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 KFM

St. Louis, Missouri
June, 2002

CROSS-SURREBUTTAL TESTIMONY

OF

GARRY L. RANDOLPH

CASE NO. EC-2002-1

Q. Please state your name and business address.

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

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

A. Yes.

Q. What is the purpose of your testimony?

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

Q. Please summarize the conclusions reached in your testimony.

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

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

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

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

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

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

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

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

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

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

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

Q. Does this conclude your testimony?

A. Yes.

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 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.

CATHY J. CRISP MY COMM. EXP. NOTARY SEAL NOTARY PUBLIC JAN. 29, 2006 STATE OF MISSOURI

Cathy J. Crisp
Notary Public

My commission expires:
1-29-06

Notary Seal
State of Missouri
Commissioned for Callaway County