

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
Case No.: EC-2002-1
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. 155
Date 7/10/02 Case No. EC-2002-1
Reporter KEM

St. Louis, Missouri
May, 2002

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 A. It is my understanding that the Staff not only has offered no serious
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 **Q. 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
22 concerned that a reduction of this magnitude will jeopardize AmerenUE's ability to
23 provide quality service to its electric retail customers in Missouri. We are concerned that

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 **Q. Does Local 148 support AmerenUE's proposals?**

15 A. Yes, we do. Local 148 supports AmerenUE's new alternative regulation
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
18 quality service we have in the past, and more than ever need to do in the future.

19 **Q. Does this conclude your testimony?**

20 A. Yes, it does.

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

The Staff of the Missouri Public Service
Commission,)

Complainant,)

vs.)

Case No. EC-2002-1

Union Electric Company, d/b/a)
AmerenUE,)

Respondent.)

AFFIDAVIT OF DONALD GILJUM

STATE OF MISSOURI)

) ss

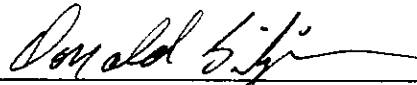
CITY OF ST. LOUIS)

Donald Giljum, being first duly sworn on his oath, states:

1. My name is Donald Giljum. I am employed by Local Union 148, International Union of Operating Engineers as Business Manager.

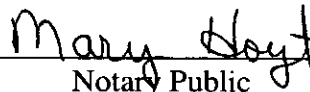
2. Attached hereto and made a part hereof for all purposes is my Rebuttal Testimony on behalf of Union Electric Company, d/b/a AmerenUE, consisting of 3 pages, all of which have been prepared in written form for introduction into evidence in the above-referenced docket.

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 7th day of May, 2002.



Notary Public

My commission expires: 4-1-06

