

Exhibit No.:

Issues:

*Report on Revenue
Requirement Cost of Service,
Overview of the Staff's Filing*

Witness:

Stephen M. Rackers

Sponsoring Party:

MoPSC Staff

Type of Exhibit:

Direct Testimony

Case No.:

ER-2010-0036

Date Testimony Prepared:

December 18, 2009

MISSOURI PUBLIC SERVICE COMMISSION

UTILITY SERVICES DIVISION

DIRECT TESTIMONY

OF

STEPHEN M. RACKERS

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

CASE NO. ER-2010-0036

*Jefferson City, Missouri
December 2009*

Staff Exhibit No. 201
Date 3-15-10 Reporter KF
File No. ER-2010-0036

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OF

STEPHEN M. RACKERS

**UNION ELECTRIC COMPANY,
d/b/a AMERENUE**

CASE NO. ER-2010-0036

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DIRECT TESTIMONY

OF

STEPHEN M. RACKERS

UNION ELECTRIC COMPANY,
d/b/a AMERENUE

CASE NO. ER-2010-0036

Q. Please state your name and business address.

A. Stephen M. Rackers, 111 North 7th Street, Suite 105, St. Louis, MO 63101.

O. Please describe your educational background and work experience.

A. I attended the University of Missouri in Columbia, Missouri, and received a Bachelor of Science degree in Business Administration, with a major in Accounting, in 1978. I have been employed by the Missouri Public Service Commission (Commission) since June 1, 1978, within the Auditing Department.

Q. Are you a Certified Public Accountant (CPA)?

A. Yes, I am. I passed the Uniform Certified Public Accountant examination and I am licensed in the state of Missouri as a CPA. The Uniform CPA examination consisted of four parts: Accounting Practice, Accounting Theory, Auditing and Business Law.

Q. Have you previously filed testimony before this Commission?

A. Yes. A listing of the cases in which I have previously filed testimony before this Commission, and the issues I have addressed in testimony in cases from 1997 to current, is attached as Schedule 1 to this direct testimony.

Q. What knowledge, skills, experience, training and education do you have in the areas of which you are testifying as an expert witness?

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1 A. I have been employed by this Commission as a Regulatory Auditor for over
2 30 years, and have submitted testimony on revenue, expense, and rate base ratemaking
3 matters numerous times before the Commission. I have also been responsible for the
4 supervision of other Commission employees in rate cases and other regulatory proceedings
5 many times. I also participate in proceedings that involve the enforcement, interpretation and
6 writing of the Commission's rules. I have received continuous training at in-house and
7 outside seminars on technical ratemaking matters since I began my employment at the
8 Commission. My responsibilities auditing the books and records of the utilities regulated by
9 the Commission require that I review statutes applicable to the Commission or the utilities
10 regulated by the Commission, the Commission's rules, utility tariffs, and contracts and other
11 documents relating to the utilities' operations.

12 Q. Have you participated in the Commission Staff's (Staff) audit of
13 Union Electric Company, d/b/a AmerenUE (AmerenUE or Company) concerning its request
14 for a rate increase in this proceeding?

15 A. Yes, I have, with the assistance of other members of the Staff. I am the
16 Services Division case coordinator facilitating the work of the Division's Staff members, and
17 I interface and work with the Staff from other Commission Divisions involved in the Staff's
18 direct case.

19 **EXECUTIVE SUMMARY**

20 Q. Please summarize your direct testimony in this proceeding.

21 A. I am sponsoring the Staff's Revenue Requirement Cost of Service Report
22 (Report) in this proceeding that is being filed concurrently with this direct testimony.

1 I also provide in this direct testimony an overview of the Staff's revenue requirement
2 determination. The Staff has conducted a review of all the components (capital structure,
3 return on rate base, rate base, operating revenues and operating expenses) that determine
4 AmerenUE's retail jurisdictional revenue requirement. My testimony provides an overview
5 of the Staff's work in each area.

6 **REVENUE REQUIREMENT COST OF SERVICE REPORT**

7 Q. Please explain the organizational format of the Staff's Revenue Requirement
8 Cost of Service Report (Report).

9 A. The Staff's Report has been organized by topic as follows:

- 10 I. Executive Summary
- 11 II. Background of AmerenUE
- 12 III. Test Year/Update Period
- 13 IV. Major Issues
- 14 V. Rate of Return
- 15 VI. Rate Base
- 16 VII. Allocations
- 17 VIII. Income Statement
- 18 IX. Depreciation
- 19 X. Fuel Adjustment Clause (FAC)
- 20 XI. Environmental Cost Recovery Mechanism (ECRM)
- 21 XII. Other Tariff Items

22 The Rate Base and Income Statement sections have numerous subsections which
23 explain each specific area and/or adjustment made by the Staff to the test year ending

1 March 31, 2009. The individual Staff member responsible for each area of the Staff's direct
2 case and/or adjustment is identified in the Report following the written discussion he or she
3 authored, and is the expert/witness respecting that section of the Staff's Report. The Staff
4 may have a different or an additional expert/witness for rebuttal or surrebuttal testimony if
5 this case goes to hearing.

6 **OVERVIEW OF STAFF'S RECOMMENDED REVENUE REQUIREMENT**

7 Q. In its audit of AmerenUE for Case No. ER-2010-0036, has the Staff examined
8 all of the cost of service components comprising the revenue requirement for AmerenUE's
9 electric operations in Missouri?

10 A. Yes.

11 Q. What are the cost-of-service components that comprise the revenue
12 requirement for a regulated investor-owned public utility?

13 A. The revenue requirement for a regulated investor owned public utility can be
14 defined by the following formula:

15 Revenue Requirement = Cost of Providing Utility Service (Cost of Service)

16 or

17
$$RR = O + (V - D)R \text{ where,}$$

18 RR = Revenue Requirement

19 O = Operating Costs (Fuel, Payroll, Maintenance, etc.), Depreciation and Taxes

20 V = Gross Valuation of Property Required for Providing Service (including plant
21 plus and minus other rate base items)

22 D = Accumulated Depreciation Representing Recovery of Gross Property
23 Investment

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V – D = Rate Base (Gross Property Investment less Accumulated Depreciation = Net Property Investment)

$$(V - D)R = \text{Return Allowed on Rate Base}$$

The “revenue requirement” calculated by this formula is the utility’s total revenue requirement. In rate cases, the term “revenue requirement” generally refers to the utility’s necessary incremental change in revenues based on the utility’s existing rates and total cost of service.

Q. What is the objective of an audit of a regulated investor-owned public utility for ratemaking purposes?

A. The objective of an audit is to determine the appropriate level of the components identified in my last answer in order to calculate the revenue requirement for such a regulated utility. All relevant factors are examined and a proper relationship of revenues, expenses, and rate base is maintained. The process for making that revenue requirement determination can be summarized as follows:

1) Selection of a test year. The test year income statement represents the starting point for determining a utility's existing annual revenues, operating costs and net operating income. Net operating income represents the return on investment based upon existing rates. The test year, selected for Case No. ER-2010-0036, is the twelve months ending March 31, 2009. Adjustments are made to the test year results when the unadjusted amounts do not fairly represent the utility's most current annual level of revenues and operating costs. As discussed below, additional information through January 31, 2010, will be considered for inclusion in the cost of service during the true-up audit agreed to by the Parties and ordered by the Commission.

1 2) Selection of a "test year update period." A proper determination of
2 revenue requirement is dependent upon matching the rate base, return on investment,
3 revenues, and operating costs components at the same point in time. This ratemaking
4 principle is commonly referred to as the "matching" principle. It is a standard practice in
5 ratemaking in Missouri to utilize a period beyond the established test year in which to match
6 the major components of a utility's revenue requirement. By updating test year financial
7 results to reflect information beyond the established test year, rates can be set based upon
8 more current information. Although it is a common practice to update the test year, the
9 Parties to this case agreed that an update was not necessary, and that post-test year financial
10 results for the determination of revenue requirement could be adequately reflected by
11 performing a true-up.

12 3) Selection of a "true-up date" or "true-up period." A true-up date
13 generally is established when a significant change in a utility's cost of service occurs after the
14 end of the test year update period, but prior to the operation-of-law date, and the significant
15 change in cost of service is one the parties and/or Commission has decided should be
16 considered for cost of service recognition in the current case. In this proceeding, the
17 Company is expecting to experience a large increase in coal cost following the test year and
18 add a significant amount of plant. The Parties to this case have recommended a true-up of the
19 cost of service through January 31, 2010. The Commission accepted this recommendation
20 and has authorized a true-up audit for this case.

21 4) Determination of Rate of Return. A cost of capital analysis must be
22 performed to allow AmerenUE the opportunity to earn a fair rate of return on its net
23 investment (rate base) used in the provision of utility service. Staff witness David Murray has

1 performed a cost of capital analysis and is sponsoring a section of the Staff's Revenue
2 Requirement Cost of Service Report to explain and provide the results of his analysis.

3 5) Determination of Rate Base. Rate base represents the utility's net
4 investment used in providing utility service, on which the utility is permitted the opportunity
5 to earn a return. For its direct filing, the Staff has determined AmerenUE's rate base
6 consistent with the end of the test year established for this case, March 31, 2009, and Staff's
7 estimate through the true-up cut-off date, January 31, 2010. This estimate will be replaced
8 with actual results following the true-up as authorized by the Commission. Rate base
9 includes, e.g., plant in service (plant fully operational and used for service), cash working
10 capital, materials and supplies, prepayments, fuel inventories, accumulated reserve for
11 depreciation, accumulated deferred income tax, etc.

12 6) Net Operating Income from Existing Rates. The starting point for
13 determining net income from existing rates is the unadjusted operating revenues, expenses,
14 depreciation, and taxes for the test year which is the twelve-month period ending March 31,
15 2009, for this case. All of the utility's specific revenue and expense categories are examined
16 to determine whether the unadjusted test year results require adjustments in order to fairly
17 represent the utility's most current level of operating revenues and expenses.
18 Numerous changes occur during the course of any year that will impact a utility's annual level
19 of operating revenues and expenses. The March 31, 2009 test year has been adjusted to
20 reflect the Staff's determination of the appropriate ongoing levels of revenues and expenses.
21 The Staff has also included its true-up estimates for customer growth and fuel expense related
22 to coal contracts. These items and others will be reexamined based on actual data as part of
23 the true-up through January 31, 2010.

1 7) Determination of Net Operating Income Required. The net income
2 required for AmerenUE is calculated by multiplying the Staff's recommended rate of return
3 by the rate base. Net income required is then compared to net income available from existing
4 rates discussed in Item 6. The difference, when factored-up for income taxes, represents the
5 incremental change in the utility's rate revenues required to cover its operating costs and
6 provide a fair return on investment used in providing electric service. If a utility's current
7 rates are insufficient to cover its operating costs and a fair return on investment, the
8 comparison of net operating income required (Rate Base x Recommended Rate of Return) to
9 net income available from existing rates (Operating Revenue less Operating Costs,
10 Depreciation and Income Taxes) will result in a positive amount. If the comparison results in
11 a negative amount, this indicates that the utility's current rates may be excessive.

12 Q. Please identify the types of adjustments which are made to unadjusted test year
13 results in order to reflect a utility's current annual level of operating revenues and expenses.

14 A. The types of adjustments made to reflect a utility's current annual operating
15 revenues and expenses are:

16 1) Normalization adjustments. Utility rates are intended to reflect normal
17 ongoing operations. A normalization adjustment is required when the test year reflects the
18 impact of an abnormal event. One example is the Staff's revenue adjustment to normalize
19 weather. Actual weather/climate (weather) conditions during the test year are compared to a
20 30-year "normal." The weather normalization adjustment restates the test year sales volumes
21 and revenue levels to reflect normal weather conditions.

22 2) Annualization adjustments. Annualization adjustments are required
23 when changes have occurred during the test year, update and/or true-up period, which are not

1 fully reflected in the unadjusted test year results. For example, a portion of AmerenUE's
2 employees received a salary increase during July of 2008. As a result, only a portion of the
3 twelve months ending March 31, 2009, reflect the impact of this payroll increase. An
4 annualization adjustment was made to capture the financial impact of the payroll increase for
5 the portion of the test year prior to the wage increase.

6 3) Disallowance adjustments. Disallowance adjustments are made to
7 eliminate costs in the test year results that are not considered appropriate for recovery from
8 ratepayers. An example in this case is certain executive incentive compensation costs. In the
9 Staff's view, these costs are incurred to primarily benefit shareholder interests, and it is not
10 appropriate policy to pass these costs onto customers in rates. Therefore, these costs should
11 be eliminated from the cost of service borne by ratepayers, and the Staff has proposed to
12 disallow these costs from recovery in rates.

13 4) Pro forma adjustments. Pro forma adjustments reflect the impact of
14 items and events that occur subsequent to the test year. These items or events significantly
15 impact the revenue, expense and rate base relationship and should be recognized to address the
16 forward-looking objective of the test year. Caution must be taken when recognizing pro forma
17 adjustments to ensure that all items and events subsequent to the test year are examined to
18 avoid not recognizing offsetting adjustments. In addition, some post-test year items and
19 events may not have occurred yet and/or may not have been sufficiently measured. As a
20 result, quantification of some pro forma adjustments may be more difficult than the
21 quantification of other adjustments. A true-up audit that considers a full range of items and
22 events that occur subsequent to the test year attempts to address the maintenance of the proper

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1 relationship among revenues, expenses and investment as well as address the difficulty in
2 quantification associated with making pro forma adjustments.

3 Q. What rate increase amount, based on what return on equity (ROE) percentage,
4 did the Company request from the Commission in this case?

5 A. AmerenUE requested that its annual revenues be increased by approximately
6 \$402 million, based on an ROE of 11.50%

7 Q. Please describe the Staff's direct case revenue requirement filing in this
8 proceeding.

9 A. The results of the Staff's audit of AmerenUE's rate case request can be found
10 in the Staff's filed Accounting Schedules, and is summarized on Accounting Schedule 1,
11 Revenue Requirement. This Accounting Schedule shows that the Staff's recommended
12 revenue requirement for AmerenUE in this proceeding ranges from approximately
13 \$218,207,027 to \$250,800,449, based upon a recommended rate of return (ROR) range of
14 7.39% to 7.72%.

15 Q. What portion of the Staff's recommended increase in the cost of service is the
16 result of increasing net fuel expense above the amount currently included in base rates?

17 A. The revenue requirement calculated by the Staff, includes an increase of
18 approximately \$200 million in the net fuel cost included in base rates. This increase
19 includes the changes in net fuel cost since the September 30, 2008 true-up cut-off date in Case
20 No. ER-2008-0318 that are currently being recovered through the fuel adjustment clause.
21 This increase also includes the changes in net fuel cost that are estimated to occur through
22 January 31, 2010, the true-up cut-off date in this rate case.

1 The remainder of the Staff's \$18 to \$51 million revenue requirement range is largely
2 due to increases in non-fuel costs.

3 Q. What ROE range is the Staff recommending for AmerenUE in this case?

4 A. The Staff is recommending a return on equity range of 9.00% to 9.70%, as
5 calculated by Staff expert/witness David Murray.

6 Q. What items are included in the Staff's recommended rate base in this case?

7 A. The rate base items include: Plant in Service, Accumulated Reserve for
8 Depreciation, Cash Working Capital, Materials and Supplies, Prepayments, Fuel Inventories,
9 Customer Advances for Construction, Customer Deposits, unamortized FAS 87-Pension and
10 FAS 106-OPEBs Tracking Liabilities, the unamortized DSM Regulatory Asset and the
11 Accumulated Deferred Income Tax Reserve (ADIT). The Plant, Depreciation Reserve,
12 FAS 87-Pension and FAS 106-OPEBs Tracking Liabilities and ADIT balances reflect the
13 Staff's estimates through the January 31, 2010 true-up cut-off date. Fuel inventories reflect
14 various levels beyond the end of the March 31, 2009 test year.

15 Q. What are the significant income statement adjustments the Staff made in
16 determining AmerenUE's revenue requirement for this case?

17 A. A summary of the Staff's significant income statement adjustments follows:

18 **Operating Revenues**

19 Retail revenues were adjusted for the elimination of unbilled revenue and gross
20 receipts taxes, customer growth, weather normalization and the increase ordered by the
21 Commission in AmerenUE's last general rate increase case effective March 1, 2009, Case No.
22 ER-2010-0318. Other electric revenues were adjusted for off-system sales, capacity and
23 ancillary sales and transmission revenues.

1 **Depreciation and Amortization Expense**

2 Depreciation expense was annualized based upon the plant in service as of March 31,
3 2009, the Staff's true-up estimate through January 31, 2010, and the new depreciation rates
4 and reserve amortizations proposed by Staff witness Arthur W. Rice.

5 **Payroll, Payroll Taxes and Employee Benefit Costs**

- 6 • Payroll expense annualized for wage increases through July 1, 2009.
- 7 • Payroll taxes consistent with the wage annualization.
- 8 • Incentive compensation and restricted stock awards disallowance.
- 9 • Callaway refueling overtime normalization.
- 10 • Employee benefits including pensions and OPEBs.
- 11 • Voluntary and involuntary employee separation programs.
- 12 • Amortizations of severance costs and union lump sum payment

13 **Other Non-Labor Expenses**

- 14 • Property taxes based on the most recent tax payments.
- 15 • Fuel, purchased power and off-system sales annualization to reflect
- 16 January 31, 2010 coal prices, SO₂ costs, and the dispatch of power sources to
- 17 meet the Staff's determination of AmerenUE's generation requirements.
- 18 • Rate case expense annualization.
- 19 • Disallowance of certain advertising, dues and donations.
- 20 • Insurance premiums adjustment.
- 21 • Storm cost amortization and normalization.
- 22 • Coal-fired power plant maintenance normalization.

- 1 • Elimination of Taum Sauk expenses.
- 2 • Annualization of depreciation expense.

3 Q. What reliance did you place on the work or conclusions of other Staff members
4 working on Staff's behalf?

5 A. I and the other assigned Staff Auditors relied on the work from numerous other
6 Staff members in calculating a revenue requirement for AmerenUE in this case. Weather-
7 normalized sales and the recommended rate of return are some examples of data and analysis
8 supplied to the Auditing Department as inputs into the Staff's revenue requirement cost of
9 service calculation. Affidavits and the qualifications for all Staff members who participated
10 in the rate case and are responsible for a section of the Staff's Revenue Requirement Cost of
11 Service Report are attached as an appendix to the Report. Further, each Staff member who is
12 responsible for a section of the Staff's Revenue Requirement Cost of Service Report is
13 identified at the conclusion of the section he or she authored as being the Staff expert/witness
14 responsible for that section.

15 Q. What are the biggest differences between the rate increase request filed by the
16 Company and the Staff revenue requirement recommendations being filed in this proceeding?

17 A. From the Staff's perspective, there are four primary revenue requirement
18 differences.

- 19 • Return On Equity (ROE).

20 As previously stated, AmerenUE's return on equity recommendation is 11.5%,
21 while the Staff is recommending a range of 9.00% through 9.70%. The dollar
22 difference between the Company and the Staff's midpoint return on equity is
23 approximately \$100 million.

1 • Payroll and Benefits Cost.

2 The Staff's normalization and annualization of payroll, payroll taxes and
3 benefits, including pensions and OPEBs, results in a difference from the
4 Company of \$17 million.

5 • Fuel, Purchased Power and Off-System Sales (OSS).

6 The majority of this difference relates to the level of off-system sales
7 recommended to be reflected in rates by AmerenUE and the Staff. The total
8 difference between Company and the Staff in this area is approximately
9 \$44 million.

10 There are other significant issues between the Staff and the Company, based upon
11 their respective direct filings, with regard to power plant maintenance, depreciation expense
12 and short-term debt financing. These issues are largely offset by the difference between the
13 Staff's and the Company's direct filings with regard to the level of retail revenues which is
14 expected to be narrowed as a result of the true-up of the case.

15 Q. Is it possible that significant differences exist between the Staff's revenue
16 requirement positions and those of other Parties besides AmerenUE in this proceeding?

17 A. Yes. However, the other Parties are filing their direct testimony, if any,
18 concurrent in timing with the Staff's direct filing. Until the Staff has a chance to examine the
19 direct testimony of other Parties, it is impossible to determine what differences exist and how
20 material they may be.

21 Q. Are there other significant differences that exist between the Staff and
22 AmerenUE in their direct filings that are not specifically quantified on the Accounting
23 Schedules?

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1 A. Yes. The Company recommends that the Commission implement an
2 Environmental Cost Recovery Mechanism (ECRM) in this proceeding to recover the changes
3 in its environmental plant and expenses without AmerenUE filing a general rate proceeding.
4 The Staff recommends the implementation of an ECRM, but with differences from the ECRM
5 AmerenUE proposes. The Staff's position is addressed in its Revenue Requirement Cost of
6 Service Report, and will be further addressed, i.e., the ECRM tariff, in its Class Cost of
7 Service and Rate Design Report.

8 Q. Please identify the Staff experts/witnesses responsible for addressing each area
9 where there is a known and significant difference between the Staff and the Company that is
10 addressed in this direct testimony or in the Staff Report in Section IV, Major Issues.

11 A. The Staff experts/witnesses for each listed issue are as follows:

<u>Issue</u>	<u>Staff Witness</u>
Return on Equity/Rate of Return	David Murray
Payroll, Payroll Taxes and Benefits	John P. Cassidy
Fuel, Purchased Power and Off-System Sales	Alan J. Bax Shawn E. Lange Erin L. Maloney Roberta A. Grissum David W. Elliott Walt Cecil
Power Plant Maintenance	Roberta A. Grissum
Depreciation Expense	Arthur W. Rice
Short-term Debt Financing	David Murray
ECRM	Lena M. Mantle

12 Q. When will the Staff be filing its customer class cost of service/rate design
13 direct testimony and report in this proceeding?

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1 A. The Staff's direct testimony and customer class cost of service/rate design
2 report will be filed on January 6, 2010.

3 Q. Does this conclude your direct testimony in this proceeding?

4 A. Yes, it does.

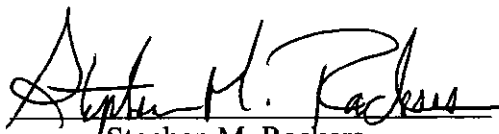
BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

In the Matter of Union Electric Company)
d/b/a AmerenUE's Tariffs to Increase its) Case No. ER-2010-0036
Annual Revenues for Electric Service.)

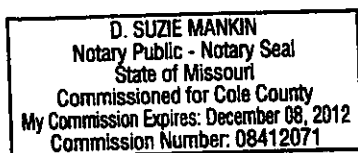
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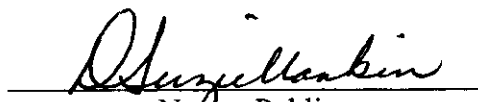
STATE OF MISSOURI)
) ss.
COUNTY OF COLE)

Stephen M. Rackers, of lawful age, on his oath states: that he has participated in the preparation of the foregoing Direct Testimony in question and answer form, consisting of 16 pages to be presented in the above case; that the answers in the foregoing Direct Testimony were given by him; that he has knowledge of the matters set forth in such answers; and that such matters are true and correct to the best of his knowledge and belief.


Stephen M. Rackers

Subscribed and sworn to before me this 18th day of December, 2009.




Notary Public

Regulatory Case Proceeding Participation

Stephen M. Rackers

Issue	Case Number	Exhibit	Case Name
Interim Rates	ER-2010-0036	Direct, Rebuttal, Surrebuttal	Union Electric Company d/b/a AmerenUE
Revenue Requirement Cost Of service Report, Taum Sauk Capacity Sales, Nuclear Plant Licensing	ER-2008-0318	Direct, Surrebuttal	Union Electric Company d/b/a AmerenUE
True-Up, Income Taxes, MGP Sites, Other Rates Base Items, Revenue Requirement and OPEB	GR-2007-0387	Direct, Rebuttal	ATMOS Energy Company
True-up, Security AAO, Joplin Surcharge	WR-2007-0216	Direct, Rebuttal, Supplemental True-up Direct	Missouri-American Water Company
Income Taxes, Accumulated Deferred Income Taxes in Rate Base, Taum Sauk Generating Plant, Pinckneyville and Kinmundy Generating Plants, Accumulated Income Deferred Income Tax Balance, Income Tax Expense	ER-2007-0002	Direct, Rebuttal, Surrebuttal	Union Electric Company d/b/a AmerenUE
Revenue-Requirement, True-up, Income Taxes, MGP Sites, Other Rate Base Items, OPEBs	GR-2006-0387	Direct, Rebuttal	Atmos Energy Corporation
Affidavit in Support of the Stipulation and Agreement on various issues.	GR-2005-0284	Stipulation and Agreement	Laclede Gas Company
ISRS Income Taxes	GO-2004-0443	Direct	Laclede Gas Company
St. Joseph Treatment Plant, AAOs, Depreciation, Transaction Costs, Old St. Joseph Treatment Plant, Security Accounting Authority Order, Acquisition Adjustments	WC-2004-0168	Direct, Surrebuttal	Missouri-American Water Company
Security AAO, Recovery Of Undepreciated Plant Balances and Acquisition Adjustments	WR-2003-0500	Direct, Surrebuttal	Missouri-American Water Company
Transaction Costs, Depreciation, AAO's, Acquisition Adjustment, Security Accounting Authority Order, Old St. Joseph Treatment Plant	WR-2003-0500	Direct, Surrebuttal	Missouri-American Water Company
Financial Aspects	GT-2003-0117	Direct	Laclede Gas Company

Regulatory Case Proceeding Participation

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Issue	Case Number	Exhibit	Case Name
Copper Surveys, Net Salvage Expense, Environmental Cost, Test Year & True-Up, Accounting Authority Orders, Laclede Pipeline, Safety and Copper Service Replacement Program	GR-2002-356	Direct, Rebuttal, Surrebuttal	Laclede Gas Company
Purchase Power	ER-2002-217	Direct	Citizens Electric Corporation
Income Taxes, Pension Liability	EC-2002-1025	Direct	Union Electric Company d/b/a AmerenUE
Pension Liability, Income Tax Expense, Deferred Income Taxes, Income Tax Expense, Deferred Income Taxes – Rate Base Offset, Pension Liability, Income Taxes, Territorial Agreements	EC-2002-1	Direct, Surrebuttal	Union Electric Company d/b/a AmerenUE
Incentive Compensation, Post-Retirement Benefits Other than Pensions, Prepaid Pension Assets, Pensions	GR-2001-629	Direct	Laclede Gas Company
Application Recommendation	GM-2001-342	Rebuttal	Laclede Gas Company
Merger Recommendation, Cost Allocation Manual	WM-2001-309	Rebuttal, Surrebuttal	Missouri-American Water Company, et al
Merger Cost and Savings, Infrastructure Replacement Deferrals, Income Taxes, Net Salvage Expense, Revenue Requirement, Merger Costs and Savings, Accounting Authority Orders (AAO's), Infrastructure Replacement, Depreciation	WR-2000-844	Direct, Rebuttal, Surrebuttal	St. Louis County Water Company
Pension Liability, AFUDC, Deferred OPEB Asset, Pension Expense – FAS 87, New St. Joseph Treatment Plant Phase-In, OPEBS – FAS 106, Phase-In, Accounting Authority Order, Phase-In	SR-2000-282	Direct, Rebuttal, Surrebuttal	Missouri-American Water Company
Staff's Explanation and Rationale for Supporting the Stipulation Agreement	WR-2000-281	Direct in Support of Stipulation Agreement	Missouri-American Water Company
Pension Expense-FAS 87, Pension Liability, AFUDC, Deferred OPEB Asset, New St. Joseph Treatment Plant Phase-In, OPEBS-FAS 106, Accounting Authority Order, Phase-In, St. Joseph Treatment Plant	WR-2000-281	Direct, Rebuttal, Surrebuttal	Missouri-American Water Company

Regulatory Case Proceeding Participation

Stephen M. Rackers

Issue	Case Number	Exhibit	Case Name
Staff's Explanation and Rationale for Supporting the Stipulation Agreement	SR-2000-282	Direct in Support of Stipulation Agreement	Missouri-American Water Company
Territorial Agreements	EO-99-599	Rebuttal	Union Electric Company / Ozark Border Electric Cooperative
Safety Deferral, FAS 87, FAS 88, FAS 106, Prepaid Pension Asset, Environmental Cost, Computer Cost, Supplemental Pension, Accounting Authority Orders	GR-99-315	Direct, Rebuttal, Surrebuttal	Laclede Gas Company
Main Replacement Program, Order-Infrastructure, Accounting Authority, Main Replacement Programs	WO-98-223	Direct	St. Louis County Water Company
Lease Classification & Terms	WA-97-46	Rebuttal	Missouri-American Water Company
Amortization of Depreciation Reserve Deficiency, Appointment Meter Reading, Main Incident Expense, Income Tax, Infrastructure Replacement Deferral, Property Tax	WR-97-382	Direct	St. Louis County Water Company
Lease Classification & Terms	WF-97-241	Rebuttal	Missouri-American Water Company
Income Tax, Territorial Agreement, Overview, Income Taxes, Alternative Regulation Plan and Agreements, Pension Liability	EM-96-149	Direct, Surrebuttal	Union Electric Company
Overview, Income Tax, Territorial Agreements, Alternative Regulation Plan and Agreement	EO-96-14	Direct, Surrebuttal	Union Electric Company