AmerenUE Response to MPSC Staff Data Request MPSC Case No. ER-2010-0036

Union Electric Company d/b/a AmerenUE for Authority to File Tariffs Increasing Rates for Electric Service Provided to Customers in the Company's Missouri Service Area

FILED
April 22, 2010
Missouri Public
Service Commission

Data Request No.: MPSC 0188 - Steve Rackers

Please reference the direct testimony of Ron Zdeller. 1) Page 20. For the January 2009 and the January 2007 storms please describe the process of examination, assessment and final decision the Company undertook regarding the various alternative costs and associated restoration time frames. Please provide all supporting documentation and analyses for this process. 2) Page 22. Please provide all support for the statement that immediate service restoration is demanded by the Company's customers and the Commission. Please also provide the definition of "immediate" as used in this statement.

RESPONSE: (do not edit or delete this line or anything above this)

Prepared By: Ronald C. Zdellar

Title: Vice President Energy Delivery – Distribution Services

Date: 10/09/09

Part 1: The ice storms of January, 2007 and 2009 presented totally different situations in regard to both preparations and eventual restoration. Our general emergency restoration plans provide for a scalable response and puts an organization in place to react as required. That plan is attached to this response.

There are no specific numbers as to personnel resources needed, hotels, meals, portable kitchen, truck trailers, etc. In fact, the early hours in threatening ice storms are spent reviewing forecasts as to where and how much ice accumulation may be expected.

In both the January '07 and January '09 storms, we pre-positioned crews in areas where damage was expected. A temperature swing of a degree or two can make a significant difference between rain, freezing rain, and sleet. Freezing rain brings the only serious concern. In addition, ice storms and the resulting damage will take several hours to fully develop as opposed to summer storms which generally are over within an hour or so. The storm plan provides the flexibility to address needs as they arise. For instance, the January 2009 storm in Southeast, Missouri was extremely widespread with damage extending some 100 miles north to south and 40 miles east to west. The damage was so severe that there were little to no motels or hotels with power, nor was there restaurant service available. As such, we needed to provide mobile sleeping and food preparation service.

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In short, there are no "cookie cutter" approaches to restoration efforts. It's all about getting the necessary manpower, material, and equipment in place to effectively execute the restoration process. The decision making is all about supporting that effort and depends on the individual challenges posed by the conditions.

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Part 2: Providing "all support" would require the production of the entirety of investigations undertaken at the Commission after major storms have hit the service territory of AmerenUE. Some of those investigations were docketed, those include Case Nos. EO-2007-0037 and EO-2008-0218. Additionally, the Staff issued a report after the August 13, 2005 storm, although a docket was never opened. Each of these reports contained various Staff recommendations designed to improve AmerenUE's restoration practices after a storm. These issues were addressed by the public, by state representatives and senators and by various Commissioners in AmerenUE's rate case (Case No. ER-2007-0002) and in the public hearings in Case No. EO-2007-0037.

After a major storm which results in widespread outages, the Staff and AmerenUE have daily telephone conversations to maintain communication regarding AmerenUE's restoration efforts. These daily conversations demonstrate Staffs desire to ensure restoration occurs as quickly as possible. AmerenUE (and Staff) also participate in telephone conferences with the State of Missouri's Emergency Management Agency (SEMA). SEMA would not be activated if the governor and others did not believe a public emergency existed and if they did not desire immediate service restoration.

In the Staff report issued on the August 13, 2005 storm (no docket) and AmerenUE's restoration efforts following that storm pointed out on page four "Frustration grew as hours without power turned into days without power for some customers with the consequences of lost food, business, and fading confidence that all that could be done was being done to restore service as quickly as possible." (emphasis added.) The Staff report also stated (on page 29), "Once the customer has reported on outage to the Company, he/she believes that some action will be taken by the Company to restore service as quickly as possible." (emphasis added.)

After the storms in 2006, the Commission held public hearings in Case No. EO-2007-0037 to take comment. At the public hearing held on October 3, 2006, Senator Tim Green testified of public frustration with the amount of time it took to get service restored. Representatives Gina Walsh, Juanita Walton and Bruce Darrough each testified about constituents and neighbors being without power for an extended amount of time and the difficulty that imposed upon individuals. Representative Bruce Darrough testified that he received around 100 phone calls asking when power was going to be restored.

The first page of the Staff report issued in Case No. EO-2007-0037 pointed out that the July 29 and 20 (2006) outages "...was a life threatening situation to many..." "We are in an era where even momentary outages create major inconveniences and economic losses, and multi-day outages are viewed by many as intolerable."

At the hearing held on December 27, 2006 in Case No. EO-2007-0037, Commissioner Murray indicated that the Commission was "trying to figure out how to better respond to those things that nature throws at us." (page 33 of transcript).

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At the same hearing, Commissioner Gaw stated, "Whenever individuals are out of what has become a necessity in life, and that is electricity...its really important that we...whether or not we need to change course or recommend a changing of course so that...we don't continue to watch this movie over and over again and expect it to have a different ending without changing the script." (page 46-47 of transcript).

Commissioner Appling, at the same hearing, told Ronald Zdellar "...the word that comes to mind in your [AmerenUE's] case and in the case of the PSC is to 'fix it." "So may I offer you that advice today is that you go back to St. Louis and put your best people on this, and let's come to a conclusion and fix this problem. There's a lot of people out there...relying on Ameren[UE] as well as this PSC to put our best foot forward, and we owe them that." (page 253 of transcript.) Commissioner Appling continued, "The bottom line is we need to fix this problem, gentleman, and prepare ourselves the best we can for the next storm because they're going to come." (page 254 of transcript.)

In the Commission's vegetation management rulemaking (EX-2008-0232), Commissioner Clayton dissented from the majority and stated, "Customers have experienced far too many instances of storm-related outages which, in some cases, have been frequent in number and lengthy in duration." (Dissent, page 1.) The dissent went on to point out that electrical outages impact other critical services, "...leading to a potential public health crisis." (Dissent, page 5.)

The use of the word "immediate" means "as quickly as possible."