Exhibit No.:

Issues: Impact of Staff's

Proposed Rate Reduction on

Union Employees

Witness:

Donald Giljum

Local Union No. 148, International Union of Operating Engineers

Sponsoring Party:

Union Electric Company

Type of Exhibit:

Rebuttal Testimony EC-2002-1

Case No.: Date Testimony Prepared:

May 10, 2002

## MISSOURI PUBLIC SERVICE COMMISSION

**CASE NO. EC-2002-1** 

REBUTTAL TESTIMONY

**OF** 

**DONALD GILJUM** 

ON

**BEHALF OF** 

UNION ELECTRIC COMPANY d/b/a AmerenUE

> Exhibit No. <u>155</u>
>
> Date <u>7/10/02</u> Case No. <u>EC-2002</u>-1 Reporter Kem

St. Louis, Missouri May, 2002

1		REBUTTAL TESTIMONY		
2	OF			
3	DONALD GILJUM			
4	CASE NO. EC-2002-1			
5	Q.	Please state your name and business address.		
6	A.	My name is Donald Giljum. My business address is 148 Wilma Drive,		
7	Maryville, Illinois 62062.			
8	Q.	By whom and in what capacity are you employed?		
9	A.	I am employed by Local Union No. 148, International Union of Operating		
10	Engineers ("Local 148") as its Business Manager.			
11	Q.	Please describe Local 148 and the employees that it represents.		
12	A.	Local 148 represents employees such as production and maintenance		
13	employees in Load Dispatching, Central Laboratory, and in the generating plants of the			
14	Company. It also represents the outside physical workers in the Lakeside District.			
15	Q.	Please describe your duties on behalf of Local 148.		
16	Α.	As Business Manager, I am responsible for all collective bargaining-		
17	related matters between the employers and our union members, and for transacting all			
18	business-related matters for the local union.			
19	Q.	What is the purpose of your testimony?		
20	A.	The purpose of my testimony is to express concerns about the impact of		
21	the proposed rate reduction of the Commission Staff ("Staff") on AmerenUE and also on			
22	the AmerenUE employees represented by Local 148. The purpose is also to support			
23	AmerenUE's rate and revenue proposals being made in this proceeding on the grounds			

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1 that they will enable the company to continue to provide quality service to its Missouri 2 electric customers and also to continue to provide jobs to the employees represented by 3 Local 148. The employees of Local 148 are proud of their accomplishments in working 4 for a company that provides quality service at one of the lowest rates in the region. 5 We also believe that the experimental alternative regulation plan 6 ('EARP") under which AmerenUE has operated for the last six years, has allowed the 7 employees of Local 148 to make a real contribution to the successful, efficient operation 8 of AmerenUE in a way that both benefited customers and AmerenUE. Under the EARP, 9 as our members worked hard to improve the efficiency of AmerenUE's operations, no 10 longer would those efforts be "rewarded" by a reduction of rates. Instead, under the 11 sharing grid that allowed AmerenUE to retain some of its improved earnings, our 12 members could see our work benefit the Company in which we earn our livelihood. 13 Q. What is your understanding of the Staff's rate reduction proposal 14 submitted in this proceeding? 15 It is my understanding that the Staff not only has offered no serious A. 16 analysis of the success of the EARP, but instead is recommending that the Commission 17 reduce AmerenUE's annual electric revenues from Missouri retail customers by between 18 \$245 and \$285 million. 19 0. What is Local 148's overall concern with such a proposed reduction? 20 A. Beyond the fact that such a huge rate cut is a strange way to reward all of 21 us who have made AmerenUE such a successful, efficient supplier of electricity, we are

provide quality service to its electric retail customers in Missouri. We are concerned that

concerned that a reduction of this magnitude will jeopardize AmerenUE's ability to

1 such a dramatic rate reduction will not provide the Company with sufficient funds to 2 invest in much needed infrastructure improvements in generation, transmission and 3 distribution. We are also concerned that such a rate reduction will result in reduced funds 4 available for our safety and technical training programs that have produced a very 5 productive and highly skilled and safety conscious workforce. 6 Q. How many AmerenUE employees does Local 148 represent? 7 A. Local 148 represents approximately 1,400 employees at AmerenUE. 8 Q. What is your understanding of the rate and revenue proposals which 9 AmerenUE is making in this proceeding? 10 A. It is my understanding that AmerenUE is recommending that the 11 Commission allow AmerenUE either to operate under a new alternative regulatory plan 12 or to set its rates under traditional cost of service principles which are more reasonable 13 and less punitive than those used by the Staff. 14 0. Does Local 148 support AmerenUE's proposals? 15 Yes, we do. Local 148 supports AmerenUE's new alternative regulation A. 16 plan and its cost of service rate proposal because they will allow not only our members, 17 but all of us who are the men and women of AmerenUE, to continue to provide the high

quality service we have in the past, and more than ever need to do in the future.

Does this conclude your testimony?

A. Yes, it does.

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

The Staff of the Misso Commission,	ouri Public Service Complainant,	) ) )		
vs.		) Case No. EC-2002-1		
Union Electric Compa AmerenUE,	any, d/b/a Respondent.	) ) )		
AFFIDAVIT OF DONALD GILJUM				
STATE OF MISSOU				
CITY OF ST. LOUIS )				
Donald Giljum, being first duly sworn on his oath, states:				
1. My na	me is Donald Giljum.	I am employed by Local Union 148, International		
Union of Operating Engineers as Business Manager.				
2. Attach	ed 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 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.				
		Donald Giljum		
Subscribed and sworn to before me this May day of May, 2002.				
		Mary Hout		
My commission expir	res: 4-1-06	Notary Public T		

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