

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

In the Matter of the Tariff Filings of)	<u>Case No. ER-2010-0036</u>
Union Electric Company, d/b/a)	Tariff No. Nos. YE-2010-0054
AmerenUE, to Increase Its Revenues for)	and YE-2010-0055
Retail Electric Service.)	

**LIST OF ISSUES, ORDER OF WITNESSES,
ORDER OF OPENING STATEMENTS AND ORDER OF CROSS-EXAMINATION**

COMES NOW the Staff of the Missouri Public Service Commission ("Staff") and respectfully states:

1. On September 14, 2009, the Commission issued a procedural schedule that, among other things, established March 8, 2010, as the filing date for the list of issues, order of witnesses, order of cross-examination and order of opening for the hearing (March 15-26, 2010) and true-up hearing (April 12-13, 2010) in this case.

2. Commission Rule 4 CSR 240-2.080(21) provides:

Any list of issues ordered by the commission must contain one (1) or more questions presented for decision, stated in the following form per issue: in three (3) separate sentences, with factual and legal premises, followed by a short question; in no more than seventy-five (75) words; and with enough facts woven in that the commission will understand how the question arises in the case.

(A) The questions must be clear and brief, using the style of the following examples of issue statements, which illustrate the clarity and brevity that the parties should aim for:

1. Example A: The Administrative Procedures Act does not require the same administrative law judge to hear the case and write the final order. ABC Utility Company filed an appeal based on the fact that the administrative law judge who wrote the final order was not the administrative law judge who heard the case. Is it reversible error for one administrative law judge to hear the case and a different administrative law judge to write the final opinion?

2. Example B: For purposes of establishing rates, ABC Utility Company is entitled to include in its costs expenses relating to items that are used or useful in providing services to its customers. ABC Utility Company has spent money to clean up environmental damages resulting from the operation of manufactured-gas plants some 70 to 80 years ago. Should ABC Utility Company be allowed to include these expenses among its costs in establishing its future natural gas rates?

3. The parties are unable to comply with the requirements of Commission Rule 4 CSR 240-2.080(21); however, Staff has solicited input from all, and obtained input from most, of the parties in preparing the list of issues presented below. Therefore, Staff requests, pursuant to 4 CSR 240-2.025, that, for good cause, the Commission waive the requirements of 4 CSR 240-2.080(21).

4. Staff, with input from the other parties and based on the statements of issues in AmerenUE's last general electric rate case, Case No. ER-2008-0318, has developed the list of issues, order of witnesses, order of cross-examination and order of opening due March 8, 2010 by the procedural schedule the Commission ordered on September 14, 2009, that are attached. Staff has attempted to minimize scheduling conflicts and maximize agreement among the parties. However, the Staff may not have resolved all scheduling conflicts; therefore, certain witnesses may testify in a different order, and one or more other parties may suggest a different schedule. In some instances, due to witness availability limitations, a witness is scheduled to testify on a particular issue, or issues, at a particular time.

5. The statements of issues in the list of issues are not necessarily agreed to by all parties as the best or even an appropriate characterization of the issue; therefore, some parties may state the issue differently in their pleadings and briefs. Further, parties may address one or more issues not clearly included in the list of issues, or parties may state they consider an issue listed to not be a contested issue. Staff has attempted to phrase the issues in a non-argumentative way. Others may view that Staff has not always been successful. Although the Commission stated in its September 14, 2009 order where it adopted the procedural schedule in this case that, "The Commission will view any issue not contained in this list of issues as uncontested and not requiring resolution by the Commission," the Commission should not construe the list of issues

here to impair any party's ability to argue about any of the listed issues or related matters, or to restrict the scope of any party's response to arguments made by other parties.

Wherefore, Staff submits the attached list of issues, order of witnesses, order of cross-examination and order of opening, and requests, pursuant to 4 CSR 240-2.025, for good cause, the Commission waive the requirements of 4 CSR 240-2.080(21) regarding the format of the list of issues.

Respectfully submitted,

/s/Nathan Williams

Nathan Williams
Deputy General Counsel
Missouri Bar No. 35512

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Missouri Public Service Commission
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Certificate of Service

I hereby certify that copies of the foregoing have been mailed, hand-delivered, or transmitted by facsimile or electronic mail to all counsel of record this 8th day of March 2010.

/s/ Nathan Williams

Union Electric Company d/b/a AmerenUE
Case No. ER-2010-0036

LIST OF ISSUES

The following contested issues are before the Commission:

1. **Overview and Policy:** Overview of “cost of service,” and/or what policy considerations, if any, should guide the Commission in deciding this case?

Warner L. Baxter (AmerenUE)
Stephen M. Rackers (Staff)

2. **Return on Equity:** What return on equity should be used for determining AmerenUE’s revenue requirement?

Roger A. Morin (AmerenUE)
Lee R. Nickloy (AmerenUE)
Julie M. Cannell (AmerenUE)
David Murray (Staff)
Stephen G. Hill (Staff)
Michael Gorman (MIEC)
Daniel J. Lawton (Public Counsel)

Capital Structure: What capital structure should be used for determining AmerenUE’s revenue requirement? (True-up Issue)

Michael G. O’Bryan (AmerenUE)
David Murray (Staff)
Michael Gorman (MIEC)
Daniel J. Lawton (Public Counsel)

Flotation Costs: How should flotation costs be reflected in determining AmerenUE’s revenue requirement?

Michael G. O’Bryan (AmerenUE)
Roger A. Morin (AmerenUE)
David Murray (Staff)
Michael Gorman (MIEC)
Daniel J. Lawton (Public Counsel)

3. **Vegetation Management Expense:**

- i. What level of vegetation management expense is appropriate for recognition in AmerenUE’s revenue requirement?

- ii. Should a tracker continue to be implemented for AmerenUE's vegetation management expense that varies from the level of vegetation management expense the Commission recognizes in AmerenUE's revenue requirement?

David N. Wakeman (AmerenUE)
Daniel I. Beck (Staff)
Stephen M. Rackers (Staff)
Greg Meyer (MIEC)

4. **Infrastructure Inspection Expense:**

- i. What level of infrastructure inspection expense is appropriate for recognition in AmerenUE's revenue requirement?
- ii. Should a tracker continue to be implemented for AmerenUE's infrastructure inspection expense that varies from the level of infrastructure inspection expense the Commission recognizes in AmerenUE's revenue requirement?

David N. Wakeman (AmerenUE)
Daniel I. Beck (Staff)
Stephen M. Rackers (Staff)\
Greg Meyer (MIEC)

5. **Storm Expense:**

- i. What level of storm expense is appropriate for recognition in AmerenUE's revenue requirement?
- ii. Should a tracker be implemented for storm expense that varies from the level of storm expense the Commission recognizes in AmerenUE's revenue requirement?
- iii. Should the amount incurred during the test-year, in excess of the level of storm expense that is appropriate for recognition in AmerenUE's revenue requirement be amortized?

David N. Wakeman (AmerenUE)
Stephen M. Rackers (Staff)
Greg Meyer (MIEC)

6. **Power Plant Maintenance Expense:** What level of plant maintenance expense for the coal-fired generating units is appropriate for recognition in AmerenUE's revenue requirement?

Mark C. Birk (AmerenUE)

Greg Meyer (MIEC)
Roberta A. Grissum (Staff)

7. **Rate Case Expense:** What level of rate case expense is appropriate for recognition in AmerenUE's revenue requirement?

Stephen M. Kidwell (AmerenUE)
Lisa M. Ferguson (Staff)
Russell W. Trippensee (Public Counsel)

8. **Callaway Fuel/Fuel Modeling Issues:** What is the appropriate nuclear fuel price input for the production cost model?

Randall J. Irwin (AmerenUE)
Roberta A. Grissum (Staff)
James R. Dauphinais (MIEC)

9. **Other Fuel Model Issues:**

- i. What are the appropriate market energy prices to be used as inputs for the production cost model?

Timothy D. Finnell (AmerenUE)
Jaime Haro (AmerenUE)
Erin L. Maloney (Staff)
James R. Dauphinais (MIEC)

- ii. What is the appropriate Callaway refueling outage period to be used as an input for the production cost model?

Timothy D. Finnell (AmerenUE)
Randall J. Irwin (AmerenUE)
David W. Elliott (Staff)
James R. Dauphinais (MIEC)

10. **Fuel Adjustment Clause (FAC):**

- i. Should the Commission discontinue AmerenUE's fuel adjustment clause, or should the Commission modify AmerenUE's fuel adjustment clause?
- ii. If the Commission modifies AmerenUE's fuel adjustment clause what percentage of the difference between actual fuel and purchased power costs, net of off-system sales and the cost included in base rates should the Commission adopt for recovery through the fuel adjustment clause?

- iii. Should the revenues from long-term bilateral contract sales flow through AmerenUE's fuel adjustment clause? If so, how?

Julie M. Cannell (AmerenUE) Return on Equity (testifies on Friday)

Gary M. Rygh (AmerenUE) (testifies on Friday)

Lynn M. Barnes (AmerenUE)

Timothy D. Finnell (AmerenUE)

Jaime Haro (AmerenUE)

Randall J. Irwin (AmerenUE)

James Massmann (AmerenUE)

Robert K. Neff (AmerenUE)

Lena M. Mantle (Staff)

Ryan Kind (Public Counsel)

Maurice Brubaker (MIEC)

- 11. **Executive Compensation:** What level of executive compensation is appropriate for recognition in AmerenUE's revenue requirement?

Krista Bauer (AmerenUE)

Greg Meyer (MIEC)

- 12. **Depreciation Expense:**

- i. Should depreciation rates for the Company's steam production and hydroelectric power plants be established using the life span approach or the mass property approach?
 - a. If the life span approach is used, what are the appropriate depreciation rates?
 - b. If the mass property approach is used, what are the appropriate depreciation rates?
 - c. Is special treatment required for retirement costs associated with the Venice plant?
- ii. What are the appropriate depreciation rates for Account 356 (Overhead Conductors and Devices)?
- iii. What approach should be used to determine the net salvage component of the depreciation rates for AmerenUE's transmission and distribution facilities and, therefore, the resultant depreciation rates for transmission and distribution facilities?
- iv. Should the retirement of the Callaway steam generators be included in the life and net salvage analysis?

John F. Wiedmayer (AmerenUE)

Larry W. Loos (AmerenUE)
Mark C. Birk (AmerenUE)
Arthur W. Rice (Staff)
James T. Selecky (MIEC)
William W. Dunkel (MIEC)

13. **Union Issues:** The Unions support AmerenUE's proposed rate increase, but raise the following issues

- i. Should AmerenUE be required to expend a substantial portion of the rate increase investing in its employee infrastructure, in general, including recruitment and training, if the Commission has the authority to require AmerenUE to do so;
- ii. Should AmerenUE be required to fully and permanently staff itself for its normal and sustained workload, thereby reducing the need for subcontracting and overtime, if the Commission has the authority to require AmerenUE to do so;
- iii. Should AmerenUE be required to repair and rebuild components and equipment internally where prudent, if the Commission has the authority to require AmerenUE to do so;
- iv. Should AmerenUE be required to make good faith efforts to hire first locally, then regionally and then nationally, both its internal and external workforces, if the Commission has the authority to require AmerenUE to do so?

David N. Wakeman (AmerenUE)
Michael Walter (Unions)

14. **Class Cost of Service and Rate Design:**

a. Low-Income Residential Customers:

- i. Should the Commission establish a new customer class composed of very low-income residential customers? If so, how should it be defined?
- ii. Should the Commission approve a program to address the concerns of AmerenUE's very low-income residential customers? If so:
 - a) What should components of the program be?
 - b) Which customers should be eligible?
 - c) What additional conditions or limitations, if any, should be established for participation?
 - d) How should the program be administered?
 - e) How should the program be evaluated?

- f) Who should bear the program costs and how should they be recovered?

Wilbon L. Cooper (AmerenUE)
Richard Mark (AmerenUE)
Anne E. Ross (Staff)
Barbara A. Meisenheimer (Public Counsel)
Jacqueline A. Hutchinson (AARP/CCM)
Maurice Brubaker (MIEC)

b. **Class Cost of Service:** How should class revenue responsibility be determined?

- i. If there is a new AmerenUE customer class composed of low-income residential customers, how should the change in revenue responsibility of the members of that new class be shifted to the other customer classes?
- ii. What allocation methodology should be used for determining the production capacity allocator?
- iii. What allocation methodology should be used for determining the production fuel cost allocator?
- iv. If the Commission relies on the Average & Peak 4 CP allocation method for determining the production cost allocator what peak demand data should it use?
- v. What allocation methodology should be used for determining the transmission cost allocator?
- vi. What allocation methodology should be used for determining the fuel cost allocator?
- vii. What allocation methodology should be used to allocate net margins from off-system sales to the customer classes?
- viii. Should the revenue responsibility of the various customer classes be based in part on the class cost-of-service study results?
- ix. Should there be an increase or decrease in the revenue responsibility of the various customer classes?
- x. If the answer to “ix” above is “yes,” what basis should be used to increase or decrease the revenue responsibility of the various classes?

Wilbon L. Cooper (AmerenUE)
William M. Warwick (AmerenUE)

Michael S. Scheperle (Staff)
Barbara A. Meisenheimer (Public Counsel)
Ryan Kind (Public Counsel)
Maurice Brubaker (MIEC)
Paul A. Coomes (MIEC)
Rick Earnheart (MIEC)
Henry Fayne (MIEC)
Keith Gregston (MIEC)
Joseph H. Haslag (MIEC)
Steve Hodges (MIEC)
Robert Mayer (MIEC)
Layle (Kip) Smith (MIEC)
Steve W. Chriss (MEUA)
Petree Eastman (Municipals)

c. **Rate Design:**

- i. In respect to the class cost-of-service determination, including the class cost-of-service study determination, how should the Commission change the level of the rates of each customer class that it orders in this case?
- ii. At what level should the Commission set the residential class customer charge?

Wilbon L. Cooper (AmerenUE)
Michael S. Scheperle (Staff)
John A. Rogers (Staff)
Barbara A. Meisenheimer (Public Counsel)?

- iii. At what levels should the Commission set the small general service class customer charge for single-phase and three-phase service, respectively?

Wilbon L. Cooper (AmerenUE)
Michael S. Scheperle (Staff)
John A. Rogers (Staff)

**Union Electric Company d/b/a AmerenUE
Case No. ER-2010-0036**

ORDER OF WITNESSES

Monday, March 15, 2010

Entries of Appearance
Mark Exhibits
Motions, Outstanding Matters
Opening Statements

Overview and Policy

Warner L. Baxter (AmerenUE)
Stephen M. Rackers (Staff)

Power Plant Maintenance

Mark C. Birk (AmerenUE)
Greg Meyer (MIEC)
Roberta A. Grissum (Staff)

Tuesday, March 16, 2010

Power Plant Maintenance (continued)

Depreciation

John F. Wiedmayer (AmerenUE)
Larry W. Loos (AmerenUE)
Arthur W. Rice (Staff)
James T. Selecky (MIEC)
William W. Dunkel (MIEC)

Wednesday, March 17, 2010

Storm Expense, Amortizations and Tracker

David N. Wakeman (AmerenUE)
Greg Meyer (MIEC)
Stephen M. Rackers (Staff)

**Vegetation Management Expense & Tracker
Infrastructure Inspection Expense & Tracker**

David N. Wakeman (AmerenUE)
Greg Meyer (MIEC)
Daniel I. Beck (Staff)
Stephen M. Rackers (Staff)

Thursday, March 18, 2010

ROE, Capital Structure, Flotation Costs

Roger A. Morin (AmerenUE)
Lee R. Nickloy (AmerenUE)
Michael G. O'Bryan (AmerenUE)
Daniel J. Lawton (Public Counsel)
Michael Gorman (MIEC)
David Murray (Staff)
Stephen G. Hill (Staff)

Friday, March 19, 2010

ROE, Capital Structure, Flotation (continued)

Julie M. Cannell (AmerenUE) Return on Equity (testifies on Friday 3-19)

Fuel Adjustment Clause

Julie M. Cannell (AmerenUE) (testifies on Friday 3-19)
Gary M. Rygh (AmerenUE) (testifies on Friday 3-19)

Monday, March 22, 2010

Fuel Adjustment Clause (continued)

Lynn M. Barnes (AmerenUE)
Robert K. Neff (AmerenUE)
Jaime Haro (AmerenUE)
Randall J. Irwin (AmerenUE)
James Massmann (AmerenUE)
Timothy D. Finnell (AmerenUE)
Lena M. Mantle (Staff)
Maurice Brubaker (MIEC)
Ryan Kind (Public Counsel)

Low-Income Rate Class

Wilbon L. Cooper (AmerenUE)
Richard Mark (AmerenUE)
Anne E. Ross (Staff)
Barbara A. Meisenheimer (Public Counsel)
Jacqueline A. Hutchinson (AARP/CCM)
Maurice Brubaker (MIEC)

Tuesday, March 23, 2010

Low-Income Rate Class (continued)

Union Issue

David N. Wakeman (AmerenUE)

Michael Walter (Unions)

Rate Case Expense

Stephen M. Kidwell (AmerenUE)

Lisa M. Ferguson (Staff)

Russell W. Trippensee (Public Counsel)

Wednesday, March 24, 2010**Callaway Fuel/Fuel Modeling Issues**

Randall J. Irwin (AmerenUE)

Roberta A. Grissum (Staff)

Other Fuel Model Issues

Timothy D. Finnell (AmerenUE)

Jaime Haro (AmerenUE)

James R. Dauphinais (MIEC)

Erin L. Maloney (Staff)

David W. Elliott (Staff)

Thursday, March 25, 2010**Executive Compensation**

Krista Bauer (AmerenUE)

Greg Meyer (MIEC)

Rate Design / Class Cost of Service

Wilbon L. Cooper (AmerenUE)

William M. Warwick (AmerenUE)

Paul A. Coomes (MIEC) (testifies Thursday 3-25)

Rick Earnheart (MIEC)

Henry Fayne (MIEC)

Keith Gregston (MIEC)

Joseph H. Haslag (MIEC)

Steve Hodges (MIEC)

Robert Mayer (MIEC)

Layle (Kip) Smith (MIEC)

Michael S. Scheperle (Staff)

John A. Rogers (Staff)

Barbara A. Meisenheimer (Public Counsel)

Ryan Kind (Public Counsel)

Maurice Brubaker (MIEC)

Steve W. Chriss (MEUA) (testifies in morning of 3-25)
Petree Eastman (Municipal Group)

Friday, March 26, 2010

Rate Design / Class Cost of Service

ORDER OF OPENING STATEMENTS

AmerenUE
 Staff
 Public Counsel
 Department of Natural Resources
 Missouri Industrial Energy Consumers/Noranda Aluminum, Inc.
 Missouri Energy Group
 Midwest Energy Users Association
 AARP/Consumers Council of Missouri
 Natural Resources Defense Council
 Municipal Group (Cities of O'Fallon, University City and Rock Hill, and the St. Louis
 County Municipal League)
 Unions (IBEW and IOUE – AFL-CIO)
 KCPL (Kansas City Power & Light Company)
 Charter Communications, Inc.
 Missouri Retailers Association
 Missouri-ACORN
 Laclede Gas Company
 Missouri Joint Municipal Electric Utility Council

ORDER OF CROSS-EXAMINATION

<u>AmerenUE witnesses</u>	<u>Staff witnesses</u>	<u>Public Counsel witnesses</u>	<u>MIEC witnesses</u>
Laclede	Laclede	Laclede	Laclede
KCPL	KCPL	KCPL	KCPL
MJMEUC	MJMEUC	MJMEUC	MJMEUC
Retail Assoc.	Retail Assoc.	Retail Assoc.	Retail Assoc.
Charter	Charter	Charter	Charter
Muni. Group	Muni. Group	Muni. Group	Muni. Group
ACORN	ACORN	ACORN	ACORN
NRDC	Unions	Unions	Unions
DNR	NRDC	NRDC	NRDC
Unions	DNR	DNR	DNR
AARP/CCM	MEG	MEG	MEG
MEG	AARP/CCM	AARP/CCM	Public Counsel
MEUA	MEUA	MIEC	AARP/CCM
Public Counsel	Public Counsel	MEUA	MEUA
Staff	MIEC	Staff	Staff
MIEC	AmerenUE	AmerenUE	AmerenUE

ORDER OF CROSS-EXAMINATION

AARP/CCM witness	Unions' witness	Municipal Group's witness	MEUA's witness
Laclede	MJMEUC	MJMEUC	Laclede
KCPL	Retail Assoc.	Retail Assoc.	KCPL
MJMEUC	Charter	Charter	MJMEUC
Retail Assoc.	Muni. Group	Unions	Retail Assoc.
Charter	ACORN	ACORN	Charter
Muni. Group	NRDC	NRDC	Muni. Group
ACORN	DNR	DNR	ACORN
Unions	AARP/CCM	AARP/CCM	Unions
NRDC	Public Counsel	Laclede	NRDC
DNR	MEG	KCPL	DNR
Public Counsel	Staff	Staff	Public Counsel
MEG	MEUA	AmerenUE	MEG
Staff	MIEC	MEG	Staff
MEUA	Laclede	MEUA	AARP/CCM
AmerenUE	KCPL	MIEC	AmerenUE
MIEC	AmerenUE	Public Counsel	MIEC