONS AND BENEFITS	36.82	(32.900)	3.920	0.010740	108,557,704	\$ 1,165,910	35.00	82.390	(47.390)	(0.129836)	94,132,064	\$ (12,221,731)	35.34	(32.900)	2.440	0.006684	108,557,704	\$ 725,600
PURCHASED POWER	36.82	(22.500)	14.320	0.039233	128,333,190	5,034,896	35.00	22.500	12.500	0.034247	41,862,600	1,433,668	35.34	(22.500)	12.840	0.036177	128,333,190	4,514,377
PAYROLL & WITHHOLDINGS	36.82	(11.510)	25.310	0.069342	343,990,237	23,852,971	35.00	12.900	22.100	0.060548	323,076,988	19,561,665	35.34	(11.510)	23.830	0.065286	343,990,237	22,457,747
FUEL											-	-					-	-
NUCLEAR	36.82	(15.210)	21.610	0.059205	72,521,728	4,293,649	35.00	15.210	19.790	0.054219	56,493,377	3,063,014	35.34	(15.210)	20.130	0.055149	72,521,728	3,999,501
COAL	36.82	(21.310)	15.510	0.042493	627,393,657	26,659,839	35.00	21.310	13.690	0.037507	623,498,920	23,385,574	35.34	(21.310)	14.030	0.038437	627,393,657	24,115,130
OIL	36.82	(13.180)	23.640	0.064767	2,106,275	136,417	35.00	13.180	21.820	0.059781	1,466,057	87,642	35.34	(13.180)	22.160	0.060711	2,106,275	127,874
NATURAL GAS	36.82	(39.450)	(2.630)	(0.007205)	27,927,550	(201,218)	35.00	39.450	(4.450)	(0.012192)	9,667,771	(117,869)	35.34	(39.450)	(4.110)	(0.011262)	27,927,550	(314,520)
UNCOLLECTIBLE ACCOUNTS	36.82	(36.820)	0.000	-	11,690,000	-	35.00	35.000	0.000	-	11,798,115	-	35.34	(36.820)	(1.480)	(0.004056)	11,690,000	(47,415)
OTHER OPERATING EXPENSES	36.82	(42.140)	(5.320)	(0.014575)	472,227,311	(6,882,713)	35.00	42.140	(7.140)	(0.019562)	564,626,405	(11,045,222)	35.34	(42.140)	(6.800)	(0.018631)	472,227,311	(8,798,067)
TOTAL O&M EXPENSES					1,794,747,652						1,161,995,892						1,794,747,652	
TOTAL CASH WORKING CAPITAL REQUIREMENT						54,059,751						24,146,741						46,780,227
FICA - EMPLOYER'S PORTION	36.82	(13.160)	23.660	0.064822	20,438,741	1,324,880	35.00	13.160	21.840	0.059836	19,857,265	1,188,179	35.34	(13.160)	22.180	0.060766	20,438,741	1,241,981
FEDERAL UNEMPLOYMENT TAXES	36.82	(76.380)	(39.560)	(0.108384)	241,465	(26,171)	35.00	76.380	(41.380)	(0.113370)	211,033	(23,925)	35.34	(76.380)	(41.040)	(0.112440)	241,465	(27,150)
STATE UNEMPLOYMENT TAXES	36.82	(76.380)	(39.560)	(0.108384)	508,503	(55,114)	35.00	76.380	(41.380)	(0.113370)	510,867	(57,917)	35.34	(76.380)	(41.040)	(0.112440)	508,503	(57,176)
CORPORATE FRANCHISE TAXES	36.82	77.000	113.820	0.311836	1,997,296	622,829	35.00	77.000	112.000	0.306949	2,018,972	619,520	35.34	77.000	112.340	0.307780	1,997,296	614,728
PROPERTY TAXES	36.82	(183.000)	(146.180)	(0.400493)	96,996,788	(38,846,535)	35.00	182.500	(147.500)	(0.404110)	106,426,047	(43,007,830)	35.34	(183.000)	(147.660)	(0.404549)	96,996,788	(39,239,954)
SALES TAXES	36.82	(35.210)	1.610	0.004411	42,656,707	188,159	21.46	35.210	(13.750)	(0.037671)	42,798,235	(1,612,252)	35.34	(35.210)	0.130	0.000355	42,656,707	15,143
DECOMMISSIONING FEES							35.00	70.630	(35.630)	(0.097616)	6,466,633	(631,247)						
USE TAXES	36.82	(76.380)	(39.560)	(0.108384)	1,261,225	(136,697)	35.00	76.380	(41.380)	(0.113370)	1,224,284	(138,797)	35.34	(76.380)	(41.040)	(0.112440)	1,261,225	(141,812)
GROSS RECEIPTS TAXES	23.41	(51.050)	(27.640)	(0.075726)	98,360,858	(7,448,474)	21.46	51.050	(29.590)	(0.081068)	95,257,384	(7,722,326)	21.92	(51.050)	(29.128)	(0.079803)	98,360,858	(7,849,492)
ST. LOUIS PAYROLL EXPENSE TAXES	36.82	(76.380)	(39.560)	(0.108384)	51,717	(5,605)	35.00	76.380	(41.380)	(0.113370)	161,571	(18,317)	35.34	(76.380)	(41.040)	(0.112440)	51,717	(5,815)
TOTAL TAXES					262,513,300						274,932,291						262,513,300	
TOTAL CUSTOMER SUPPLIED FUNDS						(44,382,728)						(51,404,912)						(45,449,547)
CASH WORKING CAPITAL REQUIREMENT						9,677,023						(27,258,171)						1,330,680

AmerenUE
MISSOURI ELECTRIC
UPDATED CASH WORKING CAPITAL REQUIREMENTS
FOR THE TWELVE MONTHS ENDED MARCH 31, 2009
(\$000)

LINE NO.	DESCRIPTION (A)	REVENUE LAG (B)	EXPENSE LEAD (C)	NET LEAD/LAG (D)	FACTOR (E)	TEST YEAR EXPENSES (1) (F)	CASH WORKING CAPITAL REQUIREMENT (G)
1	PENSIONS AND BENEFITS	38.614	(34.028)	4.586	0.012564	\$ 108,558	\$ 1,364
2	PURCHASED POWER	38.614	(22.500)	16.114	0.044148	128,333	5,666
3	PAYROLL & WITHHOLDINGS	38.614	(12.898)	25.716	0.070454	343,990	24,235
4	FUEL						
5	NUCLEAR	38.614	(15.210)	23.404	0.064120	72,522	4,650
6	COAL	38.614	(21.310)	17.304	0.047408	627,394	29,743
7	OIL	38.614	(13.180)	25.434	0.069682	2,106	147
8	NATURAL GAS	38.614	(39.450)	(0.836)	(0.002291)	27,928	(64)
9	UNCOLLECTIBLE ACCOUNTS	38.614	(36.820)	1.794	0.004915	11,690	57
10	DECOMMISSIONING FEES	38.614	(69.625)	(31.011)	(0.084962)	6,467	(549)
11	OTHER OPERATING EXPENSES	38.614	(42.140)	(3.526)	(0.009661)	465,760	(4,500)
12	TOTAL O&M EXPENSES					1,794,748	
13	TOTAL CASH WORKING CAPITAL REQUIREMENT						60,749
14	FICA - EMPLOYER'S PORTION	38.614	(13.160)	25.454	0.069737	20,439	1,425
15	FEDERAL UNEMPLOYMENT TAXES	38.614	(76.380)	(37.766)	(0.103469)	241	(25)
16	STATE UNEMPLOYMENT TAXES	38.614	(76.380)	(37.766)	(0.103469)	509	(53)
17	CORPORATE FRANCHISE TAXES	38.614	77.000	115.614	0.316750	1,997	633
18	PROPERTY TAXES	38.614	(183.000)	(144.386)	(0.395578)	96,997	(38,370)
19	SALES TAXES	38.614	(35.208)	3.406	0.009330	42,657	398
20	USE TAXES	38.614	(76.380)	(37.766)	(0.103469)	1,261	(130)
21	GROSS RECEIPTS TAXES	25.196	(30.417)	(5.220)	(0.014302)	98,361	(1,407)
22	ST. LOUIS PAYROLL EXPENSE TAXES	38.614	(76.380)	(37.766)	(0.103469)	52	(5)
23	TOTAL TAXES					262,514	
24	NET CUSTOMER SUPPLIED FUNDS						<u>(37,534)</u>
25	NET CASH WORKING CAPITAL REQUIREMENT						<u>\$ 23,215</u>

26 (1) Per Schedule GSW-5