

**FILED<sup>3</sup>**

**APR 16 2007**

**Missouri Public  
Service Commission**

Exhibit No.:

*008*

Issues: Support for AmerenUE's  
Proposed Rate Increase  
From Union Employees

Witness: David Desmond  
Local Union No. 2,  
International Brotherhood of  
Electrical Workers

Sponsoring Party: Union Electric Company

Type of Exhibit: Rebuttal Testimony

Case No.: ER-2007-0002

Date Testimony Prepared: January 31, 2007

**MISSOURI PUBLIC SERVICE COMMISSION**

**CASE NO. ER-2007-0002**

**REBUTTAL TESTIMONY**

**OF**

**DAVID DESMOND**

**ON**

**BEHALF OF**

**UNION ELECTRIC COMPANY**

**d/b/a AmerenUE**

St. Louis, Missouri  
January, 2007

*AmerenUE* Exhibit No. *8*  
Case No(s). *ER-2007-0002*  
Date \_\_\_\_\_ Rptr. *DR*



1           **Q.     What roles do the employees represented by Local 2 play in the**  
2 **operations of AmerenUE?**

3           A.     Those employees range from the people you may see restoring your service  
4 during a storm to all of the support groups that are necessary to get that job done. They also  
5 perform substation work which includes general maintenance and switching work.

6           **Q.     Please describe your duties on behalf of Local 2.**

7           A.     As Business Manager, I have responsibility for representation of employees of  
8 several utility and employers in Missouri. My duties include contract negotiation and  
9 administration along with organizing the unorganized workers in these industries. As  
10 Financial Secretary, I have responsibility for the finances of our union.

11          **Q.     Please describe your employment history and involvement in Local 2 and**  
12 **your employment history with AmerenUE.**

13          A.     I have been employed with AmerenUE as a lineman for 20 years and have  
14 been the Assistant Business Manager for Local 2 for eight years and Business Manager for  
15 two years.

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

17          A.     The purpose of my testimony is to provide support for AmerenUE's proposed  
18 rate increase and to express concerns about the impact of the proposed rate reductions  
19 suggested of the Commission Staff ("Staff"), the State of Missouri through the Attorney  
20 General's office, and certain other parties on AmerenUE, and also on the AmerenUE  
21 employees represented by Local 2. AmerenUE's proposed rate increase to recover its cost of  
22 service and its large investments in utility plant will enable the company to continue to  
23 provide quality service to its Missouri electric customers and also to continue to provide jobs

1 to the employees represented by Local 2. The employees of Local 2 are proud of their  
2 accomplishments in working for a company that provides quality service at one of the lowest  
3 rates in the region. It is my understanding that this is the first rate increase AmerenUE has  
4 requested in nearly 20 years. Indeed, even with the proposed rate increase AmerenUE's rates  
5 will still be among the lowest in the country.

6 **Q. What is Local 2's overall concern with the proposed reductions to**  
7 **AmerenUE's rates?**

8 A. Such huge rate cuts would be a strange way to reward all of us who have  
9 made AmerenUE such a successful, efficient supplier of electricity. Also, we are concerned  
10 that reductions of this magnitude will jeopardize AmerenUE's ability to provide quality  
11 service to its electric retail customers in Missouri. We are concerned that such a dramatic  
12 rate reduction would not provide the Company with sufficient funds to invest in much needed  
13 infrastructure improvements in generation, transmission and distribution.

14 **Q. What is your understanding of the rate and revenue proposals which**  
15 **AmerenUE is making in this proceeding?**

16 A. It is my understanding that AmerenUE is proposing to increase rates in order  
17 to recover increases in its cost of service, including pay and benefits for our members as well  
18 as billions of dollars of capital investments it has made in the State of Missouri. A portion of  
19 the rate increase is also due to AmerenUE's proposal to enhance its tree trimming practices  
20 to "harden" its system against damage from future storms like the severe storms that hit the  
21 St. Louis area in 2006.

1           **Q.     Does Local 2 support AmerenUE's proposals?**

2           A.     Yes, we do. Local 2 supports AmerenUE's rate increase request because it  
3     will allow not only our members, but all of us who are the men and women of AmerenUE, to  
4     continue to provide the high quality service we have in the past, and more than ever need to  
5     do in the future.

6           **Q.     Does this conclude your testimony?**

7           A.     Yes, it does.

In the Matter of Union Electric Company d/b/a )  
AmerenUE for Authority to File Tariffs Increasing ) Case No. ER-2007-0002  
Rates for Electric Service Provided to Customers )  
in the Company's Missouri Service Area. )

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

1. My name is David Desmond. I am employed by Local Union No. 2, International Brotherhood Electrical Workers as Business Manager and Financial Secretary.
2. Attached hereto and made a part hereof for all purposes is my Rebuttal Testimony on behalf of Union Electric Company, d/b/a AmerenUE, consisting of 4 pages, 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.

  
David Desmond

Subscribed and sworn to before me this 31 day of January, 2007.

Amy S. Rust  
Notary Public

My commission expires:

