Exhibit No.

Issues: Impact of Staff's

Proposed Rate Reduction on

Union Employees

Witness:

Michael A. Datillo Local Union No. 1455. International Brotherhood of

Electrical Workers

Sponsoring Party:

Union Electric Company Rebuttal Testimony

Type of Exhibit: Case No.

EC-2002-1

Date Testimony Prepared:

May 10, 2002

MISSOURI PUBLIC SERVICE COMMISSION

CASE NO. EC-2002-1

REBUTTAL TESTIMONY

OF

MICHAEL A. DATILLO

ON

BEHALF OF

UNION ELECTRIC COMPANY d/b/a AmerenUE

St. Louis, Missouri May, 2002

| 1 | | REBUTTAL TESTIMONY | |
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| 2 | | OF | |
| 3 | | MICHAEL A. DATILLO | |
| 4 | | CASE NO. EC-2002-1 | |
| 5 | Q. | Please state your name and business address. | |
| 6 | A. | My name is Michael A. Datillo. My business address is 5570 Fyler | |
| 7 | Avenue, St. Louis, Missouri 63139. | | |
| 8 | Q. | By whom and in what capacity are you employed? | |
| 9 | A. | I am employed by Local Union No. 1455, International Brotherhood of | |
| 10 | Electrical Workers ("Local 1455") as Business Manager. | | |
| 11 | Q. | Please describe Local 1455 and the employees that it represents. | |
| 12 | A. | Local 1455 represents employees in office, clerical, sales and technical job | |
| 13 | classifications with certain exceptions. For example, it does not represent secretaries to | | |
| 14 | elected and appointed officers, secretaries to department heads and assistant department | | |
| 15 | heads. | | |
| 16 | Q. | Please describe your duties on behalf of Local 1455. | |
| 17 | A. | My chief responsibility as Business Manager of Local 1455 is to negotiate | |
| 18 | the labor agreement and to enforce said agreement. | | |
| 19 | Q. | Please describe your employment history (or involvement in) Local | |
| 20 | 1455 and yo | our employment history with AmerenUE. | |
| 21 | A. | From 1973 to date, I have served as a Steward, Chief Steward, Treasurer, | |
| 22 | President, Business Representative and as the Business Manager since 1984. I worked | | |
| 22 | for Ameren IE from 1071 to 1083 in the Transmission and Distribution Department | | |

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Q. What is the purpose of your testimony?

| 2 | A. The purpose of my testimony is to express concerns about the impact of | | |
|----|--|--|--|
| 3 | the proposed rate reduction of the Commission Staff ("Staff") on AmerenUE and also on | | |
| 4 | the AmerenUE employees represented by Local 1455. The purpose is also to support | | |
| 5 | AmerenUE's rate and revenue proposals being made in this proceeding on the grounds | | |
| 6 | that they will enable the company to continue to provide quality service to its Missouri | | |
| 7 | electric customers and also to continue to provide jobs to the employees represented by | | |
| 8 | Local 1455. The employees of Local 1455 are proud of their accomplishments in | | |
| 9 | working for a company that provides quality service at one of the lowest rates in the | | |
| 10 | region. | | |
| 11 | We also believe that the experimental alternative regulation plan | | |
| 12 | ('EARP") under which AmerenUE has operated for the last six years, has allowed the | | |
| 13 | employees of Local 1455 to make a real contribution to the successful, efficient operation | | |
| 14 | of AmerenUE in a way that both benefited customers and AmerenUE. Under the EARP, | | |
| 15 | as our members worked hard to improve the efficiency of AmerenUE's operations, no | | |
| 16 | longer would those efforts be "rewarded" by a reduction of rates. Instead, under the | | |
| 17 | sharing grid that allowed AmerenUE to retain some of its improved earnings, our | | |
| 18 | members could see our work benefit the Company in which we earn our livelihood. | | |
| 19 | Q. What is your understanding of the Staff's rate reduction proposal | | |
| 20 | submitted in this proceeding? | | |
| 21 | A. It is my understanding that the Staff has not offered any serious analysis of | | |
| 22 | the success of the EARP. Instead, the Staff is recommending that the Commission reduce | | |

| 1 | AmerenUE's annual electric revenues from Missouri retail customers by between \$245 | | | |
|----|---|--|--|--|
| 2 | and \$285 million. | | | |
| 3 | Q. | What is Local 1455's overall concern with such a proposed reduction? | | |
| 4 | A. | Such a huge rate cut is a strange way to reward all of us who have made | | |
| 5 | AmerenUE such a successful, efficient supplier of electricity. Also, we are concerned | | | |
| 6 | that a reduction of this magnitude will jeopardize AmerenUE's ability to provide quality | | | |
| 7 | service to its electric retail customers in Missouri. We are concerned that such a dramatic | | | |
| 8 | rate reduction | will not provide the Company with sufficient funds to invest in much | | |
| 9 | needed infras | tructure improvements in generation, transmission and distribution. | | |
| 10 | Q. | How many AmerenUE employees does Local 1455 represent? | | |
| 11 | A. | Local 1455 represents approximately 1,100 employees at AmerenUE. | | |
| 12 | Q. | What roles do the employees represented by Local 1455 play in the | | |
| 13 | operations of AmerenUE? | | | |
| 14 | Α. | AmerenUE employees represented by Local 1455 perform a broad | | |
| 15 | spectrum of work such as mail delivery, billing, design, estimating, distribution, | | | |
| 16 | transmission, customer service, call center duties, computer operation, information | | | |
| 17 | technology, power plant design and stenographic work, just to name a few of the over | | | |
| 18 | 200 job classifications' duties and responsibilities. | | | |
| 19 | Q. | What is your understanding of the rate and revenue proposals which | | |
| 20 | AmerenUE i | is making in this proceeding? | | |
| 21 | A. | It is my understanding that AmerenUE is recommending that the | | |
| 22 | Commission | allow AmerenUE either to operate under a new alternative regulatory plan | | |

Rebuttal Testimony of Michael A. Datillo

- 1 or to set its rates under traditional cost of service principles which are more reasonable
- 2 and less punitive than those used by the Staff.
- **Q.** Does Local 1455 support AmerenUE's proposals?
- 4 A. Yes, we do. Local 1455 supports AmerenUE's new alternative regulation
- 5 plan and its cost of service rate proposal because they will allow not only our members,
- 6 but all of us who are the men and women of AmerenUE, to continue to provide the high
- 7 quality service we have in the past, and more than ever need to do in the future.
- **Q.** Does this conclude your testimony?
- 9 A. Yes, it does.

BEFORE THE PUBLIC SERVICE COMMISSION OF THE STATE OF MISSOURI

| The Staff of the Mis Commission, | souri Public Service Complainant, |))) | | | | | |
|---|-----------------------------------|--|--|--|--|--|--|
| vs. | |) Case No. EC-2002-1 | | | | | |
| Union Electric Com AmerenUE, | pany, d/b/a Respondent. |))) | | | | | |
| AFFIDAVIT OF MICHAEL A DATILLO | | | | | | | |
| STATE OF MISSO CITY OF ST. LOU |) ss | | | | | | |
| Michael A. Datillo, being first duly sworn on his oath, states: | | | | | | | |
| 1. M y r | name is Michael A. Da | atillo. I am employed by Local Union 1455, | | | | | |
| International Brothe | erhood Electrical Work | kers as Business Manager. | | | | | |
| | | a part hereof for all purposes is my Rebuttal Testimony ola AmerenUE, consisting of pages, 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 C. Datello | | | | | | | |
| Michael A. Datillo Subscribed and sworn to before me this day of May, 2002. | | | | | | | |
| My commission ex | pires: 4-1-06 | Notary Public | | | | | |

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MARY HOYT
Notary Public - Notary Seal
STATE OF MISSOURI
Jefferson County
My Commission Expires: April 1, 2006