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Infrastructure Inspections, Storm  
Restoration  
Witness: David N. Wakeman  
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**

**DAVID N. WAKEMAN**

**ON**

**BEHALF OF**

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

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

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1 **REBUTTAL TESTIMONY**

2 **OF**

3 **DAVID N. WAKEMAN**

4  
5 **CASE NO. ER-2010-0036**

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

8 A. My name is David N. Wakeman. My business address is One Ameren Plaza,  
9 1901 Chouteau Avenue, St. Louis, MO 63103.

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

11 A. I am employed by Union Electric Company d/b/a AmerenUE (Company or  
12 AmerenUE) as Vice President of Energy Delivery – Distribution Services. I was promoted to  
13 this position on December 1, 2009, after the retirement of Ronald Zdellar.

14 **Q. Please describe your employment history with AmerenUE.**

15 A. In 1982, I was hired as a Mechanic's Helper in the Company's Motor  
16 Transportation Department. After receiving my bachelor's degree in Electrical Engineering in  
17 1988, I became an Assistant Engineer in the Company's Substation Operating Department where  
18 I performed software development work related to engineering applications on the Company's  
19 Distribution SCADA system. In 1994, I transferred to the Service Test Department and  
20 performed Power Quality work and other activities. In 1999, I was promoted to Supervising  
21 Engineer of the Reliability Support Group. In 2003, I was promoted to Manager of Distribution  
22 Operating. And then, in December of 2009, I was promoted to Vice President Energy Delivery -  
23 Distribution Services.

1           **Q.     Please describe your current duties and responsibilities as Vice President of**  
2 **Energy Delivery – Distribution Services.**

3           A.     In my current position, I am responsible for gas and electric distribution  
4 engineering, construction, operations and maintenance for AmerenUE. Eleven managers report  
5 directly to me, including each of the Company’s eight Division Managers and the Manager for  
6 Distribution Operating, as well as the Director of Labor Relations and Administration. I am  
7 involved in negotiations with the various labor unions that represent AmerenUE employees and I  
8 am responsible for the oversight of AmerenUE’s efforts to comply with the Missouri Public  
9 Service Commission’s (Commission) new vegetation management, infrastructure inspection and  
10 reliability rules.

11           **Q.     Please describe your educational background.**

12           A.     I received a Bachelor of Science in Electrical Engineering from Washington  
13 University of St. Louis in 1988.

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

15           A.     First, due to the retirement of Mr. Zdellar, I am adopting the direct testimony that  
16 he filed in this case as my own. The purpose of my rebuttal testimony is to respond to the  
17 portion of the Staff Report on Revenue Requirement and Cost of Service (Staff Report) on  
18 vegetation management, infrastructure inspections and storm costs sponsored by Staff witness  
19 Stephen Rackers. I also respond to that portion of Missouri Industrial Energy Consumers  
20 (MIEC) witness Greg Meyer’s direct testimony on the same subjects.

**I. PUBLIC HEARINGS COMMENTS**

**Q. Did you attend any of the local public hearings held in this case?**

A. Yes, I personally attended seven and had representatives from my area at every single public hearing. While attendance at these hearings was up compared to the public hearings held last year, there were relatively few negative comments regarding the reliability of the electric service we provide. For each and every customer with a specific complaint about reliability or AmerenUE's customer service, the Company is in the process of following up to find a solution for the customer when possible. Each one of those individuals will receive a letter from me indicating that we believe the issue has been resolved. These letters give my e-mail address and a telephone number in case the issue has not been resolved to their satisfaction. We take comments made at these hearings very seriously. Because the last public hearing wasn't held until two nights ago, we haven't yet completed a document made up of the reliability and customer service issues raised by customers at the public hearings or through EFIS. The document will indicate whether the Company was able to confirm the customer service issue and how the issue was resolved. I know the individuals who work for me are going to great lengths to ensure the Company has appropriately addressed these concerns and we appreciate having the opportunity to do so. Once this document has been completed, I will file it in this case to provide Commissioners with the assurance that we have taken the appropriate steps to resolve these concerns.

1  
2 **II. VEGETATION MANAGEMENT AND INFRASTRUCTURE INSPECTIONS**

3  
4 **Q. Please describe the treatment of vegetation management and infrastructure**  
5 **inspection costs approved by the Commission in AmerenUE's last rate case.**

6 A. In the Company's last rate case, which was concluded just under one year ago, the  
7 Commission included in AmerenUE's revenue requirement an amount equal to the two-year  
8 average forecasted expenditures for vegetation management and infrastructure inspections. The  
9 Commission also approved a two-way tracking mechanism which was designed to "ensure  
10 AmerenUE does not over-recover for its actual expenditures . . . [and to] ensure AmerenUE does  
11 not under-recover those expenditures."<sup>1</sup> The tracking mechanism tracks vegetation management  
12 and infrastructure inspection costs up to 110% of the base amount included in the revenue  
13 requirement. Pursuant to the terms of the tracker, when actual expenditures are below the base  
14 amount the difference is amortized back to customers in the next rate case and when actual  
15 expenditures exceed the base amount, the excess (up to 110%) is collected through an  
16 amortization. This tracker was similar to one approved for The Empire District Electric  
17 Company in its 2008 rate case. Additionally, because of the increased compliance costs incurred  
18 due to the new rules starting January 1, 2008, the Company was allowed to amortize over three  
19 years the amount spent on vegetation management and infrastructure inspections between  
20 January 1, 2008 and September 30, 2008. Finally, the Commission issued an accounting  
21 authority order authorizing the Company to defer expenditures over and above the amount  
22 already in rates for both vegetation management and infrastructure inspections between  
23 October 1, 2008 and February 28, 2009, since new rates set in the Company's last rate case did

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<sup>1</sup> Report and Order, Case No. ER-2008-0318, p. 41.

1 not take effect until March 1, 2009.

2 **Q. Has AmerenUE acted in compliance with the Commission's order?**

3 A. Yes, we have.

4 **Q. How do the sums expended compare to the base level set in the tracker?**

5 A. AmerenUE only received the tracker in March of 2009, so it has not yet been in  
6 effect for a full year. Recognizing this fact and to make the numbers comparable, I've taken the  
7 Company's actual expenditures (excluding internal labor) on vegetation management and  
8 infrastructure inspections for March 2009 through January 2010 and added the forecasted  
9 amount for February 2010. The result is \$59.8 million. The Commission's Order set the base  
10 level of the tracker at \$64.8 million. That was composed of \$54.1 million for vegetation  
11 management and \$10.7 for infrastructure inspections.

12 **Q. So AmerenUE will have spent approximately \$5 million less than the base**  
13 **amount of the tracker?**

14 A. Yes. There are two reasons that this occurred. First, the base amount of the  
15 tracker (\$64.8 million) was the average of our forecasted expenditures for 2009 and 2010. At  
16 that time, our forecasted amounts for 2010 were higher than for 2009. So, using simple  
17 mathematics, we should not have reached the amount in our revenue requirement in the twelve  
18 months ending February 2010. Second, we included approximately \$2 million of internal labor  
19 cost in the base level of its tracker. We are not including internal labor in the amount of actual  
20 expenditures which are included in the tracker. This resulted in an over-forecast of that amount  
21 which is not reflected in our actual expenditures.

22 **Q. Turning to Staff's recommendation, Mr. Rackers states that AmerenUE's**  
23 **vegetation management and infrastructure inspection programs have reached a mature**

1 **status so that these costs are now manageable, leading him to reach the conclusion that a**  
2 **tracker is no longer necessary. Is AmerenUE in full compliance with the Vegetation**  
3 **Management and Infrastructure Inspection rules? Do you consider the programs mature?**

4 A. As stated in our direct testimony, AmerenUE is in compliance with the vegetation  
5 management and infrastructure inspection rules. That statement, however, does not mean our  
6 programs are at full maturity or that the cost levels necessary to comply have leveled off or  
7 reached a steady state. Some history on AmerenUE's vegetation management practices may  
8 help to clarify what I believe are Mr. Rackers' misconceptions on this subject.

9 In 2004, AmerenUE entered into an agreement with the Staff to achieve a four and six  
10 year trim cycle (4/6 trim cycle)<sup>2</sup> on our entire distribution system by the end of 2008. Of course,  
11 the agreement used the vegetation management standards in place at AmerenUE at that time.  
12 Those standards were different and less rigorous than those in the Commission's current  
13 vegetation management rules. Nonetheless, that agreement caused AmerenUE to increase its  
14 vegetation management budget from \$23.5 million to \$30 million per year. In 2007, after  
15 experiencing several severe storms which resulted in extended outages for our customers,  
16 AmerenUE again increased its emphasis on vegetation management in order to achieve  
17 additional clearances around our facilities. This required the Company to increase its vegetation  
18 management budget to \$45 million per year. In 2008, the Commission's new vegetation  
19 management rules went into effect. These rules imposed vegetation management standards with  
20 even more stringent requirements than those we had committed to achieving in 2004 and 2007.

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<sup>2</sup> i.e., to trim urban circuits every four years and rural circuits every six years.



1           **Q.    Given AmerenUE's experience in vegetation management under the**  
2 **Commission's rules, do the costs remain uncertain?**

3           A.    Yes. AmerenUE has worked very hard to meet the more stringent standards of  
4 the Commission's vegetation management regulations. An important and basic difference  
5 between the new rule and AmerenUE's historical practice is the requirement that all vegetation  
6 overhang be removed from above subtransmission and 3 phase backbone distribution lines.  
7 While AmerenUE agreed in 2004 to achieve a 4/6 trim cycle for AmerenUE circuits by 2008 and  
8 then increased its trimming clearance in 2007, its practices in place during those time periods did  
9 not include removing all overhang from above its 3 phase backbone distribution lines.  
10 Consequently, while AmerenUE believes the Commission-imposed overhang clearance  
11 requirements have improved system reliability, AmerenUE has not yet completed a full four/six  
12 year cycle on its entire system under the more stringent rule and thus does not yet know the level  
13 of additional costs to expect because of these greater overhang clearance requirements on a  
14 system-wide basis.

15           This creates considerable cost uncertainty on a going-forward basis. In fact,  
16 AmerenUE will be trimming half of its urban and two-thirds of its rural circuits for the first time  
17 under the new, more stringent rules and procedures. Importantly, this represents approximately  
18 60 % of the total circuit miles. Because these circuits have never been trimmed to the degree  
19 required by the new rules, it is extremely difficult to predict with any certainty what a normal  
20 level of costs will be. I would presume that in two to four years AmerenUE will have the level  
21 of experience necessary to better predict costs for vegetation management, but at this stage in the  
22 implementation of the new Commission vegetation management rules there remains significant  
23 uncertainty.

1           For these reasons, the Staff’s argument that the Company’s recent experience provides  
2 enough information to discard the tracker and to attempt to set a “normal” level of costs in the  
3 revenue requirement is based on faulty logic. It is not appropriate to assume that the cost to  
4 comply with the Commission’s rules in the minority portion of AmerenUE’s distribution system  
5 that has been trimmed to the new standards will translate to a normal annual cost when the new  
6 standards are actually applied to the approximately 60% of the system that has not yet been  
7 trimmed to the new standards. Every circuit is unique and requires a different amount of work to  
8 bring to the Commission’s standards. That is why AmerenUE requested the tracker in Case No.  
9 ER-2008-0318 and why the Commission granted the requested treatment. The Commission  
10 stated in its order in that case, “Furthermore, because the vegetation management rule is still  
11 very new, no one can know with any certainty how much AmerenUE will need to spend to  
12 comply with the rule’s provisions. The tracker will ensure AmerenUE does not over-recover for  
13 its actual expenditures, as much as it will ensure it does not under-recover those expenditures.  
14 Thus, the risk for ratepayers, as well as for AmerenUE, is reduced by operation of the tracking  
15 mechanism.”<sup>3</sup> Those same considerations continue to apply today.

16           **Q.     Is the same true for infrastructure inspection expenditures?**

17           A.     For infrastructure inspections, there is even less reason to believe AmerenUE’s  
18 program has reached maturity, and there is even more uncertainty with regard to what the  
19 compliance costs will actually be. Being in compliance with the rules merely means the  
20 Company is at the point in the process where it is supposed to be at this time. It does not mean  
21 that AmerenUE has completed all aspects of the rule requirements or that it knows how much  
22 compliance will normally cost. For example, in the test year, very little of the underground  
23 facilities (URD) inspections and streetlight inspection costs required by the new rules were

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<sup>3</sup> ER-2008-0318, Report and Order, issued January 27, 2009. p. 41.

1 captured. In fact, these inspections did not begin until January of 2009 – just three months  
2 before the end of the test year. Even today, 78% of our URD facilities and 70% of our streetlight  
3 facilities have not been inspected. Simply stated, the infrastructure inspection program is not  
4 even as mature as is the vegetation management program, which itself is not mature as discussed  
5 earlier. This is in part because while AmerenUE had ramped up its spending on vegetation  
6 management prior to the Commission’s rules, it had not completed underground inspections,  
7 street light inspections or some of the detailed inspection requirements of the Commission’s new  
8 infrastructure inspection rule. Additionally, overhead facility inspections began in 2007, so  
9 AmerenUE has not yet completed a full cycle of inspections on its overhead system either. The  
10 inspection programs continue to evolve as experience leads to improvements in inspection  
11 practices. The programs have certainly not reached full maturity at this point.

12 **Q. What base level should be set in the tracker in this case?**

13 A. AmerenUE is asking the Commission to continue the treatment granted in our last  
14 rate case, that is, to set the base level of the tracker based upon the average of the next two years’  
15 forecast for vegetation management and infrastructure inspections. I believe it was appropriate  
16 then and is still appropriate today to use those averages, because the reasons for doing so have  
17 not changed in the year since the tracker was first established. As the Commission stated,

18 AmerenUE’s expenditures on vegetation management have increased each quarter  
19 of 2008, as the company ramps up its compliance with the Commission’s  
20 vegetation management rules. Therefore, a projected budget amount is more  
21 likely to properly measure the company’s actual expenditures in the coming years.  
22 AmerenUE has made good progress in meeting its prior commitments and the  
23 requirements of the Commission’s rule by attaining the required four and six-year  
24 tree trimming cycles as of November [21]<sup>4</sup>, 2008. The Commission wants to  
25 encourage the company to continue making progress and allowing an amount in  
26 rates that is likely to match the company’s actual expenditures is the best way to  
27 achieve that goal.<sup>5</sup> \* \* \* AmerenUE proposes a single tracking mechanism that

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<sup>4</sup> The Commission order cites November 14, 2008 but the actual date is November 21, 2008.

<sup>5</sup> Id., p. 34.

1 would track both vegetation management expenses and infrastructure inspection  
2 expenses. The Commission has previously approved a tracker for vegetation  
3 management expenses and for the same reasons, will approve the tracking  
4 mechanism to also apply to infrastructure inspection expenses as previously  
5 described.<sup>6</sup>  
6

7 As noted, nothing in the Commission's analysis of either vegetation management or  
8 infrastructure inspection costs has changed. The increasing level of these costs is still the result  
9 of the new rules imposed upon the Company and as a result, the Commission should not rely on  
10 historical information to determine costs going forward. The existence of the vegetation  
11 management and infrastructure inspection tracker allows for these costs to be reconciled against  
12 actual costs, which fairly mitigates the risk for both the Company and customers.

13 **Q. What are the levels of expenditures forecasted for the next two years?**

14 A. Going forward from this rate case, AmerenUE believes the Commission should  
15 reset the base using an updated forecast for 2010 and 2011 (without internal labor costs).  
16 Attached to my testimony as Schedule DNW-ER1 are the 2010 and 2011 forecasts. The two  
17 year average is \$62.6 million (\$53.7 million for vegetation management and \$8.9 million for  
18 infrastructure inspections.) Just as the Company requested in our direct testimony, we believe it  
19 appropriate for the Commission to rebase this tracker to reflect a moving two year forecast,  
20 which is now \$62.6 million.

21 If AmerenUE's forecast is wrong and the Company spends less on compliance  
22 than estimated, the amount collected in excess of actual expenditures will be credited back to  
23 customers in AmerenUE's next rate case.<sup>7</sup> As the Commission itself noted, the tracking  
24 mechanism protects everyone. The Commission should reject the Staff's attempt to reverse the

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<sup>6</sup> Id., p. 47.

<sup>7</sup> The tracker has not yet been in place for a year, so it would not be appropriate to make an adjustment to reflect any over- or under-collection.

1 Commission's previous order on these expenditures.

2 **Q. Mr. Rackers also recommends the Commission not allow the \$2.9 million in**  
3 **costs incurred between October 1, 2008 and February 28, 2009, associated with compliance**  
4 **with the new vegetation management and infrastructure inspection rules into rates, which**  
5 **were deferred in accordance with the Commission's order. Do you agree?**

6 A. No. In the last case, the Commission allowed AmerenUE to defer these costs  
7 because they are associated with complying with the new Commission rules and because these  
8 amounts could not be included in the revenue requirement because they related to periods after  
9 the end of the true-up cutoff date in that case. The Commission held, "[f]or the same reasons it  
10 rejected Staff's arguments regarding those costs [extra vegetation management expenditures  
11 through September 30, 2008], the Commission rejects Staff's arguments regarding the requested  
12 accounting authority order. AmerenUE is authorized to accumulate and defer the additional  
13 costs of complying with the vegetation management rule it will incur during the period from  
14 October 1, 2008, through February 28, 2009."<sup>8</sup> The Commission made a similar finding for  
15 infrastructure inspection costs.<sup>9</sup> Staff's recommendation would require the Commission to make  
16 a 180 degree turn from its prior order and to disallow these costs even though the Commission  
17 fully intended for these costs to be captured and ordered them deferred until the next rate case.  
18 Further, Staff makes no allegation, either in this case or in AmerenUE's previous rate case, that  
19 the costs were imprudently incurred or that they were in any way unnecessary. The Company's  
20 proposal is to reduce its \$5 million over-collection under the tracker by the \$2.9 million, so that  
21 the overcollection is reduced to \$2.1 million.

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<sup>8</sup>ER-2008-0318, Report and Order, issued January 27, 2009, p. 39.

<sup>9</sup> *Id.*, p. 45.

1           **Q.     Please address the recommendations of MIEC witness Greg Meyer regarding**  
2 **these issues.**

3           A.     Similar to Mr. Rackers's testimony, Mr. Meyer's entire testimony recommends  
4 reliance on an historical level of vegetation management expenditures, despite the clear rejection  
5 of this approach by the Commission in Case No. ER-2008-0318. Mr. Meyer offers no reason  
6 why the Commission's reasoning has, in just one year, become invalid or what has changed. For  
7 the reasons discussed above in connection with Mr. Rackers's contention that a tracker using a  
8 two-year average of forecasted expenditures should not be continued, Mr. Meyer's similar  
9 positions should be rejected.

10          **Q.     Do you have any other comments on the Staff's and MIEC's**  
11 **recommendations to do away with the two-way tracker for these costs, particularly in light**  
12 **of the fact that the Commission's new more stringent rules have only been in place for a**  
13 **couple of years?**

14          A.     Yes, I do. I find both of their recommendations to be troubling. AmerenUE has  
15 acted in reliance on the Commission's previous order. It has spent the amounts necessary to  
16 comply with the Commission's rules and because it believes that the Commission will treat it  
17 fairly by allowing recovery of those expenditures. The Company should not be put in a position  
18 where it fails to recover these costs.

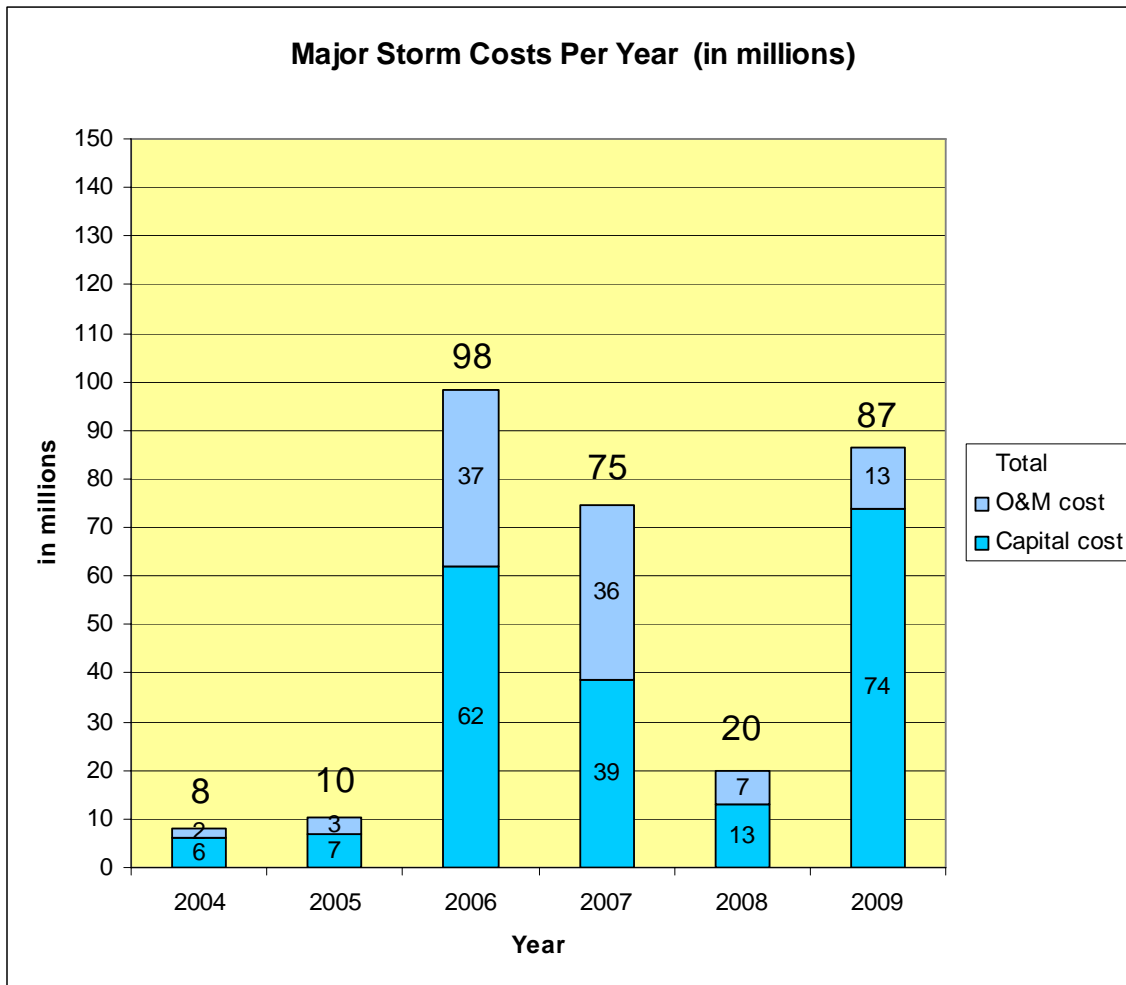
1 **III. Storm Costs**

2 **Q. You have a proposal for a new tracker in this rate case, a storm restoration**  
3 **cost tracker. Staff proposed normalizing these costs and did not propose any type of**  
4 **tracking mechanism. Why has AmerenUE requested a storm expense tracker?**

5 A. Storm restoration is an extremely important part of our business. When a storm  
6 knocks out electric service to a portion of our service area, it is critical to our customers that their  
7 service be restored as promptly and efficiently as possible. To that end, we have significantly  
8 enhanced our storm response capability in recent years. In the wake of the January, 2009 ice  
9 storm that occurred in Southeast Missouri, these enhancements enabled us to do an exemplary  
10 job in restoring service to the 36,500 customers that were affected. We have also been able to  
11 promptly restore service after a number of lesser storms that occurred in recent years. There is  
12 no question that our customers appreciate these efforts and want us to continue to do the best job  
13 we can to restore their service after a storm.

14 The difficulty in establishing a cost recovery mechanism for storm restoration  
15 costs is that these costs are extremely unpredictable. The number and severity of storms varies  
16 widely from storm to storm and from year to year. Storms are acts of God which the Company  
17 cannot control, and therefore storm restoration costs are also largely beyond the Company's  
18 control in any given year. The chart below illustrates how storm restoration costs have varied  
19 materially over just the last 5 years.

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15  
16 In almost no other area of our business are costs so volatile from year to year, and so beyond the  
17 Company’s ability to control. It is also clear that the level and frequency of damaging storms has  
18 increased on the AmerenUE system over the past several years. Under these circumstances, we  
19 believe that a tracking mechanism is the only fair way to ensure that the Company recovers no  
20 more and no less than its actual costs incurred in responding to storms. The Staff’s proposal to  
21 normalize storm restoration costs based on an historical average is simply an inadequate method  
22 to reflect these volatile costs, and must be rejected.

23 The Staff Report itself demonstrates the varying nature of storm costs, as it required more  
24 than a page to list all of the accounting authority orders and amortizations used to account for the



1 costs of prior major storms experienced in AmerenUE's service territory. The consistent and  
2 sometimes year after year use of these mechanisms to defer costs for consideration in later rate  
3 cases demonstrates the need for and fairness of a storm expense tracker.

4 Adding to the greater frequency and severity of these kinds of storms and the resulting  
5 even greater variation of these costs is the fact that as previously mentioned, AmerenUE has  
6 significantly upgraded its storm response capabilities. The Company is moving faster to ensure a  
7 more timely restoration of service for our customers. This improvement reflects our recognition  
8 of the expectations of our customers and of our regulators. AmerenUE took steps to upgrade its  
9 efforts after listening to customer and regulator concerns and we believe we have responded in  
10 exactly the manner our customers and the Commission desired. I believe our customers  
11 recognize our efforts, and in fact many of whom testified during the public hearings held in this  
12 case about the quality and speed of AmerenUE's storm restoration efforts. No party in this case  
13 has argued that AmerenUE should spend less on storm restoration or that AmerenUE has in any  
14 way spent imprudently. The Staff report, after investigating the ice storm that impacted  
15 AmerenUE in January of 2009, was complimentary of the effort the Company has undertaken in  
16 this area. AmerenUE hopes that the Commission feels the same way and that it is willing to  
17 utilize the storm tracker mechanism to provide a better ratemaking mechanism relating to these  
18 sometimes very large and always unplanned expenses.

19 **Q. What base amount of storm restoration costs should the Commission include**  
20 **in the revenue requirement in this case?**

21 A. The test year contains \$10.4 million for storm restoration expense (O&M only). I  
22 believe that to be an appropriate amount to include in the Company's revenue requirement and to  
23 use as the base level in the proposed storm tracker.

1           Storms can produce significant damage on the AmerenUE distribution system. These  
2 storms occur with very little warning and can result in large expenditures that must be made very  
3 quickly to restore service to customers. AmerenUE continues to perform very well in these very  
4 difficult circumstances and has consistently out-performed other entities in similar  
5 circumstances. The use of AAO and amortization of these costs over the past several years  
6 indicates that the level currently in base rates has been inadequate to cover the costs experienced.  
7 AmerenUE has listened carefully to both our customers and the Commission. On several  
8 occasions, Commissioners voiced their opinion that AmerenUE should move quickly and in  
9 some cases more quickly to restore all customers when storm damage causes outages.  
10 Customers in both rate case hearing and public hearing organized by the Commission addressing  
11 storm caused outages have indicated that we should restore service to customers as quickly as  
12 possible. AmerenUE has made consistent and substantive changes to our storm restoration plans  
13 and execution in response to those comments.

14           **Q. MIEC witness Greg Meyer made a similar recommendation to normalize**  
15 **storm restoration costs. He also made an adjustment to Account 593, which is for**  
16 **maintenance of overhead lines. Do you agree with his adjustments?**

17           A. No. For the reasons discussed earlier, normalization of storm costs is  
18 inappropriate. In addition, Mr. Meyer's adjustment to Account 593 (distribution system  
19 maintenance) would remove costs from the revenue requirement that his separate  
20 "normalization" of storm costs has already removed.

21           **Q. Please explain.**

22           A. Account 593 includes the costs of maintaining overhead lines. The major portion  
23 of storm O&M costs is charged to Account 593. A review of Mr. Meyer's workpapers shows a

1 comparison of the charges to Account 593 for calendar year 2008 and the test year consisting of  
2 the twelve months ended March 31, 2009 with there being a \$6.9 million increase in the test year  
3 expense. Mr. Meyer is proposing an adjustment to reduce the test year expense for Account 593  
4 by this \$6.9 million increase. I have previously discussed the very large ice storm that hit  
5 AmerenUE's southeast territory in January 2009. The charges to Account 593 in January 2009  
6 for this ice storm totaled \$7.8 million. Accordingly, the reason for the test year increase in  
7 Account 593 over calendar Year 2008 was these charges for the ice storm. Mr. Meyer is also  
8 proposing an adjustment to normalize storm costs. Therefore, he has already normalized the  
9 Account 593 expenses in his storm cost normalization adjustment. Normalizing the same  
10 expenses in two separate adjustments is double adjusting for the same expenses. The  
11 Commission should reject Mr. Meyer's proposed adjustment to Account 593.

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

13 A. Yes, it does

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

In the Matter of Union Electric Company d/b/a ) Case No. ER-2010-0036  
AmerenUE's Tariffs to Increase its Annual ) Tracking No. YE-2010-0054  
Revenues for Electric Service. ) Tracking No. YE-2010-0055

**AFFIDAVIT OF DAVID N. WAKEMAN**

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

David N. Wakeman, being first duly sworn on his oath, states:

1. My name is David N. Wakeman. I work in the City of St. Louis, Missouri, and I am employed by Union Electric Company d/b/a AmerenUE as Vice President of Energy Delivery – Distribution Services.

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 DNW-ER 1 through DNW-ER n/a, 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.

  
David N. Wakeman

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

  
Notary Public

My commission expires:



AmerenUE  
Rebuttal Testimony Support  
(\$ in millions)

	<u>2010 Forecast</u>	<u>2011 Forecast</u>	<u>10-'11 2 year Average</u>
<b>Vegetation Management</b>	\$ 52.9	\$ 54.5	\$ 53.7
<b>Inspections</b>	<u>8.8</u>	<u>9.1</u>	<u>9.0</u>
	\$ 61.7	\$ 63.6	
<b>Proposed Tracker Total</b>			<u><u>\$ 62.7</u></u>