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MISO  
Witness: Maureen A. Borkowski  
Sponsoring Party: Union Electric Company  
Type of Exhibit: Direct Testimony  
Case No.: ER-2007-0002  
Date Testimony Prepared: July 5, 2006

**MISSOURI PUBLIC SERVICE COMMISSION**

**CASE NO. ER-2007-0002**

**DIRECT TESTIMONY**

**OF**

**MAUREEN A. BORKOWSKI**

**ON**

**BEHALF OF**

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

**St. Louis, Missouri  
July, 2006**

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1 **DIRECT TESTIMONY**

2 **OF**

3 **MAUREEN A. BORKOWSKI**

4 **CASE NO. ER-2007-0002**

5 **I. INTRODUCTION**

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

7 A. Maureen A. Borkowski, Ameren Services Company (“Ameren Services”),  
8 One Ameren Plaza, 1901 Chouteau Avenue, St. Louis, Missouri 63103.

9 **Q. What is your position with Ameren Services?**

10 A. I am the Vice President of Transmission of Ameren Services, which provides  
11 various corporate, administrative, and technical support for Ameren Corporation (“Ameren”)  
12 and its affiliates.

13 **Q. Please describe your educational background and employment**  
14 **experience.**

15 A. In 1979, I graduated, cum laude, from the University of Notre Dame, Notre  
16 Dame, Indiana, with a Bachelor of Science degree in Mechanical Engineering. In 1981, I  
17 joined Union Electric Company (now d/b/a as AmerenUE) (“AmerenUE” or “Company”) as  
18 an engineer in the Betterment Engineering Department. I transferred to Corporate Planning  
19 and, in 1985, was promoted to Supervising Engineer with responsibility for sales and peak  
20 demand forecasting. In 1988, I was promoted to Senior Supervising Engineer with  
21 responsibility for the development of demand side resources, load analysis and forecasting.  
22 In 1989, I was promoted to Manager of Energy Supply Services with duties including the  
23 management of the Company’s wholesale power marketing activities, interconnection and

1 transmission contract administration, and the preparation of the corporate fuel budget.  
2 Subsequently, my duties were expanded to include natural gas supply and transportation  
3 procurement. I also developed and implemented the Company's Open Access Transmission  
4 Tariff in response to the Federal Energy Regulatory Commission's Order No. 888. In 1998, I  
5 became Manager of Regulatory Planning and developed the tariffs, computer systems and  
6 business procedures to implement electric retail choice in Ameren's Illinois service territory.  
7 In 1999, I became Manager of the ARES Business Center, the Ameren Services business unit  
8 implementing the Illinois retail choice program. In May of 2000, I departed Ameren  
9 Services and subsequently formed my own consulting firm, Borkowski Enterprises, Inc.,  
10 providing consulting and expert witness services to energy industry clients on topics  
11 including transmission tariff interpretation, wholesale power contract disputes and Regional  
12 Transmission Organization policy and implementation. In January, 2005, I returned to  
13 Ameren Services in my current position.

14 **Q. What are your duties and responsibilities in your present position?**

15 A. My current duties and responsibilities include the operation of the bulk  
16 transmission system for the four Ameren operating companies, transmission system planning,  
17 the development of transmission policy and strategy, and the administration of transmission-  
18 related regulatory activities, including the implementation of the transmission and ancillary  
19 services rate schedules of the Midwest Independent Transmission System Operator, Inc.  
20 ("MISO").

1           **Q.     Have you previously testified on electric issues before this Commission or**  
2           **any other state or federal regulatory body?**

3           A.     Yes. I have provided testimony before this Commission in matters regarding  
4           merger-related issues and service area certification. I have provided testimony before the  
5           Illinois Commerce Commission and the Iowa Utilities Board on matters concerning load  
6           forecasting, merger-related issues, and tariff and business practices related to retail choice. I  
7           have provided testimony before the Federal Energy Regulatory Commission regarding  
8           merger-related issues, open access transmission tariffs, and reactive power rates.

9                       **II.     PURPOSE AND SUMMARY OF TESTIMONY**

10          **Q.     What is the purpose of your testimony in this proceeding?**

11          A.     The purpose of my testimony is to explain the changes in AmerenUE's  
12          Transmission Plant since 2001; to describe the transmission projects increasing the import  
13          capability into Missouri by 1300 megawatts ("MW") as agreed to in the Stipulation and  
14          Agreement in Case No. EC-2002-1; and to explain how membership in the MISO is reflected  
15          in transmission revenues and expenses during the test year. A summary of my testimony is  
16          included as Attachment A.

17          **Q.     Please summarize your testimony and conclusions.**

18          A.     AmerenUE has made significant investment in its transmission facilities to  
19          continue to provide reliable service to its customers. From January 1, 2002, through March  
20          31, 2006, AmerenUE has increased the amount of its investment in Transmission Plant by  
21          \$107,062,057. This increase in transmission investment reflects in part AmerenUE's  
22          compliance with the stipulation in Case No. EC-2002-1, to increase its import capability into  
23          Missouri by 1300 MW.

1 In addition, I summarize AmerenUE's test-year transmission revenues and  
2 expenses that had to be adjusted for known and measurable differences under MISO.

3 **III. CHANGES TO AMERENUE TRANSMISSION**  
4 **PLANT IN SERVICE SINCE 2001**

5 **Q. Has AmerenUE made any changes to its investment in its transmission**  
6 **system since the last rate case?**

7 A. Yes. AmerenUE has made substantial new investment in its transmission  
8 facilities since 2001. As of January 1, 2002, the value of AmerenUE's total transmission  
9 plant in service was \$482,043,637 as listed in its FERC Form 1 filing for year-end 2002.  
10 Through March 31, 2006, AmerenUE made \$107,062,057 of additional investment in its  
11 transmission plant.

12 **Q. Please describe some of the major projects comprising additions to**  
13 **Transmission Plant.**

14 A. Some of the major projects in the additions to Transmission Plant completed  
15 as of year end 2005 include the new 345kV transmission line from Rush Island to St.  
16 Francois (\$16,345,200), the new Wildwood 345/138kV substation (\$16,102,000), and the  
17 third St. Francois-Rivermines 138kV line and associated substation upgrades (\$13,980,700).  
18 In addition, AmerenUE reconducted various 138kV and 161kV lines, increased the ground  
19 clearance on other lines, upgraded substation equipment and performed other system  
20 upgrades, replacements and additions in order to continue to provide reliable service to our  
21 customers.

22 In the first half of 2006, AmerenUE has made additional transmission  
23 investment. For example, in June of 2006, we completed the construction of the Mariosa  
24 Delta-Apache Flats 161kV line and the associated substation work at Guthrie, Apache Flats

1 and the new Mariosa substation (\$16,509,200). Other projects completed through June of  
2 2006 include the reconductoring of the Cahokia-Lemay Tap section of the Cahokia-Meramec  
3 1 & 2 138kV lines (\$3,018,700), the reconductoring of Sioux-Roxford 1 & 2 138kV lines  
4 (\$2,188,900) and the reconductoring of the Campbell-Maline 1 & 2 138kV lines  
5 (\$1,742,800).

6 **Q. Are there any other transmission investments that will be placed in**  
7 **service by December 31, 2006?**

8 A. Yes. AmerenUE is continuing to make investment throughout 2006 in its  
9 transmission system. The Transmission Plant investment used in the revenue requirement in  
10 this case includes the transmission projects that will be placed in service in the second half of  
11 2006. The most notable project included in this adjustment is the new Callaway-Loose  
12 Creek-Franks 345kV transmission line and Loose Creek substation (total projected cost of  
13 \$34,787,300).

14 **Q. What is the FERC seven factor test?**

15 A. The seven factor test is the method used by the FERC to classify investment in  
16 facilities as either distribution or transmission.

1           **Q.     Are all of the transmission facilities included in the Transmission Plant**  
2 **accounts recorded in FERC Form 1 properly classified as transmission investment,**  
3 **consistent with FERC's seven factor test?**

4           A.     Yes. The facilities recorded as Transmission in the FERC Form 1  
5 Transmission accounts are properly classified as transmission investment, consistent with  
6 FERC's seven factor test.

7                           **IV.     STATUS OF THE OBLIGATION TO INCREASE**  
8                           **IMPORT CAPABILITY TO MISSOURI**

9           **Q.     Can you describe the status of AmerenUE's obligation to increase the**  
10 **import capability of its transmission system into Missouri?**

11          A.     In the last case where AmerenUE's electric rates were examined, Case No.  
12 EC-2002-1, AmerenUE agreed to increase its import capability into Missouri by 1300 MW.  
13 Transmission planning studies at the time indicated that the imports from the east (Illinois)  
14 were the most limiting. The Electric Planning Department identified the relevant constraints  
15 limiting these imports and developed project descriptions to address these constraints and  
16 increase AmerenUE's import capability by 1300 MW. Various transmission projects have  
17 been completed to achieve this goal, including the reductorings of the Cahokia-Lemay  
18 Tap, Sioux-Roxford, and Campbell-Maline 138kV transmission lines. With the completion  
19 of these projects, the increase in import capability of 1300 MW has been achieved, as agreed  
20 to in the Stipulation and Agreement from that case.



**V.     ADJUSTMENTS TO AMERENUE TEST YEAR TRANSMISSION  
REVENUES AND EXPENSES UNDER MISO**

**Q.     Did AmerenUE's transmission revenues and expenses have to be adjusted for known and measurable differences during the test year related to MISO?**

A.     Yes. AmerenUE witness Gary S. Weiss reflected various adjustments to transmission revenues and expenses in his calculation of AmerenUE's revenue requirement necessitated by the operation of MISO.

**Q.     Could you explain the reasons for the most significant of these adjustments?**

A.     Yes. Several significant MISO-related adjustments were required.

- MISO Schedule 18 Sub-Regional Rate Adjustment (SRA) and MISO Schedule 19 Zonal Transition Adjustment (ZTA) are rate adjustment mechanisms intended to recover lost transmission revenues of Transmission Owners joining MISO. Schedule 18 and 19 charges are collected from load and MISO Transmission Service customers, and distributed to MISO Transmission Owners. The rate schedules for SRA and ZTA were only in effect for a two-year transition period ending September 30, 2005. Since all revenue and expenses from SRA and ZTA have terminated and will not recur, we have not included any revenue or expenses from these sources in the revenue requirement in this case.
- MISO Schedule 21 Interim SECA Charge Applicable to PJM Entities and Schedule 22 SECA Charges to MISO Zones, Sub-Zones and Customers are revenues and expenses respectively related to the

1 elimination of the “seam” with the PJM Interconnection. SECA is the  
2 mechanism for recovery of certain lost transmission revenues resulting  
3 from the elimination of the through and out rates for transactions  
4 between MISO and PJM. Under Schedule 21, MISO collects revenues  
5 from PJM zones, subzones and customers, and distributes that revenue  
6 to the MISO Transmission Owners. Under Schedule 22, MISO  
7 collects SECA charges from customers in its pricing zones and remits  
8 payment to the PJM Transmission Owners. The SECA collection  
9 period ended on March 31, 2006. As the SECA collection period has  
10 ended and will not recur, neither SECA revenues nor expenses are  
11 included in the calculation of the revenue requirement in this case.

- 12 • Transmission service charges were eliminated under MISO Schedule 7  
13 Long-Term Firm and Short-Term Firm Point-To-Point Transmission  
14 Service and Schedule 8 Non-Firm Point-To-Point Transmission  
15 Service for all transactions with Points of Delivery at the MISO border  
16 to serve load within the PJM Interconnection as of April 1, 2006. This  
17 is a permanent reduction of transmission revenues to the MISO  
18 Transmission Owners, including AmerenUE.

- 19 • MISO charges AmerenUE a load-based charge under Schedule 10 ISO  
20 Cost Recovery Adder. This Schedule provides the cost recovery  
21 mechanism for MISO to recover the costs of operating the Regional  
22 Transmission Organization including its buildings, systems, other  
23 capital costs and all operating expenses not related to the operation of

1                               the energy market or the Financial Transmission Rights services. The  
2                               Schedule 10 charges are included as an expense in the calculation of  
3                               the revenue requirement in this case.

4               **Q.     What other adjustments to AmerenUE's revenue requirements need to be**  
5       **made to reflect changes in related to MISO revenues and expenses during the test year?**

6               A.     Because Ameren Services, as agent for AmerenUE and AmerenCIPS, is a  
7       single transmission pricing zone under the MISO Tariff, any transmission revenues from  
8       MISO must be allocated between AmerenUE and AmerenCIPS. The allocation percentage  
9       of revenues to AmerenUE was updated as of January 1, 2006 to reflect the appropriate  
10      percent of Transmission Plant investment.

11           **Q.     Does this conclude your direct 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 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 MAUREEN A. BORKOWSKI**

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

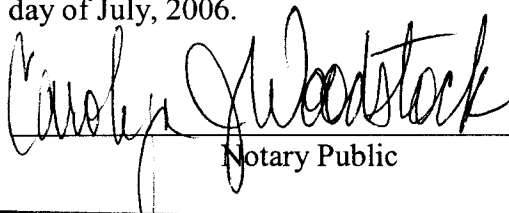
Maureen A. Borkowski, being first duly sworn on her oath, states:

1.     My name is Maureen A. Borkowski. I work in the City of St. Louis, Missouri, and I am employed by Ameren Services Company as Vice President of Transmission.
2.     Attached hereto and made a part hereof for all purposes is my Direct Testimony on behalf of Union Electric Company d/b/a AmerenUE consisting of 9 pages and Attachment A , both 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.

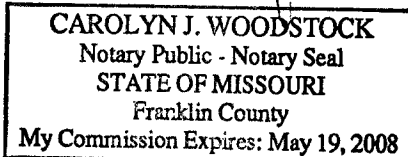


Maureen A. Borkowski

Subscribed and sworn to before me this 5<sup>th</sup> day of July, 2006.

  
\_\_\_\_\_  
Notary Public

My commission expires:



## EXECUTIVE SUMMARY

**Maureen A. Borkowski**

*Vice President of Transmission  
Ameren Services*

\* \* \* \* \*

The purpose of my testimony is to explain the changes in AmerenUE's Transmission Plant since 2001; to describe the transmission projects increasing the import capability into Missouri by 1300 megawatts ("MW") as agreed to in the Stipulation and Agreement in Case No. EC-2002-1; and to explain how membership in the Midwest Independent Transmission System Operator, Inc. ("MISO") is reflected in transmission revenues and expenses during the test year.

AmerenUE has made significant investment in its transmission facilities to continue to provide reliable service to its customers. From January 1, 2002, through March 31, 2006, AmerenUE has increased the amount of its investment in Transmission Plant by \$107,062,057. This increase in transmission investment reflects in part AmerenUE's compliance with the Stipulation in Case No. EC-2002-1, to increase its import capability into Missouri by 1300 MW.

Various adjustments to transmission revenues and expenses in the calculation of AmerenUE's revenue requirement set out in the testimony of AmerenUE witness Gary S. Weiss were necessitated by the operation of MISO. Revenue and expenses related to rate adjustment mechanisms intended to recover lost transmission revenues of Transmission Owners joining MISO (MISO Schedules 18 and 19) have terminated and will not recur, and so have not been included in the calculation of the revenue requirement. Similarly, the

collection period for the recovery of certain lost transmission revenues resulting from the elimination of the through and out rates for transactions between MISO and PJM (MISO Schedules 21 and 22) has ended and will not recur, and so neither revenues nor expenses related to that process have been included in the calculation of the revenue requirement. Likewise, transmission service charges to serve load within the PJM Interconnection (MISO Schedules 7 and 8) were permanently eliminated. Additionally, charges reflecting the costs of operating the Regional Transmission Organization were included as an expense in the calculation of the revenue requirement under MISO Schedule 10. Finally, the allocation of MISO transmission revenues between AmerenUE and AmerenCIPS was updated as of January 1, 2006 to reflect the appropriate percent of Transmission Plant investment.