

Exhibit No.:  
Issues: Callaway Plant Refueling  
Outage Expense and Nuclear  
Operation —Supervision and  
Engineering Expense  
Witness: Garry L. Randolph  
Sponsoring Party: Union Electric  
Type of Exhibit: Cross-Surrebuttal Testimony  
Case No.: EC-2002-1  
Date Testimony Prepared: June 24, 2002

**MISSOURI PUBLIC SERVICE COMMISSION**

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

**CROSS-SURREBUTTAL TESTIMONY**

**OF**

**GARRY L. RANDOLPH**

**ON**

**BEHALF OF**

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

Exhibit No. 134  
Date 7/10/02 Case No. EC-2002-1  
Reporter KRM

**St. Louis, Missouri  
June, 2002**

1 **CROSS-SURREBUTTAL TESTIMONY**

2 **OF**

3 **GARRY L. RANDOLPH**

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

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

6 **A. My name is Garry L. Randolph. My business address is AmerenUE, P.O.**  
7 **Box 620, M/C CA-460, Fulton, Missouri 65261.**

8 **Q. Are you the same Garry L. Randolph who previously filed rebuttal**  
9 **testimony in this proceeding?**

10 **A. Yes.**

11 **Q. What is the purpose of your testimony?**

12 **A. The purpose of my testimony is to rebut the rebuttal testimony of David J.**  
13 **Effron filed on behalf of the Office of Public Counsel. I discuss Mr. Effron's**  
14 **adjustments related to the Callaway plant refueling outage expense and nuclear operation**  
15 **– supervision and engineering expense.**

16 **Q. Please summarize the conclusions reached in your testimony.**

17 **A. The expenses proposed by Mr. Effron are inadequate because he has failed**  
18 **to recognize the escalating costs of maintenance associated with the aging of the**  
19 **Callaway plant.**

20 **Q. What has Mr. Effron recommended regarding Callaway refueling**  
21 **outage expenses?**

22 **A. He recommended that the outage expense be adjusted to normalize the**  
23 **level of expense and frequency of outages.**

1           **Q.     What is your response to Mr. Effron's recommendations on the**  
2 **Callaway refueling expense?**

3           **A.     Mr. Effron calculated an average for Callaway refueling expenses based**  
4 **on the expenses for last five refueling outages. The costs in April and May 2001**  
5 **associated with the refueling and maintenance of the Callaway nuclear facility are in**  
6 **excess of those incurred in prior years. The 2001 Callaway refueling and maintenance**  
7 **cost level is a specific example which illustrates that as units age they require additional**  
8 **maintenance. Because of the escalating costs of maintenance at the Callaway plant, the**  
9 **current maintenance costs are a base level of expense and future outage expenses can be**  
10 **expected to increase due to aging of the facility. Mr. Effron's adjustment ignores the**  
11 **escalating maintenance costs of aging facilities and attempts to reduce test year expenses**  
12 **well below the expense that can be anticipated in future years for refueling at Callaway.**

13           **Q.     What other issues do you have with Mr. Effron's recommendations**  
14 **regarding the Callaway refueling expense?**

15           **A.     Mr. Effron discusses Staff's adjustment to the test year to normalize the**  
16 **refueling expense to an average year. The Company has made a similar adjustment in its**  
17 **determination of the appropriate refueling expenses. In addition, Mr. Effron assumes a**  
18 **2% annual inflation rate for his "normalized" adjustment. The actual escalation in**  
19 **Callaway refueling and other plant expenses indicates that an inflation adjustment of**  
20 **3.0% for labor and 3.5% for non-labor would be more appropriate**

21           **Q.     What has Mr. Effron recommended regarding nuclear operation -**  
22 **supervision and engineering expense?**

Cross-Surrebuttal Testimony of  
Garry L. Randolph

1           A.     He recommended that nuclear operation - supervision and engineering  
2     expense be normalized by using the average of the expenses over the last five years with  
3     an adjustment for inflation.

4           Q.     What is your response to Mr. Effron recommendations regarding  
5     nuclear operation - supervision and engineering expense?

6           A.     Company witness Mr. Gary Weiss addresses this issue in his cross-  
7     surrebuttal testimony and provides evidence on the inappropriateness on Mr. Effron's  
8     adjustment.

9           Q.     Does this conclude your testimony?

10          A.     Yes.

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

The Staff of the Missouri Public Service  
Commission, )  
Complainant, )  
vs. )  
Union Electric Company, d/b/a )  
AmerenUE, )  
Respondent. )

Case No. EC-2002-1

**AFFIDAVIT OF GARRY L. RANDOLPH**


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

Garry L. Randolph, being first duly sworn on his oath, states:

1. My name is Garry L. Randolph. I work in St. Louis, Missouri and Fulton, Missouri and I am employed by Ameren as Senior Vice President Generation and Chief Nuclear Officer.

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

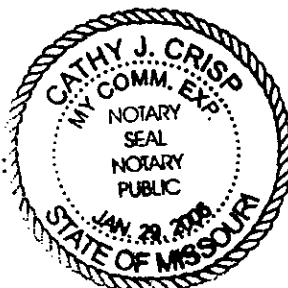
3. I hereby swear and affirm that my answers contained in the attached testimony to the questions therein propounded are true and correct.

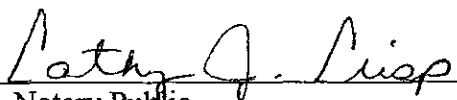
  
\_\_\_\_\_  
Garry L. Randolph

Subscribed and sworn to before me this 21 day of June, 2002.

My commission expires:

1-29-06



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

Notary Seal  
State of Missouri  
Commissioned for Callaway County