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Service Commission

Exhibit No:	096
Witness:	Jeremy Hagameyer
Sponsoring Party:	Union Electric Co.
Type of Exhibit:	Deposition
Case No:	ER-2007-0002
Date Testimony Prepared:	January 10, 2007

Ameren W Exhibit No. 96
Date 3-16-07 Case No. ER-2007-
Reporter KF 0002

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

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

DEPOSITION OF MR. JEREMY HAGAMAYER

Taken on behalf of AmerenUE

January 10, 2007

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BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

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

DEPOSITION OF MR. JEREMY HAGAMAYER,
 produced, sworn, and examined on the part of AmerenUE
 in an action pending before the Public Service
 Commission of the State of Missouri in the matter of
 UNION ELECTRIC COMPANY d/b/a AmerenUE, taken at 1:00
 p.m. on Wednesday, January 10, 2007, at the offices of
 AmerenUE, 101 Madison Street, Jefferson City,
 Missouri, before KAREN S. ROGERS, Registered
 Professional Reporter, Certified Realtime Reporter,
 and Notary Public in and for the State of Missouri.

APPEARANCES

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(Continued)

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PROCEEDINGS

(Proceedings began at 1:00
p.m. on Wednesday, January
10, 2007, with appearances
as noted, except Mr.
Cooper is not yet present
in the deposition room).
(The witness was placed
under oath by the court
reporter).

* * * * *

MR. JEREMY HAGAMAYER,
of lawful age, having been called as a witness and
being first duly sworn, was examined and testified as
follows:

DIRECT EXAMINATION

BY MS. DURLEY:

Q. Will you please state your full name?

A. Jeremy Keith Hagamayer.

Q. Mr. Hagamayer, can you tell me your
current job?

A. I'm a Utility Regulatory Auditor 3.

Q. And tell me as a utility regulatory

auditor what you do.

A. I examine the books and records of
utility companies in conjunction with other members of
staff for audits and any other projects.

Q. Is this a full-time job?

A. Yes.

Q. Do you do auditing on a full-time basis?

A. Yes.

Q. All right. And how long have you worked
as an auditor?

A. Just shy of five years.

Q. And has that been with the Missouri
Public Service Commission?

A. Yes.

Q. Have you been an auditor during those
entire five years?

A. Yes.

Q. As an auditor, do you receive any kind
of certification or license or --

A. I have a -- I'm a certified fraud
examiner, but that's not through the state.

Q. Who certifies you as a fraud examiner?

A. The Association of Certified Fraud
Examiners.

Q. Is that a national association?

A. Yes.

Q. Does any of your work that you do
currently involve auditing for fraud?

A. No.

Q. Before you worked for the commission,
did you have employment somewhere else?

A. Yes, but not in accounting.

Q. Okay. And tell me then as a certified
fraud examiner, have you used that professionally?

A. No.

Q. Is that just an area of interest of
yours?

A. Yes.

Q. Tell me when -- or let's put it this
way. Why don't you briefly describe your education
and training in becoming an auditor.

A. Okay. I graduated with a bachelor of
science in accounting from Southwest Missouri State
University.

Since then I've -- I studied a little bit on
my own related to the Association of Certified Fraud
Examiners.

I've taken classes at Fontbonne University
for a master's of business association.

Q. And where are you in your master's

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1 degree?
2 A. Very early in.
3 Q. When did you graduate with your BS from
4 Southwest Missouri State?
5 A. May of 2001.
6 Q. And when did you begin working for the
7 commission?
8 A. January 16, 2002.
9 (At this time Mr. Cooper
10 enters the deposition
11 room).
12 MS. DURLEY:
13 Q. And in your study for fraud examiner,
14 there's no other classes or things that you've taken
15 specifically dealing with your job other than what you
16 might get at Fontbonne?
17 A. No, that's not true.
18 Q. Okay. Tell me what you've done.
19 A. There have been training offered by the
20 commission, a NARUC class. I can't remember the exact
21 title.
22 I attended the staff subcommittee on
23 accounting and finance meeting. I believe that was
24 two years ago, but I'm not sure of the date.
25 And I've done -- taken a few classes -- not

Page 11

1 classes, I'm sorry. Instructional activities.
2 Continuing education. Sorry.
3 Q. All right. Are you required to have a
4 certain number of continuing education classes?
5 A. Yes.
6 Q. How many?
7 A. 20, 10 of which have to be related to
8 fraud to maintain the certification.
9 Q. The certification in the fraud area,
10 correct?
11 A. Yes.
12 Q. All right. Do you need any continuing
13 education classes for your work as an auditor for the
14 commission?
15 A. I don't believe so.
16 Q. When you talked about this class that
17 you took, was this offered by the staff of the
18 commission?
19 A. Which class? I'm sorry.
20 Q. Well, I thought you mentioned you took a
21 class a couple years ago that dealt with -- that was
22 through the commission. Maybe I misunderstood that.
23 A. I believe it was sponsored by the
24 commission. But -- and it was held at -- in the
25 governor's office building.

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1 Q. And that was two years ago
2 approximately?
3 A. I really don't know. I'm sorry.
4 Q. All right. Any other kinds of
5 professional training or education that you've had
6 that you haven't already told me about?
7 A. I don't remember the classes, but
8 there -- I try to maintain some level of continuing
9 education.
10 Q. Have you ever given your deposition
11 before?
12 A. No.
13 Q. And just one rule that I'll make sure
14 that you understand is that we both have to give oral
15 responses.
16 So if you're nodding to me now, be sure that
17 you follow up that with an oral response. Is that
18 satisfactory?
19 A. Yes.
20 Q. Okay. The other rule that I want to
21 make sure that you understand, especially under these
22 kind of unique circumstances.
23 If you don't understand my question, if I'm
24 not clear or if I'm imprecise, will you please let me
25 know so that I can have a chance to correct the

Page 13

1 question?
2 A. Yes.
3 Q. All right. I'm probably the least
4 experienced of anyone in this room, so you'll have to
5 bear with me. And I do ask that if my question is not
6 clear, that you let me know.
7 A. Okay.
8 Q. All right. Have you presented live
9 testimony before?
10 A. Yes.
11 Q. Okay. Can you tell me under what
12 circumstances you gave testimony?
13 A. The Missouri American case, I was called
14 to testify.
15 Q. And on what issue or what matter were
16 you called to testify?
17 A. Let's see. (The witness refers to the
18 file.) I believe it was the level of employee
19 expense. Or no, no, no. I'm sorry. It was the
20 customer service bonus.
21 Q. And when approximately was that?
22 A. I don't recall.
23 Q. Was that contested testimony? In other
24 words, was there a witness --
25 A. No.

4 (Pages 10 to 13)

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<p>1 Q. Okay. And you don't recall the date of 2 that? 3 A. No, I don't. I'm sorry. 4 Q. Tell me what you're looking at to 5 refresh your memory there. 6 A. I was looking at my schedule 1 that's 7 attached to my testimony. 8 Q. And what is in your schedule 1? 9 A. A listing of companies, case numbers, 10 and issues that I've -- it's a case proceeding 11 participation schedule. 12 Q. According to that schedule, the only 13 testimony that you've given would be in the Missouri 14 American water company case, correct? 15 A. No. 16 Q. Live testimony? 17 A. Oh, live testimony? I don't believe it 18 specifies live testimony. 19 Q. But that's one you've told me that you 20 did give live testimony in? 21 A. Right, yes. 22 Q. Okay. The other two that are here you 23 said would be written testimony? Would that be a fair 24 characterization? 25 A. Yes.</p>	<p>1 name the testimony is submitted? 2 A. Yes. 3 Q. All right. Do you help each other out 4 on testimony? 5 A. I'm sorry, could you clarify? 6 Q. Well, did someone help you with your 7 testimony that you submitted in this case? 8 A. Help as in -- 9 Q. Well, you said you assisted in the 10 testimony. In that same way? 11 A. No, not in that same way, no. 12 Q. Okay. All right. Any other cases that 13 you've been actively involved in in which you've 14 either assisted or submitted written, live, or 15 deposition testimony other than these three? 16 A. Not that I'm aware of, no. 17 Q. Okay. And there are no dates on these 18 except for -- well, can you tell me the dates of these 19 other cases that are listed? 20 A. Offhand I don't remember the dates. 21 Q. Okay. Do you remember the last time 22 that you submitted written testimony other than this 23 case? 24 A. It would have been -- I'll refer to the 25 schedule. (The witness refers to the file.) It would</p>
Page 15	Page 17
<p>1 Q. Okay. Are these the only three cases 2 that you've been involved in in terms of preparing 3 either written or presenting live testimony? 4 A. I've -- I assisted in preparation for 5 the Laclede Gas case that's not listed. I believe 6 it's GR-2005-0284. 7 Q. And when you say that you assisted, you 8 helped someone else on the staff prepare written 9 testimony? 10 A. Yes, but I don't believe it was 11 submitted. 12 Q. Okay. And in these three examples -- or 13 three cases that you list on schedule 1, these are 14 cases in which the testimony came under your own name? 15 Would that be correct? 16 A. Yes. 17 Q. And when you assist, is your name also 18 put on that or does that mean you just help somebody 19 out? 20 A. I just help somebody. 21 Q. Okay. Bear with me. I don't know how 22 you do things, and I just want to ask you some 23 questions. 24 When you submit testimony, is the person 25 responsible for the testimony, is that under whose</p>	<p>1 have been in the Atmos Energy Corporation case. 2 THE REPORTER: The what? I'm sorry. 3 A. Atmos Energy Corporation. 4 THE REPORTER: Thank you. 5 MS. DURLEY: 6 Q. And does that case number indicate that 7 that was filed in 2006? 8 A. Yes. 9 Q. Okay. When you talked about being an 10 auditor, do you have any special area of expertise 11 within auditing? 12 A. Other than just an interest in fraud. 13 Q. Okay. 14 A. No. 15 Q. Do some auditors have areas of 16 expertise? 17 A. They may. I'm not sure. 18 Q. All right. I want to ask you first of 19 all, did you receive a copy of the notice of 20 deposition and subpoena duces tecum? 21 A. I did. 22 MS. DURLEY: Okay. Why don't we mark that, 23 if you wouldn't mind. 24 THE REPORTER: Okay. How have you been 25 marking the exhibits?</p>

5 (Pages 14 to 17)

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1 MS. DURLEY: I would just mark it as -- with
 2 his name and Exhibit 1 or A or whatever.
 3 (The following exhibit was
 4 marked for identification
 5 by the court reporter:
 6 Deposition Exhibit
 7 Hagamayer 1, Notice of
 8 Deposition and Subpoena
 9 Duces Tecum).
 10 THE REPORTER: I've marked Exhibit 1.
 11 MS. DURLEY:
 12 Q. Let me show you what's been marked
 13 Deposition Exhibit 1. Is this a copy of the notice
 14 for your deposition?
 15 A. May I?
 16 Q. Yes. (Ms. Durley hands the exhibit to
 17 the witness).
 18 A. Thank you. (The witness reviews the
 19 document). It appears to be, yes.
 20 Q. And did you actually receive a copy of
 21 this notice?
 22 A. Via email.
 23 Q. Did you receive a copy of Exhibit A,
 24 which is attached to the exhibit?
 25 A. Meaning the certificate of service or

1 printed copies of the work papers for us to look at
 2 today?
 3 A. Correct.
 4 Q. And if we want to look at them, we have
 5 to come look at them over your shoulder?
 6 A. No.
 7 Q. No?
 8 A. You could turn the --
 9 Q. Well, okay. Fair enough.
 10 A. Sorry.
 11 Q. No, that's all right. All right. Let
 12 me rephrase that question.
 13 If we want to look at your work papers, we
 14 need to look at your computer or you will have to
 15 print them out as we talk about those?
 16 A. Yes.
 17 Q. Tell me -- again, I have no idea, okay.
 18 So bear with me. How many pages are we talking about?
 19 A. Offhand I don't know. It's --
 20 Q. 10 or 100?
 21 A. Probably not quite 100. I would hope
 22 not. But it's significant.
 23 Q. Okay. And is there any reason you
 24 didn't bring your printed work papers with you?
 25 A. I -- I don't know that I had printed

1 the --
 2 Q. No. I think it's marked as Exhibit A.
 3 A. This?
 4 Q. Yes, sir.
 5 A. Yes, I did.
 6 Q. And did you bring those documents with
 7 you today?
 8 A. I brought work papers, testimony,
 9 electronic versions of the work papers with formulas.
 10 The periodic report should be part of the
 11 work papers, I believe, but I would have to -- I don't
 12 have any depositions.
 13 The calculations would be within the work
 14 papers. That's in the -- item number 5 is in the
 15 schedule 1.
 16 Q. We're going to have to share that. I'm
 17 not sure what item number 5 refers to.
 18 A. Oh, I'm sorry. It's a listing of
 19 testimony submitted.
 20 Q. Okay.
 21 A. And then the curriculum -- is it vitae?
 22 Q. Mm-hmm.
 23 A. -- is already part of the testimony.
 24 Q. Okay. Now when you say the work papers,
 25 you have those in electronic form; you do not have

1 copies of all the work papers.
 2 Q. You could print them out though?
 3 A. I could.
 4 Q. Okay. All right. Do you have any
 5 correspondence that you've brought with you?
 6 A. I don't know. I'll have to check.
 7 Q. All right. If you wouldn't mind.
 8 A. Just any correspondence?
 9 Q. Well, correspondence regarding this case
 10 or testimony pertinent correspondence.
 11 A. There is some regarding AGA from a
 12 member of AGA.
 13 Q. Okay. And tell me what AGA stands for,
 14 please.
 15 A. American Gas Association. Sorry.
 16 Q. Okay. Can I see that correspondence?
 17 A. Sure. (The witness hands the document
 18 to Ms. Durley).
 19 Q. Thank you.
 20 A. I did bring some related to
 21 advertisement.
 22 Q. Correspondence relating to
 23 advertisement?
 24 A. Yes.
 25 Q. And who is that correspondence from?

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Page 24

1 A. Trina Muniz.
 2 Q. And who --
 3 A. With Ameren.
 4 Q. With Ameren, okay. This is
 5 correspondence that she provided to you in response to
 6 our request?
 7 A. Yes.
 8 Q. Okay. And tell me, does the AGA --
 9 what's the subject matter or the purpose of this
 10 correspondence?
 11 A. It was originally to get the budget
 12 figures of AGA.
 13 Q. All right.
 14 A. And an explanation of the items listed
 15 on those budgets.
 16 Q. And was that something that you
 17 requested?
 18 A. Yes.
 19 Q. Okay. And how does that, if at all,
 20 have a bearing on the testimony that you have
 21 submitted in this case?
 22 A. In the gas portion of the case, that was
 23 used to make a disallowance of a portion of AGA's
 24 dues.
 25 Q. All right. Can I set this -- I know

1 on, et cetera, in preparing your written testimony.
 2 And in your written testimony you discussed
 3 that you looked at other parties' data request
 4 responses?
 5 A. Mm-hmm.
 6 Q. Can you identify the data request
 7 responses that you used in preparing your written
 8 testimony?
 9 A. Used or --
 10 Q. Relied on or reviewed, somehow had an
 11 impact -- I assume that --
 12 A. Well --
 13 Q. Go ahead. I'm sorry.
 14 A. Not everything that I reviewed made an
 15 impact.
 16 Q. Okay.
 17 A. I mean I did review data requests from
 18 the AG's office.
 19 Q. All right. Did that have any bearing at
 20 all on the opinions and the testimony that you
 21 submitted?
 22 A. I don't believe so.
 23 Q. Okay. What did?
 24 A. The data requests that I sent to the
 25 company and meetings and discussions that I had with

Page 23

Page 25

1 you'll need these back. Can I set this here?
 2 A. Yeah, that's fine.
 3 Q. All right. Any other correspondence
 4 that you have regarding your testimony and
 5 expectations for this case?
 6 A. I'll have to check.
 7 Q. Sure.
 8 A. Just a moment. (The witness refers to
 9 the file.) Does correspondence include data requests?
 10 Q. No.
 11 A. Okay.
 12 Q. But with that in mind, did you bring all
 13 of the data requests that you had either submitted or
 14 that --
 15 A. I brought a listing of them.
 16 Q. Okay.
 17 A. Is that sufficient?
 18 Q. Yes.
 19 A. Okay. That appears to be all the
 20 correspondence.
 21 Q. All right. Let me try. This may be an
 22 easier way. I notice you have a number of files
 23 there.
 24 What I am trying to determine is the
 25 information that you used, you reviewed, you relied

1 company personnel.
 2 Q. All right. The meetings and the
 3 discussions, is that in some documented form?
 4 A. There are a couple documents related to
 5 that, but only a few meetings. Most of them were
 6 relatively informal.
 7 Q. All right. And do you have those
 8 documents from the ones that are documented?
 9 A. I believe so. I have notes from my
 10 advertising meeting with Trina Muniz.
 11 Q. All right. And we can just put them
 12 here. I don't know if I need them or not, just for
 13 the time being. Any others?
 14 A. Not that I'm aware of. Sorry.
 15 Q. Okay. Other than your advertising
 16 meeting, can you recall any specific meetings that you
 17 had with Ameren -- I assume these are all with Ameren
 18 people?
 19 A. Yes.
 20 Q. Can you remember any other meetings you
 21 had?
 22 A. Yes.
 23 Q. Okay. Can you tell me those?
 24 A. You means dates as far as --
 25 Q. No, just whatever you can remember in

7 (Pages 22 to 25)

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1 general.
 2 A. Okay.
 3 Q. I would really like the general subject
 4 matter and who you met with.
 5 A. Oh, okay. I met with Jim Pozzo quite
 6 frequently relating to revenues.
 7 I met with David Loesch and Tom Opich
 8 relating to uncollectibles. I don't know if I met
 9 with him on leases. Insurance expense. Injuries and
 10 damages.
 11 Advertising with Trina Muniz. I don't know
 12 if I'm saying that right.
 13 But other than that, I can't remember. I'm
 14 sorry.
 15 Q. Okay. Are all these meetings as part of
 16 your job and responsibilities as an auditor?
 17 A. Yes.
 18 Q. Okay. And you asked them for
 19 information and talked to them about information, is
 20 that correct?
 21 A. Yes.
 22 Q. Okay. All right. Any information that
 23 you received from those meetings that you have
 24 included in your written testimony that's not
 25 reflected in some written document?

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1 A. Any information that I relied on I
 2 believe would be in the work papers.
 3 Q. Okay. All right. You mentioned the
 4 general ledger. Again I'm looking at your written
 5 testimony and I have a copy if you need it.
 6 Is that Ameren's general ledger that you're
 7 referring to?
 8 A. Ameren's and -- yes, Ameren's.
 9 Q. Any other general ledger?
 10 A. Union Electric, but Ameren.
 11 Q. All right. All right. You also
 12 referred to outside auditor work papers. Are those
 13 your work papers or is it some other outside auditor's
 14 papers?
 15 A. Price Waterhouse Cooper's.
 16 Q. Okay. And where are those documents?
 17 A. I reviewed them. I don't know that I
 18 brought them with me.
 19 Q. Okay.
 20 A. They were part of our data requests.
 21 Q. To?
 22 A. Company.
 23 Q. Okay. Is there anything in particular
 24 that you relied on in those work papers in reaching
 25 your opinions?

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1 A. I don't recall, no.
 2 Q. All right. What about the prior case
 3 files, what do you mean by that?
 4 A. Staff keeps copies of its work papers
 5 from earlier cases, and I reviewed those.
 6 Q. These would be auditing work papers for
 7 a different company?
 8 A. No. These -- well, different companies
 9 as well as AmerenUE.
 10 Q. All right. And what information in
 11 those prior case files did you use in this case?
 12 A. I looked at -- some of the data from
 13 uncollectibles I believe came from that, from work
 14 papers from prior cases.
 15 Q. All right. And then you had the work
 16 papers for this case -- we've already talked about
 17 those -- that you have on your computer but haven't
 18 printed out, correct?
 19 A. Right.
 20 Q. You mentioned monthly financial reports.
 21 What did you look at there?
 22 A. The financial and -- I think -- it's --
 23 we've referred to it as F & S reports, financial and
 24 statistical -- yeah, reports that are published
 25 monthly.

Page 29

1 Q. And those are from --
 2 A. Ameren.
 3 Q. -- Ameren. And then you mentioned past
 4 commission rulings. What commission rulings did you
 5 review in connection with this case?
 6 A. EC-87-114.
 7 Q. Can you give me a title or something on
 8 that?
 9 A. That's the Ameren complaint case from
 10 1997 -- or UE complaint case, sorry, from 1997 -- or
 11 1987. I apologize.
 12 Q. 1987?
 13 A. Yes.
 14 Q. Okay.
 15 A. GR-99-315.
 16 Q. Can you give me a --
 17 A. Laclede Gas Company.
 18 Q. And what was the date again on that?
 19 A. Oh, I don't remember, I'm sorry.
 20 Q. Oh, I thought you had a date in there.
 21 A. No.
 22 Q. Okay.
 23 A. Also EO-85 -- it's in my testimony. I
 24 don't remember the last part of it. 185. And that's
 25 also EO-85-224.

Page 30

1 Q. And what case was that?
 2 A. That was Kansas City Power & Light.
 3 Q. Their --
 4 A. From 1985.
 5 Q. Okay.
 6 A. I don't remember the others. I'm sorry.
 7 Q. What in those past rulings did you use
 8 in your testimony?
 9 A. The EO-85-185 was used for advertising,
 10 and quite a bit of the verbiage from that section
 11 comes from that ruling.
 12 Q. Meaning the verbiage from the actual
 13 order?
 14 A. Yes.
 15 Q. Okay.
 16 A. Or a summary thereof. It starts on
 17 page -- do you need a page reference?
 18 Q. You mean of your own testimony?
 19 A. Right.
 20 Q. No.
 21 A. Okay.
 22 Q. Okay. But you -- you're saying that you
 23 took the verbiage out of the order and included it in
 24 your written testimony that you've presented in this
 25 case?

Page 31

1 A. Yes, or a summary of it.
 2 Q. Okay. And that was a 1985 case?
 3 A. Yes.
 4 Q. All right. So all the cases that you
 5 looked at were back in the '80s?
 6 A. No.
 7 Q. Okay. Which ones were more recent?
 8 A. GR-99-315.
 9 Q. Which was -- was that the Laclede?
 10 A. 1999. Yes.
 11 Q. Okay. I had asked you the date on that
 12 one, and I wasn't sure I understood that. Okay. All
 13 right.
 14 Are these the only cases that you
 15 specifically recall looking at for this particular
 16 case?
 17 A. Orders? I'm sorry, I don't understand
 18 your question.
 19 Q. Well, I'm just asking you again what
 20 other cases did you look at or rulings?
 21 A. I don't recall.
 22 Q. All right. And my question was trying
 23 to ask you whether or not these three that you've
 24 mentioned were the only specific ones that you relied
 25 on even though you may have looked at others?

Page 32

1 A. Other rulings?
 2 Q. Yes.
 3 A. I believe so, ma'am.
 4 Q. Okay.
 5 A. That I remember. I'm sorry. I should
 6 clarify that.
 7 Q. Okay. Let me explain something
 8 important, to me. Maybe not to you.
 9 A. Okay.
 10 Q. I don't know if it's important in this
 11 context or not.
 12 But this is my only opportunity to talk with
 13 you. And if there's information that you can't
 14 remember today but can remember later, then I'm a
 15 decided disadvantage. You understand that?
 16 A. Yes.
 17 Q. You understand that I am relying on the
 18 testimony that you give me here today, and that if
 19 there's something that changes or that you refresh
 20 your memory or find out something that you haven't
 21 told me, that you're going to have to tell your
 22 attorney and somehow make sure that that is provided
 23 to me.
 24 A. Yes.
 25 Q. Is that fair?

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1 A. Yes.
 2 Q. Okay. To the best that you're able, I
 3 would like for you to, you know, give me as much as
 4 you can remember and tell me when you can't remember.
 5 But at any time during this deposition for
 6 whatever reason, if we take a break or you just
 7 remember and say, "Oh, I should have told her that,"
 8 please feel free to do that.
 9 I'd like to have as complete as answers as
 10 possible, and I'd like for you, you know, to think
 11 about this here today so that we have all this done
 12 here at one time.
 13 A. Okay.
 14 Q. Okay. Any other materials that you
 15 specifically relied on that we haven't already
 16 discussed?
 17 A. We've discussed correspondence. We've
 18 discussed data requests. Orders. Beyond that, I --
 19 Q. Okay.
 20 A. And work papers from prior cases.
 21 Q. Okay. And those work papers from prior
 22 cases, you don't have those with you?
 23 A. Not with me, no.
 24 Q. Okay. And what I'd like to do if you
 25 don't mind is sometime when we take a break, if I

9 (Pages 30 to 33)

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1 could just look at your stack there --
 2 A. Sure.
 3 Q. -- and determine if there's anything I
 4 need to ask you about, and we can go forward on that
 5 basis. Would that be okay?
 6 A. Yes.
 7 Q. All right. So anything else -- well,
 8 let me just finish Exhibit A. It says a list of all
 9 depositions. You've not given any, correct?
 10 A. Yes.
 11 Q. And the listing of testimony is included
 12 on your schedule 1, which we've already discussed, is
 13 that correct?
 14 A. Correct.
 15 Q. All right. Is there any other materials
 16 or information that you have used or feel is important
 17 that we haven't talked about?
 18 A. No.
 19 Q. Okay. Okay. Let me ask you, did you
 20 review anything in particular for this deposition
 21 today?
 22 A. I reviewed my work papers, my testimony.
 23 I looked at a deposition from a prior case.
 24 Q. And which case was that?
 25 A. EC-2002-1, the Ameren complaint case.

1 Q. And whose testimony did you look at?
 2 A. Doyle Gibbs. It wasn't testimony. It
 3 was a deposition.
 4 Q. All right. Just for the record, lawyers
 5 call that testimony.
 6 A. Okay. Sorry.
 7 Q. That's all right. I know you know
 8 things that I don't know. All right. So you did look
 9 at Mr. Gibbs' testimony --
 10 A. Briefly.
 11 Q. -- that he gave in that case. When you
 12 say briefly, you just scanned through it?
 13 A. Right.
 14 Q. Did you look at any particular issues
 15 that he testified or gave a deposition on?
 16 A. Revenues.
 17 Q. All right. And how did you know he had
 18 done that? How did you know how to find that
 19 particular deposition?
 20 A. I had heard him talking in a prior
 21 Laclede case that he had been deposed, so I knew it
 22 existed.
 23 Q. Okay. Is that the only deposition
 24 you've reviewed?
 25 A. Yes.

1 Q. All right. Anything else? You
 2 mentioned your work papers, testimony, your own
 3 testimony, and the deposition testimony of Mr. Gibbs.
 4 Anything else for this deposition here today?
 5 A. Not that I'm aware.
 6 Q. Okay. All right. Fair enough. Did you
 7 talk to anyone about your deposition today?
 8 A. Yes.
 9 Q. Who did you talk to?
 10 A. My attorney, Denny Frey.
 11 Q. And you don't need to tell me what you
 12 talked to him about. Anyone else?
 13 A. My supervisor, Greg Meyer.
 14 Q. And what did you and Mr. Meyer talk
 15 about?
 16 A. We talked about -- we reviewed my
 17 testimony through a question-and-answer session. We
 18 discussed some of the work papers.
 19 We talked about general practice for
 20 depositions, such as remembering to say "I don't know"
 21 when you don't know.
 22 Q. Okay.
 23 A. And things such as that.
 24 Q. All right. So the two of you -- I'm
 25 understanding you to say that he posed some questions

1 that you might expect in the deposition and you gave
 2 practice answers?
 3 A. That would be correct.
 4 Q. Okay. And do you have a list of those
 5 questions?
 6 A. No, I don't.
 7 Q. Okay. Remind me at the end of the
 8 deposition what I didn't ask you. I could just do it
 9 that way and speed things up probably.
 10 Is there anyone else that you talked to about
 11 this deposition other than Mr. Meyer and your
 12 attorney?
 13 A. The fact that I was being deposed. I
 14 talked to my wife about it.
 15 Q. Okay.
 16 A. I'm sorry.
 17 Q. No, no, no, that's fine. That's an
 18 honest answer.
 19 A. I mean I don't know the extent to which
 20 you --
 21 Q. No, that's correct. All right. Did
 22 Mr. Meyer give you any written instructions?
 23 A. No.
 24 Q. Did he give you a written --
 25 A. There was another member of counsel, I'm

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1 sorry, that I talked to regarding that. And there was
2 a document that was provided related to the
3 question-and-answer -- or not the question-and-answer,
4 but things to expect in a deposition being -- that it
5 would be less formal.

6 But sort of guidelines as to how to conduct
7 yourself within a deposition.

8 Q. Okay. And this is from one of your
9 attorneys?

10 A. Yes.

11 Q. Okay. Other than that document that
12 have guidelines for depositions, any other written
13 documents that you've received that are pertinent to
14 this particular deposition?

15 A. No.

16 Q. All right. Have you reviewed anything
17 for your deposition or -- and/or more particularly for
18 your written testimony that you have not produced to
19 Ameren?

20 A. I'm sorry, I don't understand the
21 question.

22 Q. That's fair enough, and tell me when you
23 don't understand.

24 Let me ask it this way. Is there any
25 information that you have that you used in preparing

1 Q. Okay. And they have your work papers,
2 is that correct?

3 A. Yes, with the possible exception of the
4 insurance, which I believe the company received
5 earlier today, so.

6 Q. Okay. All right. Let me just ask
7 really probably not a proper question in some
8 respects.

9 But what is your understanding of your role
10 as a staff auditor in this case?

11 A. My understanding is that I am to look at
12 the books and records of the utility company,
13 specifically related to certain issues, and to make
14 recommendations based on my study of those issues.

15 Q. And do you function as an advocate for
16 some group?

17 A. Could you explain what you mean by
18 advocate?

19 Q. Well, are you on the side of somebody,
20 either the customer or the commission itself or --

21 A. It's my understanding that a staffer is
22 supposed to be looking for a balance between company
23 and -- or -- and the public.

24 Q. Okay.

25 A. Or customer, sorry.

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1 your written testimony or that you're going to use in
2 the deposition you give today that Ameren doesn't
3 have?

4 A. I don't know if they have the materials
5 from Mr. Allen.

6 Q. Okay.

7 A. From AGA.

8 Q. Okay. Anything other than that you know
9 that they may not or might not have considered already
10 but -- or looked at or reviewed or had available to
11 them?

12 A. Most of the material -- or I would say
13 all of the material is likely available to them.

14 Q. Okay. If you think of anything, would
15 you let me know?

16 A. Yes.

17 Q. Okay. All right. I mean you've
18 mentioned some things like work papers or those kinds
19 of things.

20 Would there be anything in those past work
21 papers that Ameren might not have that would be
22 significant to your written testimony?

23 A. If I used data from those work papers,
24 it would be included in my work papers, so they do
25 have it.

1 Q. So you look for balance between the
2 company and the customers?

3 A. Yes.

4 Q. You don't favor one over the other?

5 A. No.

6 Q. Okay. And does your written testimony
7 reflect that balance?

8 A. I believe so, yes.

9 Q. Okay. All right. Does the commission
10 consider your work papers?

11 A. I'm sorry, I don't understand.

12 Q. Well, is that available to the actual
13 commissioners, your work papers?

14 A. I don't know.

15 Q. Okay. I don't know either. I'm really
16 just asking you. I didn't know if you knew that or
17 not.

18 Okay. All right. Let me ask you, do you
19 have a copy of your testimony there that you can refer
20 to?

21 A. Yes. The electric or the gas?

22 Q. Just the electric.

23 A. Okay.

24 Q. I think. Okay. Is the full extent of
25 your testimony set out in your written testimony?

11 (Pages 38 to 41)

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1 A. I'm sorry, I don't understand what you
2 mean.
3 Q. What I mean is, do you have any other
4 opinions or positions that you're planning to take
5 that are not reflected in your written testimony?
6 A. No.
7 Q. Okay. And it's my understanding that in
8 this testimony that you've made adjustments in 18
9 separate areas, approximately 18?
10 A. I don't know the exact number, I'm
11 sorry.
12 Q. Would that sound approximately right?
13 A. Seven areas.
14 Q. Oh, I thought --
15 A. Oh, you mean the individual adjustments?
16 Q. I did.
17 A. Okay. Yes, I did.
18 Q. Were there any areas that you reviewed
19 that you didn't feel adjustments were needed?
20 A. Injuries and damages.
21 Q. Okay. Any other areas, or is that the
22 only one?
23 A. I believe that's the only one.
24 Q. So out of the -- let's say there's
25 seven. You would have looked at eight major issues?

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1 A. I believe that's correct.
2 Q. And that would be revenues, advertising,
3 insurance, uncollectibles, dues and donations, leases,
4 third-party pay stations, and injuries and damages?
5 A. Correct.
6 Q. And out of those eight, seven you found
7 adjustments in, correct?
8 A. Yes.
9 Q. All right. Before this deposition
10 began, you gave me a sheet of paper that you said
11 reflected a change or a correction in your testimony,
12 correct?
13 A. In the work paper.
14 Q. In the work paper. Okay. Let's just
15 mark this.
16 (The following exhibit was
17 marked for identification
18 by the court reporter:
19 Deposition Exhibit
20 Hagamayer 2, Correction of
21 the Revenue Growth
22 Annualization).
23 THE REPORTER: I've marked Exhibit 2.
24 MS. DURLEY:
25 Q. May I call you Jeremy?

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1 A. Yes.
2 Q. All right. Jeremy, let me hand you what
3 has been marked Deposition Exhibit 2, and this is our
4 only copy so we're going to have to share.
5 So would you tell for the record what
6 Deposition Exhibit Number 2 is? (Ms. Durley hands the
7 exhibit to the witness).
8 A. It's a correction of the revenue growth
9 annualization.
10 Q. Okay. And the correction is reflected
11 in that second column, correct?
12 A. Correct.
13 Q. All right. Your original -- what was
14 your original total?
15 A. I believe it was somewhere in the
16 neighborhood of 12 million.
17 Q. All right. And now it's been decreased
18 to a total of 10 million, correct?
19 A. Correct.
20 Q. Okay. And then I believe you told me
21 that because of that correction the total annualized
22 revenues would also have some changes from what you've
23 previously presented, correct?
24 A. Correct.
25 Q. Okay. But the column that's called

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1 weather normalized and days adjusted does not undergo
2 any corrections in Exhibit Number 2?
3 A. Correct.
4 Q. Now on this usage -- tell me what
5 that -- the second -- we were looking at the first
6 category. What's the second category and does that
7 reflect any correction?
8 A. The growth annualization column, the
9 middle column --
10 Q. Okay.
11 A. -- does reflect.
12 Q. And tell me what the original amount was
13 and now what the corrected amount is.
14 A. I don't remember the original amount.
15 I'm sorry.
16 Q. Higher or lower?
17 A. Higher.
18 Q. It was higher originally?
19 A. Yes.
20 Q. So there was a decrease in that column
21 as well?
22 A. Yes.
23 Q. Okay. All right. Other than this
24 change, are there other changes in your written
25 testimony that you need to make, want to make, have

12 (Pages 42 to 45)

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1 seen, whatever?
 2 A. Not that I'm aware of.
 3 Q. All right. If I wanted to understand
 4 your written testimony, what other testimony would I
 5 have to read in conjunction with yours to get a
 6 complete understanding of your opinions, if any?
 7 A. The accounting schedules.
 8 Q. Okay. And this is a bad copy, but is
 9 this the accounting schedules that you're referring to
 10 that's schedule 10?
 11 A. May I?
 12 Q. Sure. And I have a better copy if you
 13 want to look at it. (Ms. Durley hands a document to
 14 the witness).
 15 A. (The witness reviews the document).
 16 Yes.
 17 Q. Other than that, is there anything else
 18 that you would direct me to study so that I could
 19 understand your opinions?
 20 A. Not that I'm aware of.
 21 Q. Okay. Let me ask this question again.
 22 If I'm off base, you can tell me. Are these your
 23 opinions or are these opinions of the staff?
 24 A. They represent my opinions, but they're
 25 also on behalf of the staff.

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1 Q. As an auditor for the staff, are you
 2 totally independent in reaching your conclusions and
 3 opinions?
 4 A. Can you define totally independent?
 5 Q. Well, did anyone else review these?
 6 A. Yes.
 7 Q. Okay. If something would happen to
 8 you -- God forbid; I'm not suggesting that -- would
 9 someone else then be able to come in and adopt what
 10 you have done, or would they have to go back and do a
 11 complete new analysis?
 12 A. I would assume they could adopt it.
 13 Q. Okay. And when you say it's been
 14 reviewed, tell me what the review process is within
 15 the staff for something like the written testimony
 16 you've submitted.
 17 A. It's submitted to counsel. It's
 18 submitted to supervisors to review and see if they
 19 have any suggestions.
 20 Q. Okay. And did you do that?
 21 A. Yes.
 22 Q. And did you get any suggestions back
 23 from -- leave the counsel out, but from your
 24 supervisor?
 25 A. Yes.

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1 Q. Okay. And then what happens? Do you
 2 make those revisions?
 3 A. If I agree with them, yes.
 4 Q. What if you don't agree?
 5 A. We discuss it and we come to a
 6 consensus.
 7 Q. All right. Did you in this case
 8 disagree with any of the suggested revisions that were
 9 given to you?
 10 A. I don't recall.
 11 Q. And what happens to those revisions? Do
 12 they get written down and did you bring those
 13 revisions with you as part of your file?
 14 A. No.
 15 Q. What happens to them?
 16 A. Prior copies get destroyed.
 17 Q. And why is that?
 18 A. Because any changes that have been made
 19 are reflected in the finished copy.
 20 Q. All right. So you don't keep any
 21 working copies?
 22 A. It may be somewhere in the email
 23 system.
 24 Q. Okay. But as a -- as a part of your
 25 file, you don't say this is my first draft, here are

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1 the changes, this is my second draft, anything like
 2 that?
 3 A. No, I don't keep that.
 4 Q. We couldn't follow it, in other words?
 5 We might find something, but not the whole course of
 6 events?
 7 A. That would be true.
 8 Q. All right. And when you talk about your
 9 supervisor in this case, was that Mr. Meyer who
 10 reviewed these?
 11 A. Mr. Meyer and Mr. Rackers.
 12 Q. Okay. And you can't remember what
 13 suggestions that they made to you?
 14 A. No, I'm sorry.
 15 Q. Did they tell you the -- before you
 16 started this, did they tell you the way it ought to be
 17 done? Or did they give you advice or show you how to
 18 do it or show you prior examples of how they had done
 19 it? Let's talk about some of the revenues in
 20 particular.
 21 A. I apologize. Could you repeat the
 22 question?
 23 Q. Sure. My question to you is, prior to
 24 you writing the actual written testimony, your first
 25 draft, did you look at examples of how these issues

13 (Pages 46 to 49)

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1 were handled by staff in the past?
 2 A. Yes.
 3 Q. Okay. And what kind of samples did you
 4 look at?
 5 A. I looked at Mr. Gibbs' work papers in
 6 the complaint case. I discussed it with Greg Meyer.
 7 I believe I looked at a position paper on it, on the
 8 issue, but it didn't -- a position paper on the
 9 issue.
 10 Q. Tell me what you mean by a position
 11 paper.
 12 A. Basically a history of the issue and --
 13 of the issue at large.
 14 Q. The issue at large meaning?
 15 A. Revenues.
 16 Q. Revenues, okay.
 17 A. It had some prior testimony from another
 18 case. I don't remember which case.
 19 Q. Position paper created by the staff?
 20 A. Yes.
 21 Q. Was it a position paper for -- a generic
 22 position paper, this is generally what our position
 23 will be on these issues, revenue issues?
 24 A. I don't know that I would characterize
 25 it as that.

1 these particular areas?
 2 A. I'm sorry, could you -- could you
 3 explain.
 4 Q. Well, I assume you were assigned these
 5 areas to review, is that correct?
 6 A. Yes.
 7 Q. Is there any particular reason that you
 8 were picked out to do the review of these areas as
 9 opposed to some other person on the staff?
 10 A. I don't know.
 11 Q. All right. And who makes those
 12 assignments?
 13 A. It's -- in this case I believe it was
 14 Steve Rackers and Greg Meyer in consultation with Joan
 15 Wandel.
 16 Q. Okay. They get together and decide who
 17 they're going to assign to do what in this particular
 18 case?
 19 A. That's my understanding.
 20 Q. All right. And you were given these
 21 particular assignments?
 22 A. Yes.
 23 Q. And it's not based on some particular
 24 expertise or training that you have in these eight
 25 areas?

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1 Q. Okay.
 2 A. But --
 3 Q. Did you bring a copy of that with you?
 4 A. No, I don't believe I did.
 5 Q. All right. As an auditor, I assume
 6 there are different ways that you can make your
 7 calculations?
 8 A. I would agree with that.
 9 Q. Okay. And in this case would you agree
 10 that you followed the model that Mr. Gibbs had
 11 established in prior -- in a prior or other cases?
 12 A. No.
 13 Q. No? Okay. Did you create your own
 14 model?
 15 A. Yes.
 16 Q. All right. Did anyone tell you that you
 17 should follow Mr. Gibbs' model?
 18 A. No.
 19 Q. When you were asked -- I assumed you
 20 were asked to do these eight categories that we've
 21 discussed, the revenues, et cetera, that are listed on
 22 page 8 and then the eighth one being the injuries and
 23 damages?
 24 A. Correct.
 25 Q. Do you have any special expertise in

1 A. I don't know.
 2 Q. Okay. This may not be fair, because I
 3 know people are exchanging information.
 4 But is there any other information that
 5 you're expecting to review that would have an impact
 6 on your written testimony?
 7 A. From the company?
 8 Q. I don't know. Yeah. From the company?
 9 A. No. That was the question.
 10 Q. I know. Let me say from the company.
 11 Is there any other information -- I mean did you sit
 12 there and say, "Gosh, I wish I knew this" or "I wish I
 13 had this piece of paper" or "I wish -- you know, if I
 14 only knew this kind of thing"?
 15 A. I believe there may be data requests
 16 that have not -- that I haven't seen yet that may be
 17 pertinent.
 18 Q. Is there any mechanism for making
 19 changes in your written testimony?
 20 A. You mean other than saying on the record
 21 that I would like to --
 22 Q. Right.
 23 A. I suppose I could do that.
 24 Q. I'm just asking what typically have you
 25 seen in the past, if someone says -- I mean for

14 (Pages 50 to 53)

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1 instance, you found this correction today?
 2 A. Mm-hmm.
 3 Q. And we're able to discuss it today
 4 because you're in a deposition. Let's say
 5 hypothetically you found this correction tomorrow.
 6 Then what do you do with it?
 7 A. I would still contact my counsel. And I
 8 believe next week we're having a prehearing that we
 9 would be discussing hopefully any changes that need to
 10 be made or -- you know.
 11 Q. Okay.
 12 A. Something of that nature.
 13 Q. All right. So sometime in the process
 14 you're able to say, "I want to make this change or I
 15 found out this" or whatever, correct?
 16 A. Correct.
 17 Q. All right. Is there anything in
 18 particular that you felt you didn't have when you made
 19 this -- your written testimony?
 20 A. I believe I addressed one issue, Meramec
 21 terminal revenues, in the testimony itself as not
 22 having any -- there are two TV ads, TV ad 8 and TV ad
 23 9 that I referred to in my testimony, that I don't
 24 believe I had seen that are also addressed on the
 25 schedule 2.

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1 Q. Okay. Let me ask you on the Meramec
 2 terminal operations, do you have that information now?
 3 A. I believe I have some of it. I don't
 4 know that I have the full extent of any information
 5 that would be necessary.
 6 Q. All right. So you're not ready to
 7 propose any additional revenue adjustments for Meramec
 8 at this time?
 9 A. Right.
 10 Q. But if and when that occurs, then you
 11 will notify appropriate people --
 12 A. Yes.
 13 Q. -- so everyone knows. Okay.
 14 A. I'm sorry, I believe earlier that you
 15 had asked a question along those lines, that are
 16 there any -- regarding the testimony if there are --
 17 okay.
 18 Q. Yeah, and I had, and I knew that this
 19 was listed in here, so I just -- at this time you're
 20 not able or ready to talk about that because you're
 21 still waiting for additional information?
 22 A. Correct.
 23 Q. And is that true for the advertising
 24 one?
 25 A. Well --

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1 Q. Oh, go ahead.
 2 A. I don't know that -- I haven't had time
 3 to evaluate it fully.
 4 Q. Okay. All right. And was there one
 5 area in advertising you're still waiting for?
 6 A. The TV ads. I -- I need to follow up on
 7 that with Trina Muniz.
 8 Q. Okay. All right. Let me ask you about
 9 the test year that was used in this particular case.
 10 Are you familiar with the order establishing the test
 11 year?
 12 A. Yes.
 13 Q. And what is the test year?
 14 A. It's 12 months ending June 30, 2006.
 15 And then for the gas case it was updated through
 16 September.
 17 Q. Okay. And for the electric case, what
 18 was the true-up period?
 19 A. January 1.
 20 Q. 2007?
 21 A. 7, yes, sorry.
 22 Q. Okay. Was there any dispute as to the
 23 test year?
 24 A. Not that I'm aware of.
 25 Q. You didn't dispute it, I take it?

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1 A. No.
 2 Q. Okay. Is it your understanding the
 3 staff agreed that that would be the appropriate test
 4 year for this particular case?
 5 A. That's my understanding.
 6 Q. Okay. Can you explain the purpose of
 7 the test year?
 8 A. Test year is a 12-month period that's
 9 used to look at the relationship between revenues,
 10 expenses, and investment in order to propose a cost of
 11 service.
 12 Q. And have you used test years in previous
 13 cases?
 14 A. Yes.
 15 Q. All right. In the order for the test
 16 year, does the commission set out specific exceptions
 17 to the test year?
 18 A. I don't recall.
 19 Q. Okay.
 20 A. I don't believe so.
 21 Q. Have you seen the order itself?
 22 A. I have, but it's -- I don't remember it
 23 that well.
 24 Q. Okay. All right. That's fair enough.
 25 As a staff person, do you have specific guidelines on

15 (Pages 54 to 57)

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1 how you are to make adjustments, for instance the
2 revenue adjustments that you've made?

3 A. I'm sorry, I don't know what you mean by
4 guidelines.

5 Q. Well, you know, I asked you about model
6 and you said that you had seen some examples. It's
7 sort of part of that question.

8 Are there -- you know, is there a kind of set
9 expectations on how you would make adjustments in this
10 type of case?

11 A. I think there would be a standard for
12 how much -- or not how much. How much you look at an
13 issue and how much of that information goes into --
14 I'm sorry. Can I --

15 Q. Sure.

16 A. -- start over?

17 Q. You may. I was going to ask you to
18 explain it anyway.

19 A. Okay. I don't know that I would say
20 there are specific guidelines as to how you would make
21 an adjustment or even if you would make an adjustment.
22 But there is an expectation that you would look at the
23 issue thoroughly and base your recommendations on that
24 examination.

25 Q. All right. Other than that, there's no

1 In other words, the weather issue and the
2 number of days, et cetera, I would have to go to
3 someone else's testimony to understand that fully,
4 correct?

5 A. Yes.

6 Q. All right. If there is a change in
7 the -- let's call the normal weather, is that the way
8 you refer to that?

9 A. Yeah.

10 Q. All right. Okay. If there's a change
11 in the normal weather adjustments that were made by
12 someone else on -- are those staff people that made
13 those?

14 A. Yes.

15 Q. Then that would cause your calculations
16 to have to be further adjusted. Is that a fair
17 statement?

18 A. Yes.

19 Q. All right. Back to Deposition Exhibit
20 2, just as a hypothetical, you said there weren't
21 any -- that you were aware of any in the weather
22 normalization column that had changed.

23 But if they did change, then your columns
24 might change as well. Am I understanding that
25 correctly?

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1 set you should do these five things or that kind of
2 thing?

3 A. Not that I'm aware of, no.

4 Q. Okay. And is all your auditing
5 experience -- as I take it, it's been on the job at
6 the commission?

7 A. Yes.

8 Q. Okay. All right. I would like to talk
9 about the revenue portion of your testimony.

10 A. Okay.

11 Q. And in particular you start with
12 customer growth. Am I understanding your testimony
13 correctly that your discussion of customer growth
14 starts on page 3 and ends on about the middle of page
15 4?

16 A. Yes.

17 Q. Is there any other explanation of
18 customer growth that I maybe have overlooked other
19 than these two pages?

20 A. I don't believe so, no.

21 Q. Okay. Tell me when I'm wrong, okay.
22 But it's my reading of this that your explanation of
23 customer growth -- excuse me, yeah, customer growth
24 relies on some assumptions or some calculations that
25 are in other people's testimony.

1 A. Yes.

2 Q. Okay. And you don't have any opinion as
3 to the specific testimony regarding weather
4 normalization and days of usage other than what's in
5 the submitted testimony, correct?

6 A. Correct.

7 Q. You haven't done any independent work on
8 that particular -- or those particular issues
9 yourself?

10 A. On the weather norm and the days
11 adjustment?

12 Q. Uh-huh.

13 A. Correct.

14 Q. Okay. We've talked about the fact that
15 your testimony was reviewed by others.

16 Did you review other people's testimony in
17 this case that you didn't actually create and just
18 reviewed it for them or worked with them on it?

19 A. I believe I looked at Jim Bush's
20 testimony.

21 Q. And what was that on?

22 A. It was the pricing out of revenues.

23 Q. Okay. All right. Then you go on, and I
24 may have to just go over this a little bit with you.

25 But the adjusted revenue level is the base amount from

16 (Pages 58 to 61)

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1 which the staff made its growth adjustment.

2 What you're referring to here in the adjusted
3 revenue level is the adjusted months as a result of
4 billing adjustments, weather adjustments, and days of
5 usage adjustment, is that correct?

6 A. Can you refer me to where you're looking
7 at?

8 Q. Yeah, sure, I'm sorry. Line 19.

9 A. (The witness turns to the requested
10 page).

11 Q. When you talk about the adjusted revenue
12 level is the base amount -- I'm just trying to get at
13 an understanding of what your adjusted revenue level
14 is.

15 As I understand it, that's a combination of
16 billing adjustments, weather adjustments, and days of
17 usage adjustments.

18 A. (The witness reviews the document). It
19 reflects the adjustments made by Shawn Lange and Jim
20 Bush.

21 Q. And Kurt Wells as well?

22 A. Kurt Wells -- I believe he adjusted the
23 large power customers, and I don't believe I addressed
24 those.

25 Q. Okay. So you're -- -- I'm just trying

1 revenues. And I may have misspoken earlier when I
2 said --

3 Q. Right. So that's not included when you
4 talk about the adjusted revenue level?

5 A. Well, when you recalculate the revenue
6 levels, that eliminates the adjustments.

7 Q. Okay. All right. There's some
8 adjustments that went on at some point?

9 A. Correct.

10 Q. That's really all I need. All right.
11 Just going on, when you talk about the historical
12 data, what historical data did you review for customer
13 accounts?

14 A. I reviewed the company's 235 and 233
15 revenue reports that summarize usage and customer
16 levels from --

17 Q. Are those -- okay.

18 A. I'm sorry.

19 Q. Go ahead.

20 A. Monthly from I believe it was March of
21 '03. It's the first -- March of '03 onward. It's in
22 my work papers.

23 Q. I was going to ask you, that's in your
24 work paper?

25 A. Yes. All that data is.

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1 to understand. I'm not challenging. I'm just trying
2 to understand. I never really looked at this stuff
3 before.

4 But those adjustments are based on opinions
5 that others have reached. So they do their
6 adjustments, then you take their adjustments and build
7 on that, is that correct?

8 A. Correct.

9 Q. Okay. And I just wanted to make sure I
10 understood when you talked about the adjusted revenues
11 that we're talking about billing and weather and days
12 of usage. And that would be reflected in Bush's and
13 Lange's testimony?

14 A. Yes.

15 Q. You look at the paragraph before?

16 A. Yes.

17 Q. That's where I'm getting it from --

18 A. Sorry.

19 Q. -- that you talk about -- in the
20 paragraph above, you talk about billing adjustments,
21 you talk about adjusted to reflect normal weather, and
22 then adjustments for days of usage, those three
23 adjustments?

24 A. The effect of the billing adjustments
25 was eliminated through staff's recalculation of the

1 Q. All right. And that's data that came
2 directly from Ameren in terms of their customer
3 accounts for that --

4 A. Yes.

5 Q. -- time period or whatever?

6 A. Yes.

7 Q. Okay. And then you talk about
8 determining a pattern of growth. Are you the one that
9 determined whether there was a pattern of growth based
10 on that historical data?

11 A. Yes.

12 Q. Okay. And then when you say you saw a
13 trend, did you actually calculate the trend or -- tell
14 me how you get to this conclusion that you have on
15 this.

16 A. I made a graph and I looked at a graph
17 and looked at it graphically. And then that's what I
18 relied on.

19 I did look at it with a bit of regression,
20 but I wasn't able to rely on that because I'm kind of
21 new at regression analysis.

22 But mainly it's looking at it presented
23 graphically.

24 Q. And you actually made the graph
25 yourself?

17 (Pages 62 to 65)

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1 A. Yes.
2 Q. And that is contained in your work
3 papers as well?
4 A. Yes.
5 Q. And then you attempted to do a
6 regression analysis but didn't fully get that
7 accomplished?
8 A. I did, but I'm not fully confident in my
9 abilities at regression yet.
10 Q. Did someone else look at it for you to
11 see if that was complete or correct or done right or
12 whatever, your regression analysis?
13 A. No.
14 Q. Okay. So it's contained in there; you
15 just don't have a whole lot of confidence?
16 A. The regression is not --
17 Q. Okay.
18 A. -- because I did not rely on that.
19 Q. Okay. It's not included -- you tried it
20 but you didn't include it in your work papers because
21 you didn't rely on it?
22 A. Yes.
23 Q. Fair statement. All right. And then
24 according to this testimony -- you understand this is
25 really all I have. I don't have your work papers.

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1 A. Right.
2 Q. So but you then separated out the trends
3 that you saw by the class of customers?
4 A. Yes. I should clarify that. I broke
5 them down into subclasses.
6 Q. Okay.
7 A. For instance, 1M customers, which is
8 your residential class, you have 1M customers and then
9 you have 1M time of use customers.
10 And then it's that way in most of the -- or
11 in each -- there are at least two classes --
12 subclasses of customers for each of the four --
13 Q. Right.
14 A. -- groups that I looked at.
15 Q. And you found a trend in all of those
16 classes, and for the classes you didn't find a trend
17 in, you didn't include. I thought there was one that
18 you said you didn't see a trend.
19 A. There was a -- I believe it was -- I
20 referred to it in my testimony, if you don't mind.
21 Q. No, please. I encourage you.
22 A. (The witness refers to the file). For
23 both the 1M -- this is on page 3 starting at line 21.
24 I saw a trend in both 1M and 1M time of use.
25 Q. Okay.

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1 A. When I looked at 2M, I found trends in
2 all but one of the subclasses.
3 Q. How many subclasses are there in the 2M?
4 A. Six, I believe.
5 Q. All right.
6 A. In both of the subclasses of 3M I saw a
7 trend.
8 Q. Okay.
9 A. And in half the 4M subclasses I saw a
10 trend.
11 Q. And how many are there in 4M?
12 A. Four.
13 Q. Okay. And according to your testimony,
14 you annualized to the June 30th, 2006, day, correct?
15 A. For those customer subclasses that had a
16 trend.
17 Q. Right. But it was the same day for all
18 of the ones that had a trend: June 30th, 2006?
19 A. Yes.
20 Q. All right. Now then you reach your
21 conclusion that you determined the appropriate
22 customer levels. I'm looking at lines 8 and 9. You
23 priced out the annualized revenues.
24 And that's how you reached your conclusions,
25 which would be on your schedule, is that correct?

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1 A. Also taking into account staff witnesses
2 Lange and Bush's adjustments.
3 Q. Right. Okay.
4 A. Yes.
5 Q. Which we talked about. All right. Now
6 you have to explain how you did this.
7 A. All right.
8 Q. Tell me what you're looking at and what
9 you're going to do.
10 A. Do you want me to turn the computer
11 around?
12 Q. I don't know. Tell me what you're going
13 to do to explain --
14 A. I was going to go through the work paper
15 with you.
16 Q. Okay. Do you need to do that in order
17 to explain the process? And you're certainly welcome
18 to do that. I'm just wondering the best way --
19 A. It might help to explain it more fully.
20 Q. Okay. Do you want me to stand behind
21 you?
22 A. However you want.
23 Q. Okay. I mean whatever's convenient. I
24 hate to look over your shoulder.
25 A. It basically starts with --

18 (Pages 66 to 69)

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1 MR. MEYER: We might ask if there's anyone on
2 the line.

3 A. Let me get this viewable. Okay. I took
4 the customer bills that -- that's customer accounts.

5 MS. DURLEY:

6 Q. Okay.

7 A. Multiplied it by Mr. Bush's first block
8 sales, which basically he did. Shawn provided a
9 worksheet, Shawn Lange, sorry.

10 Q. Okay. That's all right.

11 A. Provided a worksheet with actuals,
12 actual residential small general service, large
13 general service, and SBS customers. That's 1M, 2M,
14 3M, and 4M.

15 Q. Okay.

16 A. From there Mr. Bush broke them into
17 revenue block -- or the first block sales, which if
18 you read the tariff -- and I have a copy of that
19 tariff. I may not have mentioned that I do have a
20 copy of the tariff.

21 Q. Okay.

22 A. But in each revenue class there is a
23 breakdown of the usage between first block, second
24 block --

25 Q. Okay.

1 customer in block form. And then multiplying it out
2 times my level of customers. Was that --

3 Q. Okay.

4 A. Was that clear enough? No, I'm --

5 Q. No, I know you're --

6 A. I'm trying to be helpful.

7 Q. No, no, no. I understand. I mean no, I
8 don't completely understand. But you're trying to be
9 clear. I appreciate your attempt to try to explain
10 this.

11 A. All right.

12 Q. Okay. What else?

13 A. Then I multiplied my level of customers
14 times the customer charge to determine the revenues
15 associated with the customer charge.

16 Q. Okay.

17 A. And then totaled all that up and came up
18 with a total monthly revenue associated with growth.
19 And this is where the switch comes in.

20 And then from Shawn's -- or Jim Bush's
21 revenues, I compared my annualized revenues and found
22 the adjustment that needs to be made.

23 Q. All right. And these would be projected
24 revenues, correct?

25 A. Annualized revenues. Not -- I don't

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1 A. -- or however many blocks is in the
2 tariff.

3 Q. All right. And am I understanding that
4 up to this point these are -- this is information
5 created by another staff person on which you based
6 your conclusions on?

7 A. Correct.

8 Q. Okay. So we're not to you yet?

9 A. Correct.

10 Q. This is just what you relied on in order
11 to get there. Okay.

12 A. Right. And then he made the adjustment
13 that Shawn suggested in the usage for weather
14 normalize.

15 Q. Okay.

16 A. And he multiplied it out, came up with
17 the revenue figure. And then did the same for the
18 days adjustment.

19 Now when it comes to my portion of it, what I
20 did was I took the -- the number of customers on the
21 last adjustment made by Mr. Bush. Sorry. Let me
22 rephrase that.

23 I took the first block usage, divided it by
24 the number of customers, and then multiplied it by my
25 growth customers. Basically determined a usage per

1 know that I would characterize it as a projection.

2 Q. Well, why not? Maybe I'm missing
3 something.

4 A. Because this level of customers is
5 already within the test year.

6 Q. Yeah, but the revenues would be
7 projected. You don't have those yet.

8 A. It would be annualized revenues based on
9 that. It would be taking that last known customer
10 group and making an annualization based on if this
11 group of customers had been in effect the entire year,
12 this would be the level of revenues.

13 Q. Okay.

14 A. I just don't know that I would
15 characterize it as a projection.

16 Q. Give me another word for it then. I'm
17 having a hard time -- I understand you're using the
18 word annualize. But it's if this occurs, then this is
19 what would happen or may happen, what you think will
20 happen.

21 A. I --

22 Q. No?

23 A. No.

24 Q. No?

25 A. Because they've already got that level

19 (Pages 70 to 73)

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1 of customers.

2 Q. But this hasn't happened, right?

3 A. That level of customers has.

4 Q. We're talking about the revenues.

5 A. Right, but the revenues are dependent
6 upon the customer though. I'm sorry.

7 Q. That's all right. No, we're just
8 talking. You're doing fine. And I'm not -- I'm just
9 trying to understand this. I guess these revenues,
10 they haven't yet occurred?

11 A. Correct.

12 Q. Okay. All right. Anything else about
13 this to explain how you've done this? All right. Now
14 that I've got that understood.

15 A. Oh, I believe that's pretty much what I
16 did.

17 Q. All right. All right. Now I have to
18 ask some questions.

19 A. Okay. All right. Let's kind of go back
20 a little bit. Is it your opinion that this case is
21 based on a historical test year?

22 A. Yes.

23 Q. All right. And what do you mean by a
24 historical test year?

25 A. The data used in this case was found in

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1 the test year or relied upon data that impacted the
2 test year.

3 Q. I'm sorry,

4 A. I apologize.

5 Q. You want to try that again?

6 A. I was --

7 Q. No, no, that's okay.

8 A. What we did was we examined the 12
9 months of the test year.

10 And we made adjustments to that test year,
11 the numbers that we actually found within the test
12 year, based on data that we felt warranted either
13 normalization or annualization, normalizing being
14 taking out extraordinary events or accounting for
15 those events.

16 And then annualizing being something that
17 occurred within that test year and spreading its
18 effect over 12 months.

19 Q. I have to go back to my --

20 A. Is that --

21 Q. No, I'm sorry. I appreciate your
22 explanation and I just -- is that your definition of a
23 historical test year?

24 A. Oh, I'm sorry.

25 Q. Okay.

1 A. Historical test year is just the 12
2 months that we examined in our case.

3 Q. And then how would you distinguish that
4 from a projected test year?

5 A. A projected test year in my view would
6 be looking at data beyond the 12 months and saying
7 that we anticipate this will in fact happen in the
8 next 12 months.

9 Q. Okay. Now looking at your work
10 papers -- and I don't know if you can look at this.
11 Can you tell me the historical number of residential
12 electric companies for the test year month of let's
13 say July of --

14 A. Yes.

15 Q. -- 2005. And what is that number?

16 A. Okay. It will be just a second.

17 Q. Okay.

18 A. July of when?

19 Q. 2005.

20 A. Okay. It will be just a moment.

21 Q. Okay.

22 A. Just any class in particular or like
23 residential?

24 Q. Residential, mm-hmm.

25 A. Okay. It will be just a moment while my

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1 work paper opens. (Pause in proceedings). For 1M
2 there was 1,006,474 customers. And then there were
3 also 36 time of use customers.

4 Q. What are time of use customers?

5 A. Customers whose usage -- the pricing of
6 that usage is dependent upon the hour of the day.

7 Q. There's only how many? Did you say 36?

8 A. 36, yes.

9 Q. Total 36?

10 A. Time of use at July '05.

11 Q. I understand. All right. Okay. And so
12 then look at your work papers and tell me the number
13 of residential customers you used for your revenues
14 for the test month of July 2006. Did I say that
15 right?

16 MR. WEISS: June.

17 MR. COOPER: July test year month period.

18 MS. DURLEY:

19 Q. Okay. The July test year month.

20 A. July being July '05.

21 Q. Is that the same --

22 MR. COOPER: That's correct.

23 A. Yeah.

24 MS. DURLEY: Okay. All right. Let's just do
25 it this way. Can we just take a little break and let

20 (Pages 74 to 77)

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1 me get sorted out here on some of the issues.
 2 (A recess was taken from
 3 2:21 p.m. to 2:33 p.m.)
 4 MS. DURLEY:
 5 Q. Are you ready?
 6 A. Yes.
 7 Q. Jeremy, we've taken a little break and
 8 had an opportunity to talk with our clients. Is there
 9 anything in your testimony that you would like to
 10 change or revise at this point?
 11 A. By testimony, you mean the deposition?
 12 Q. Yes. I'm sorry. The deposition.
 13 A. I'm sorry.
 14 Q. No, no, that's fine, and you need to ask
 15 those kind of questions. I apologize.
 16 A. Not that I'm aware of.
 17 Q. Speaking of -- they were talking about
 18 font bone College or University. Are you from St.
 19 Louis?
 20 A. No. Jefferson City.
 21 Q. And how does that work, when you take
 22 classes there?
 23 A. Oh, no, no, I'm from Jeff City. I live
 24 in St. Louis now.
 25 Q. All right. You live in St. Louis now?

1 A. Yes.
 2 Q. Okay. But you work for the commission.
 3 Do they have offices in St. Louis?
 4 A. Yes.
 5 Q. All right. Do all the auditors live in
 6 St. Louis or are there some that are here in Jeff City
 7 as well?
 8 A. There is a branch in Kansas City. The
 9 main office is here, and there are auditors here. And
 10 there's also a branch in St. Louis.
 11 Q. So you traveled from St. Louis to come
 12 down for this deposition?
 13 A. Yes.
 14 Q. All right. Let me just ask this. I
 15 don't know if it's relevant or not, but I have this
 16 reconciliation statement that I thought was submitted
 17 by staff. Have you seen this? (Ms. Durley hands a
 18 document to the witness).
 19 A. I don't believe I've seen this
 20 statement.
 21 MR. WEISS: That's just a work paper.
 22 MS. DURLEY: Just a working --
 23 MR. WEISS: Yeah. I don't think that's an
 24 official anything.
 25 MS. DURLEY: Okay.

1 Q. My only question about that is given --
 2 I understand it's just a work in progress. But it
 3 would change as a result of the change that you gave
 4 to me today in Exhibit Number -- whatever it was --
 5 2?
 6 A. It should, yes.
 7 MR. WEISS: Yeah.
 8 MS. DURLEY:
 9 Q. Okay. All right.
 10 A. Sorry, here it is. (The witness returns
 11 the document).
 12 Q. So if they had the whatever, the 12,000
 13 you originally had, it would change on this?
 14 A. Yeah. It would be 12 million.
 15 Q. Million. Excuse me. These figures are
 16 hard for me to comprehend.
 17 I want to talk to you, maybe move on to a
 18 different topic for a minute, about the costs that are
 19 associated with your customer growth.
 20 A. Okay.
 21 Q. I don't see that you mentioned that at
 22 all in your testimony. Would there be -- would you
 23 agree there would be an increase in the costs
 24 associated with additional customers?
 25 A. Yes, and we've -- as a result of the

1 increased customers and increased usage, you know,
 2 there would be -- we have included additional costs
 3 for fuel. There's also plant, which has a
 4 depreciation expense associated with it that we've put
 5 in that serves those customers currently.
 6 Q. So you have made an adjustment in the --
 7 A. I haven't, no.
 8 Q. -- the staff has made an adjustment in
 9 the fuel costs?
 10 A. Yes.
 11 Q. To accommodate for your projections of
 12 customer growth?
 13 A. My projections were given to Shawn
 14 Lange, and he computed the net system input which goes
 15 into the fuel model.
 16 Beyond that, I mean I don't know how it all
 17 comes out, but I know that my fuel level is -- not
 18 fuel. I'm sorry. My usage level is included in that
 19 fuel.
 20 Q. All right. And then you mentioned one
 21 other area you thought had been adjusted as a
 22 result -- a cost area that had been adjusted as a
 23 result of your customer growth?
 24 A. Did I -- plant?
 25 Q. Plant.

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1 A. Yeah, plant in service. And basically
2 what we've done is since those customers -- since I
3 annualized to the June level and we also included
4 plant up to the June level, the plant necessary to
5 serve those customers is already included in staff's
6 cost of service.

7 Q. I guess I'm not following you. Let me
8 ask it this way. Is there an adjustment in the cost
9 of plant and service that takes into account your
10 projections for customer growth?

11 A. The plant -- those customers are already
12 in the test year.

13 And so plant that's necessary to serve them
14 at the June 30 level, every piece of plant that's
15 serving those customers at June 30 is in staff's cost
16 of service.

17 Q. And if you needed additional plant
18 services to --

19 A. I don't know that -- I mean I don't know
20 that you would.

21 Q. Okay. You haven't accommodated or
22 included that in any of your calculations?

23 A. As part of the staff's cost of service,
24 that was included.

25 Q. All right.

1 net system inputs. But I don't -- I don't know for
2 certain.

3 Q. That's not something you specifically
4 reviewed, I take it?

5 A. Right.

6 Q. Okay. And other than what you've
7 already told me about, is there any other areas of
8 costs that are adjusted as a result of serving these
9 additional projected customers?

10 A. I mean there are lots of adjustments,
11 but I'm not sure that they're specific to this
12 adjustment.

13 Q. Okay. You would --

14 A. But staff annualizes -- because there is
15 an annualized revenues, there's also revenue --
16 annualized expenses and --

17 Q. Okay.

18 A. -- rate base as well.

19 Q. You would agree that if you had an
20 increase in customers, that you would have a
21 corresponding increase in costs?

22 A. In some costs, yes.

23 Q. All right. In what costs?

24 A. Fuel expense, I would imagine, would --
25 of course, you would need more fuel.

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Page 85

1 A. Plant --

2 Q. Any other -- any other operating
3 expenses that you have -- when I say you, I'll call it
4 the staff has calculated due to the projected customer
5 growth?

6 A. Depreciation expense.

7 Q. Okay. And explain what you've done with
8 that, or what the staff has done.

9 A. Staff has basically annualized
10 depreciation expense based on the June 30 level of
11 plant.

12 Q. Okay. And that's sort of what you just
13 told me before?

14 A. Mm-hmm.

15 Q. Okay. You have to tell me twice.

16 A. Yes, I'm sorry.

17 Q. Yes, you need to give an oral answer.

18 And do you have a specific level of fuel
19 expense you allowed as an adjustment? Or do you know
20 what it is?

21 A. I don't know what it is.

22 Q. That's fair enough. I'm just trying
23 to -- and that's -- tell me again whose testimony
24 that's in.

25 A. I believe Shawn Lange testified to the

1 Q. All right. Fuel expense, and that's one
2 that's you've -- that's been accounted for, not you
3 personally?

4 A. Right.

5 Q. All right.

6 A. The depreciation associated with
7 plant --

8 Q. Okay.

9 A. -- necessary. I know there was --
10 beyond that I'm not sure of the --

11 Q. All right.

12 A. -- specifics.

13 Q. Wouldn't if you have additional
14 customers you have to have additional -- and I thought
15 we called them plant, but additional equipment?

16 A. That would be in staff's plan.

17 Q. All right. That's in staff's plan. So
18 you would agree that you would need some additional
19 equipment. But what I'm understanding you to say is
20 that that's already been sort of accounted for?

21 A. That's my understanding, yes.

22 Q. Okay. But you don't know how much or
23 what they --

24 A. I don't know how much is associated with
25 the June 30 level.

22 (Pages 82 to 85)

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1 Q. Okay.

2 A. But in staff's cost of service there is
3 the June 30 level of plant that's associated with
4 those -- that serves currently those customers.

5 Q. All right. And what about other kinds
6 of costs that you would have associated with
7 additional customers?

8 Let me give some examples. I'm just making
9 these up. What about billing costs?

10 A. I looked at that but it didn't reach
11 the -- I'm sorry, earlier you mentioned the -- I
12 forgot about postage. But I did look at that as a
13 result. And it didn't reach the materiality
14 threshold.

15 Q. What's the materiality threshold?

16 A. 100,000.

17 Q. Dollars?

18 A. Dollars. So with your projected
19 customers in your calculation, the billing costs did
20 not -- were not increased over 100,000. Am I saying
21 that right?

22 A. My annualized levels of customers, if --
23 the change also accounting for the postage rate
24 increase of 1 cent didn't quite make 100,000. It
25 was -- I don't remember the exact number offhand.

1 Q. Is that something that's in your work
2 papers?

3 A. I believe it's in this work paper. I
4 didn't provide it earlier because it wasn't relied on
5 and I didn't make an adjustment based on it.

6 Q. When you say you didn't provide it, is
7 this the one that you just recently provided, is that
8 what you're saying? When you say you didn't --

9 A. No, I haven't provided.

10 Q. Oh, you have not provided?

11 A. Right. Because I did not make an
12 adjustment based on that.

13 Q. All right. Okay. What about other
14 costs that might be associated, increase in the calls
15 to the call center?

16 A. I don't know that an -- I don't know the
17 level would increase over -- I mean it's not
18 necessarily the case that just because you have an
19 added customer base that you're going to expect a
20 corresponding or however much -- well, may I start
21 over?

22 Q. Sure.

23 A. Okay. Thank you.

24 Since we've included the June 30 level of --
25 since we annualized the customer base to the June 30

1 level for certain classes, we've also annualized the
2 employee -- I don't know how else to say this other
3 than payroll.

4 But another staff witness looked at payroll
5 and did annualize that.

6 Q. All right. So the payroll would be
7 increased as a result of the projected increase in
8 customers?

9 If I'm not saying it right, I'm not trying to
10 misstate your testimony. I'm just trying to
11 understand?

12 A. Okay.

13 Q. Okay.

14 A. What I'm saying is basically we've
15 annualized this customer base. We've also annualized
16 the payroll.

17 Q. And do those two match, is what I'm
18 trying to ask?

19 A. We're establishing that relationship
20 there. For this level of customers, this is all the
21 expense, you know.

22 Q. All right. So let me ask you if that's
23 true, you would expect an increase in costs in let's
24 say meter reading for these additional customers,
25 correct?

1 A. I don't know. I mean the meter reading,
2 isn't that done automated now without --

3 Q. Is it?

4 A. Cell Net? I don't know.

5 Q. I don't know.

6 A. I don't know. I'm sorry.

7 Q. But let's say it's done the
8 old-fashioned way. Would then you expect an increase
9 in the costs?

10 A. Not necessarily.

11 Q. Okay. And why not?

12 A. Let's take for instance my apartment
13 complex -- my apartment building. All the meters are
14 in one location. Yeah. They're in the basement.

15 It wouldn't take -- if there was an
16 additional customer there that they had not been
17 reading the meter before, they could just look at it
18 there.

19 So I mean it's not necessarily one for one,
20 you add a customer, you add that, you add more meter
21 reading expense.

22 Q. Well, that might be true in that
23 example, but would you agree that one of the areas of
24 growth for customers is in suburban growth?

25 A. I don't know.

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1 Q. You live in the St. Louis area, do you
2 not?

3 A. I live in -- yes.

4 Q. All right. And are you familiar with
5 the growth patterns within the metropolitan area?

6 A. No.

7 Q. Okay. If there was an increase in the
8 customers in suburban or rural areas where they're out
9 building the new subdivision kind of things, you would
10 agree that that would take more time to go out and
11 look at those meters, would you not?

12 A. I don't necessarily agree because I
13 don't know.

14 Q. Okay. And that's fair enough. I'm just
15 trying to get at potential costs here.

16 All right. How about the uncollectibles?

17 A. Okay.

18 Q. Wouldn't you agree that you're going to
19 have an increase in uncollectibles as a result of your
20 projected customer growth?

21 A. No.

22 Q. Why not?

23 A. Because when I looked at the
24 uncollectibles area, if you'll refer to my work paper,
25 I don't know -- you haven't seen it.

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1 Q. No, I have not.

2 A. Okay.

3 Q. But you can tell me about it,

4 A. Okay. I looked at it and compared the
5 two, and there wasn't necessarily an increase when
6 there was an increase in customers. Or increase in
7 revenues. Which would correspond to an increase in
8 customers.

9 So if revenues increased so much, there is
10 not necessarily a corresponding increase in the
11 uncollectibles.

12 Q. And what did you -- how much data did
13 you look at to make that conclusion?

14 A. I went to -- I'll have to check. It
15 will be just a second. I looked all the way back to
16 January 2001.

17 Q. And what you're telling me is that you
18 do not believe that there is an increase in
19 uncollectibles due to increased revenues?

20 A. Could you rephrase that? I'm sorry.

21 Q. All right.

22 A. I may have misunderstood.

23 Q. Well, I may have said it backwards.
24 Wouldn't you agree that uncollectibles generally
25 increase when you have an increase of revenues?

1 A. No.

2 Q. And that's based on your analysis is
3 what you're telling me?

4 A. Correct.

5 Q. Okay. And is that reflected in your
6 work papers?

7 A. Yes.

8 Q. Okay. And we can look at that to see
9 what you've looked at?

10 A. Yes.

11 Q. So if you have more customers, you're
12 saying you don't have an increase in uncollectibles?

13 A. Not necessarily, no.

14 Q. And not necessarily, and in this case
15 definitely not? Is that what I'm hearing you say?

16 A. I have not found a link between the
17 two.

18 Q. Okay. And I'm really just asking that.
19 From a lay perspective, you can understand, that's all
20 I'm going at this from.

21 You get more customers, you've got increase
22 in services, you've got increase in maintenance,
23 you've got increase in all kinds of areas. From a lay
24 perspective, would you agree that that might be
25 expected?

1 A. I'm sorry, I don't know.

2 Q. Fair enough. All right. What about,
3 you know, the issue -- and again, these are areas that
4 I'm not very familiar with.

5 But an increase in the load that would be
6 required to provide service to additional customers,
7 that would increase. Would you agree with that?

8 A. Wouldn't that be in fuel?

9 Q. I don't know. Is that in fuel?

10 A. Yeah. We've accounted for that increase
11 in customers and in fuel.

12 Q. All right. And so the -- all the peak
13 and load is all included within the fuel?

14 A. I'm sorry. I don't know what you mean.

15 Q. All right. I'll withdraw the question.
16 I'm not sure what I mean either.

17 In any of your analysis is it important --
18 you said you didn't know this. Is it important to
19 know where the projected growth is going to occur?

20 A. No, because the customer charge
21 associated with that is the same as is the usage
22 charge.

23 It doesn't matter geographically where those
24 customers are, as long as they're -- I mean their
25 usage is considered in that -- in the analysis. I'm

24 (Pages 90 to 93)

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1 sorry, I wasn't clear.

2 Q. Okay.

3 A. If you look at the tariff, it doesn't
4 break it down on a geographic basis.

5 Q. All right. But I assume we're talking
6 beyond the tariff in terms of customer growth in some
7 of your projections. I'm just asking you, does it
8 make any difference where the growth comes from in
9 terms of revenues?

10 A. No.

11 Q. Okay. Now I want to make sure I
12 understand that, all of this. But is it true that
13 Ameren has not, did not experience the growth that you
14 have actually adjusted for in each of the months of
15 the test year?

16 A. That's not true. And they've actually
17 achieved the number that I used.

18 Q. And how do you -- did you determine that
19 they've achieved the number that you used?

20 A. By looking at the -- the customer
21 number. Sorry, I wasn't clear on that. They've
22 experienced the customer numbers that I've used, which
23 I looked at their reports for that information.

24 Q. You've gone back historically and looked
25 at it?

1 actual customers, 1,674,000 according to your
2 testimony.

3 A. Correct.

4 Q. Now I want to know what figure you used
5 for that same time period for customers.

6 A. Do you mean in determining my
7 annualization?

8 Q. Mm-hmm.

9 A. In the historical analysis I looked at
10 July '05, and the number was that that I provided
11 earlier. It was 1,006,474, unless I'm
12 misunderstanding the question, which --

13 Q. I thought there were actually
14 1,674,000 --

15 A. 474.

16 Q. 474?

17 A. Right. At July '05.

18 Q. And that's the figure you used?

19 A. To determine my analysis.

20 Q. And what was your analysis for that
21 month, is what I'm trying to get at? It has to be
22 greater than the actual amount.

23 A. My annualized level is greater than that
24 amount. However --

25 Q. What is your annualized level for July

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1 A. Yes.

2 Q. Okay. And they match?

3 A. I'm sorry, I don't follow.

4 Q. Okay. I thought what you were saying is
5 that your projections match what actually occurred?

6 A. I annualized to the June 30 level, which
7 is actually what -- they've experienced that level of
8 customers.

9 Q. Okay. All right. Let me go back to
10 that just one more time in terms of this. You told me
11 initially that there was 1,674,000 customers in July
12 of 2005?

13 A. Correct.

14 Q. Okay.

15 A. I believe that was 1M customers.

16 Q. 1M customers. Residential customers.
17 All right. And tell me the number that you used for
18 your calculation of customers in July of 2005.

19 A. I annualized to the June 30 amount. It
20 will be just a moment and I'll get the number that I
21 annualized to.

22 Q. Okay.

23 A. This is -- the customers they've
24 experienced in June 2006?

25 Q. No, we're talking about July 2005, the

1 of 2005?

2 A. My annualized amount was restated from
3 the June '06 number, which is 1,018,068 1M customers.
4 However, there are also 38 time of use customers.

5 Q. So the numbers we're looking at to
6 compare are the 1 million 474 versus 1 million 18 for
7 1M customers?

8 A. 1 million 604 hundred and 74 -- sorry.
9 1,006,474 customers.

10 Q. 474. I beg your pardon.

11 A. At the beginning of the test year. By
12 the end of the test year, they've reached 1,018,068
13 customers. They've grown that much.

14 Q. 1,018,000 --

15 A. 1,018,068, plus 38 time of use
16 customers.

17 Q. Okay. All right. Has this procedure
18 been used in other cases, rate cases such as the one
19 Ameren has filed?

20 A. This procedure. I'm sorry, I don't
21 understand.

22 Q. Your method for calculation of the
23 growth?

24 A. I know staff has looked at the end of
25 the -- for a trend, that staff looks at the -- I mean

25 (Pages 94 to 97)

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1 if it's an up or down trend, staff will look at the
2 last known. And in this case it was the June 30.

3 Q. All right. And this is similar -- I
4 think I already asked you this -- to what the way
5 Mr. Gibbs did his calculation, is that correct?

6 A. I don't remember.

7 Q. Okay. Do you know whether the staff or
8 you personally has gone back historically to look to
9 see whether there's any accuracy in this method?

10 A. Well, what I've done is I've also looked
11 beyond the test year. And there is more growth than
12 I've annualized to.

13 So I mean if you're looking at that,
14 obviously there's more growth, so the growth is --

15 Q. Yeah, but this growth is not in the test
16 year, right?

17 A. Right. And I haven't annualized to that
18 growth. I've only annualized to the June 30th level,
19 because that's within the test year.

20 Q. All right. And maybe annualized is the
21 problem we're having here. Explain what you mean by
22 how you annualize growth.

23 A. An annualization is an adjustment that
24 takes a piece of the test year, in this case June 30,
25 and spreads the effect of that all over a 12-month

1 period.

2 Q. Okay. And it is an averaging that
3 you're doing?

4 A. No.

5 Q. Well, how do you spread it over 12
6 months if you don't do any averaging?

7 A. I just -- they've experienced that level
8 of customers.

9 Q. Okay.

10 A. For that month.

11 Q. Okay.

12 A. What I've done is said, well, for all
13 months we're going to use that level of usage.

14 It's not an average. It's just that's -- I
15 mean I'm seeing a trend in growth, so I pick out that
16 level and assume that that's going to happen for an
17 entire year.

18 I just don't know that I would characterize
19 it as an average.

20 Q. Okay. All right. Let's talk just a
21 little bit about your -- the section on advertising.

22 A. Sure.

23 Q. You've got a lot of stuff in here, and I
24 just want to ask you a couple of questions. Did you
25 say there was something still you're waiting on for

1 advertising?

2 A. There are two TV ads.

3 Q. Okay. And will that make a difference
4 in your conclusions you have in your testimony?

5 A. Meaning that a certain level should
6 be -- I'm sorry, I don't understand.

7 Q. Okay. What is -- what is your general
8 conclusion about the adjustments that you've made in
9 advertising?

10 A. My conclusion is that, you know, we have
11 disallowed promotional and institutional advertising.

12 Q. And why is that?

13 A. Institutional doesn't serve a benefit to
14 the rate payers.

15 Q. And how do you determine it doesn't
16 serve a benefit to the rate payers?

17 A. All that -- the only purpose of that ad
18 is -- or of those ads is to build the company's image.
19 I haven't seen anything that would indicate that there
20 is any benefit accrued to the rate payers.

21 Q. For -- do you make a distinction between
22 promotional and institutional advertising?

23 A. Yes.

24 Q. Okay. What is that distinction?

25 A. The distinction is -- it's on page 6 of

1 my testimony, line 6, is -- I define them as based in
2 the Kansas City Power & Light order.

3 Promotional is the advertising used to
4 encourage or promote the use of a particular commodity
5 the utility is selling.

6 And institutional is advertising used to
7 improve or retain the company's public image.

8 Q. All right. And in terms of the safety
9 advertising, then have you made an adjustment there?

10 A. No, I've allowed all those.

11 Q. All right. And then you -- over on the
12 page 8 when you talk about the company does not track
13 any increase in revenues, and doesn't -- and you've
14 just told me that it doesn't benefit.

15 How would you ever establish this this type
16 of advertising was of benefit to the rate payers?

17 A. Let me make a distinction. When I was
18 talking about rate payer benefit, I was referring to
19 the institutional advertising. I was not talking
20 about the promotional advertising.

21 Q. Okay. All right. So how would you
22 establish a benefit to the rate payers for
23 institutional advertising?

24 A. I don't know that you can.

25 Q. Okay.

1 A. And that's --
 2 Q. It's impossible to do it?
 3 A. I don't know. I just don't know that
 4 you can. And I haven't seen any evidence to suggest
 5 that there is a benefit to the rate payers.
 6 Q. Okay. And Jeremy, I'm not challenging
 7 you. I'm just trying to get -- is this an area of
 8 your expertise?
 9 A. I have looked at the issue before.
 10 Q. Tell me what you mean by you've looked
 11 at the issue before.
 12 A. I've addressed it in the Atmos Energy
 13 case. Hold on. Let me make sure that I get the right
 14 cases. (The witness refers to the file).
 15 Let's see. Yes, I've looked at it in the
 16 Atmos Energy case, and I've looked at it as part of
 17 the Laclede Gas 2005 case.
 18 Q. Did you make the same conclusion in each
 19 of those cases, that there was no benefit to the rate
 20 payers?
 21 A. For institutional advertising.
 22 Q. For institutional?
 23 A. Yes.
 24 Q. Is it that you can't determine that
 25 there's no benefit or that there is no benefit?

1 A. I believe that there is no benefit to
 2 the --
 3 Q. Okay. How about in promotional, is it a
 4 benefit to the rate payers, or is that even a factor
 5 that you --
 6 A. The promotional advertising is -- I mean
 7 it's allowed to the extent that the company can
 8 provide cost justification.
 9 Q. Okay.
 10 A. And I believe that's also in the Kansas
 11 City Power & Light order.
 12 Q. All right. Let me ask you then -- let's
 13 just move on a little bit to the insurance question.
 14 A. Okay.
 15 Q. On page 9 of your testimony, you've made
 16 an adjustment for insurance premiums.
 17 And as I understand it, that's for nuclear
 18 power, that they can purchase insurance that will
 19 cover if for some reason they're not able to produce
 20 the energy, is that right?
 21 A. Replacement power, yes.
 22 Q. Replacement power, okay. Do you know
 23 whether or not the Nuclear Regulatory Commission or
 24 other agency requires them to have that kind of
 25 insurance?

1 A. No.
 2 Q. If they did, then would you adjust your
 3 adjustment?
 4 A. I would consider it.
 5 Q. Okay. If Ameren is not allowed to buy
 6 the replacement insurance, then -- and if something
 7 would happen, then what happens to the rate payer? Do
 8 they end up paying for it?
 9 A. Not necessarily.
 10 Q. Why not?
 11 A. The company would have to -- as I
 12 understand it currently, and I mean without -- without
 13 discussing the impacts of the fuel adjustment clause,
 14 because I have no -- I really don't know about that.
 15 But the company would have to file a rate
 16 case to get its fuel expenses associated with that
 17 increase, if there was an increase.
 18 Q. And would you support that then?
 19 A. I mean I would have to -- I would have
 20 to fully look at the issue. I haven't explored it and
 21 so I really --
 22 Q. Okay. And I guess I'm just logically
 23 saying if they disallow the insurance --
 24 A. You're saying the supposed increase, if
 25 it -- assuming there would be an increase, which I

1 don't know, associated with the replacement power,
 2 would I support the fuel expense associated with that.
 3 Is that what you're asking?
 4 Q. I think that's what I'm trying to ask.
 5 If you disallow the insurance, then is it your
 6 position the commission should allow the cost of
 7 replacement power?
 8 A. I really don't know.
 9 Q. Okay. All right. That's fine.
 10 A. I have to look at that issue.
 11 Q. Okay. All right. Okay. Dues and
 12 donations. Let's talk about that.
 13 A. Okay.
 14 Q. That's on that and the next page, page
 15 10.
 16 A. Mm-hmm. Yes.
 17 Q. It's my understanding that your
 18 adjustment is you just can't -- you can't use that as
 19 an expense. Nothing for dues and donations. Did I
 20 say that wrong?
 21 A. I don't understand what you mean.
 22 Q. I'm just trying to -- I'm getting tired
 23 here. Tell me what your position is on dues and
 24 donations.
 25 A. Basically that any dues or donations

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1 that don't provide a direct quantifiable -- and it's
2 just straight from testimony, line 6.

3 Q. I'm sorry. Go ahead.

4 A. Provided that there's no direct
5 quantifiable benefit to the rate payer and if they're
6 not necessary for providing safe and adequate service,
7 they shouldn't be allowed.

8 Q. All right. So do you have specific dues
9 that have not been allowed?

10 A. Those were detailed on my work paper --

11 Q. All right.

12 A. -- that I provided to the company.

13 Q. Let me ask it this way. Are there dues
14 that you do allow?

15 A. Yes.

16 Q. Okay. Do you remember what those are?

17 A. If they're identified, it would be dues
18 such as CPA license renewals and memberships to CPA
19 organizations and professional organizations and also
20 chambers of commerce. I'm trying to remember some of
21 the others.

22 Q. That's fine. You would allow for
23 professional membership for employees, is that
24 correct?

25 A. Yes, but they would have to be

1 Electric we disallow because it's generally a lobbying
2 organization.

3 Q. Edison Electric is considered a lobbying
4 organization?

5 A. Edison Electric Institute, yes.

6 Q. And how do you determine that?

7 A. (The witness does not respond.)

8 Q. Do they -- I'm asking two questions. Go
9 ahead. How do you determine that they're a lobbying
10 organization?

11 A. By looking at past commission rulings,
12 and I -- and prior staff testimony.

13 Q. All right. Is Edison eliminated because
14 it's a lobbying organization?

15 A. Yes.

16 Q. All right. If it weren't, then would
17 you allow it?

18 A. Any portion of the dues not associated
19 with lobbying or -- that do provide a direct,
20 quantifiable benefit to the rate payer and, you know,
21 or are necessary or in providing safe and adequate
22 services. It's the same --

23 Q. Okay.

24 A. -- determination.

25 Q. And the benefits that you're talking

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1 identified.

2 Q. What do you mean they, meaning the
3 individual?

4 A. The dues.

5 Q. Oh, the dues.

6 A. The organization dues.

7 Q. So for CPA you mentioned, those dues
8 would be acceptable?

9 A. Yeah, if AICPA was shown to be a due
10 that was paid, we would allow that.

11 Q. Okay. All right. And the same would be
12 true for attorneys, their bar dues, those kinds of
13 things?

14 A. Yes.

15 Q. All right. And then what about dues to
16 other professional associations or groups?

17 A. Like Society of Professional Engineers,
18 is that what you're -- would that?

19 Q. Yeah.

20 A. Yes.

21 Q. Okay. Okay. All right. What about the
22 membership in -- and I'm probably going to say this
23 wrong, but in the Edison Electric? Did I say that
24 wrong?

25 A. No, you said that right. Edison

1 about would be I suppose education, training, all
2 those kinds of things would be benefits to the rate
3 payers. Would you agree with that?

4 A. It depends. I mean I would have to --
5 it depends on the type of --

6 Q. Okay. I'm not sure what you mean it
7 depends. If they provide training --

8 A. It would depend on the type of training.
9 If your training is to influence legislators or to
10 influence -- or, you know, how to effectively reach a
11 congress person or whatnot --

12 Q. Okay.

13 A. -- you would want to disallow that.

14 Q. And I guess I was thinking more, you
15 know, education, training in substantive areas such
16 as, you know, safety or operation of your facility or
17 maintenance, those kinds of things.

18 A. I believe --

19 Q. You've allowed all those?

20 A. If they're not duplicative of another
21 organization in which the company belongs to.

22 Q. Okay. And does the commission -- I
23 guess the commissioners themselves belong to
24 organizations, is that true?

25 A. I don't know.

28 (Pages 106 to 109)

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1 Q. Do you know anything about their
2 professional --
3 A. I think -- I seem to recall, and this is
4 just -- well, I don't really know.
5 Q. There's an organization -- and don't
6 hold me on this; I know less than you do -- but
7 National Association of Regulatory Commissioner type
8 thing. Are you familiar with that?
9 A. Yes.
10 Q. Now would that be something that would
11 allow dues for that type of group?
12 A. Yeah, I would -- I would assume so.
13 Q. Okay. All right. But the EEI you would
14 not simply because you believe it -- or --
15 A. Correct.
16 Q. -- you understand it to be a lobbying
17 group?
18 A. Correct.
19 Q. Okay. What about the Nuclear Energy
20 Institute, would you allow those dues?
21 A. I would have to look at the
22 organization. I don't know right offhand.
23 Q. Is that specifically -- I guess I
24 don't -- you know, I'm not real sure what you've
25 eliminated here, so I just -- that would be in your

1 And I generally try and find their web page and look
2 at the About Us and evaluate it on that.
3 Q. Is that what you did for Edison
4 Electric?
5 A. No.
6 Q. No?
7 A. No. I looked at the audit provided
8 by -- it was -- the NARUC audit was provided in the
9 data request. I also looked at some prior staff
10 determinations on it.
11 Q. Okay. Okay. All right. Any other --
12 any other bases for making a decision as to what dues
13 should be accepted and what you haven't -- and not
14 accepted, what you haven't already told me about?
15 A. Just historical examination. For
16 instance, AGA, I looked at their budget and the NARUC
17 audit from the same time period as the EEI audit.
18 Q. Okay.
19 A. NARUC is spelled N-A-R-U-C. It's the
20 organization that you were referring to earlier.
21 Q. And tell me again what you said about
22 you looking at AGA and NARUC?
23 A. NARUC staff did an audit of AGA and EEI,
24 and I believe the last one was 1999. And I looked at
25 the ER results of those.

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1 work papers?
2 A. Yes.
3 Q. Okay.
4 A. I would have to look at that.
5 Q. And you just don't remember which ones?
6 A. Not offhand, no. I'm sorry.
7 Q. Okay. But you do allow the donation or
8 dues to chamber of commerce. Did I understand you to
9 say that?
10 A. Dues, not donations.
11 Q. Okay. And on what basis would you allow
12 those?
13 A. That they provide a benefit to the rate
14 payer and -- that they provide a benefit to the rate
15 payer.
16 Q. Again, I'm not challenging you, but who
17 makes a decision as to whether it's a benefit to the
18 rate payer? Is that your job or is that the
19 commission's job?
20 A. I look at that.
21 Q. And you make a recommendation?
22 A. I make a recommendation, yes.
23 Q. Okay. And on what do you determine
24 benefits?
25 A. I look at what the organization does.

1 MS. DURLEY: All right. Let me take another
2 little break, and I think we can finish up pretty
3 quickly.
4 (A recess was taken from
5 3:11 p.m. to 3:25 p.m.).
6 MS. DURLEY:
7 Q. Are you ready?
8 A. Yes.
9 Q. All right. Jeremy, we've had a short
10 break and I just want to clarify, I think I'm putting
11 the commas in the wrong place, to make sure that I
12 have the numbers correct.
13 It's my understanding that the actual
14 customer -- residential customer count for July of the
15 test year is 1 million 006 --
16 A. Yes.
17 Q. -- 474?
18 A. Correct.
19 Q. Okay.
20 A. And plus you've got to add in 36
21 customers.
22 Q. 36 customers.
23 A. Yes.
24 Q. And then for the annualized test year
25 for July, it's 1,018,068?

29 (Pages 110 to 113)

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1 A. The number is correct, but basically
2 it's the annualized level that's applied month -- for
3 12 months.

4 Q. Okay. But it would be the one for July
5 as well?

6 A. It would be a full year of 1,018,068
7 customers plus I believe it's 38 -- yeah, it's 38.

8 Q. 38 is what you had said?

9 A. For time of use.

10 Q. Okay. All right. I just wanted to
11 clarify that for me.

12 Now let me just end this deposition
13 hopefully by asking you if there's any other area of
14 explanation that you feel would be necessary to give
15 to me to explain what you've done and how you've
16 reached your opinions in here that we haven't already
17 discussed?

18 A. Okay. Just so that I have this correct,
19 could you repeat that question?

20 Q. Sure. What I'm asking you is whether
21 there's any area of explanation that you haven't
22 given to me that you feel like you need to or should
23 to make sure that your testimony is clear to someone
24 like me?

25 A. Other than what I've provided to the

Page 115

1 company through the work papers and in my testimony?

2 Q. Correct.

3 A. I don't believe I needed to provide any
4 more other than, you know, what I've provided, I
5 guess.

6 Q. All right. You were asked -- during
7 your preparation for this deposition, asked questions.

8 Are there some questions that you were asked
9 that I haven't asked that you feel are particularly
10 pertinent to your testimony here today?

11 A. To be quite honest, I don't remember the
12 questions.

13 Q. Okay. Oftentimes witnesses sit there
14 and say, "Why the heck isn't she asking me this? This
15 is what I really want to talk about?" Do we have that
16 kind of situation?

17 A. No.

18 Q. All right. Do you feel that you've
19 given full and complete answers?

20 A. I believe so, yes.

21 Q. Okay. Is there any -- anything during
22 our breaks or any area that you need to go back and
23 clarify or clear up or change in any respect regarding
24 the answers that you've already given to me?

25 A. I don't know.

1 Q. Okay.

2 A. I don't know, do you --

3 Q. Nothing nagging at you that, "Gosh, I
4 wish I could go back and explain that better" or again
5 or that kind of thing?

6 A. Nothing that jumps to mind.

7 MS. DURLEY: Okay. All right. Anything
8 else? All right. I have no more questions.

9 MR. FREY: I just have one question.

10 MS. DURLEY: Okay.

11 MR. FREY: Or two questions.

12 * * * * *

13 CROSS-EXAMINATION

14 BY MR. FREY:

15 Q. Mr. Hagamayer, I believe that Ms. Durley
16 asked you for a definition of the projected test year
17 during her questioning. Do you recall that?

18 A. Vaguely, yes.

19 Q. And would a projected test year require
20 an audit of budgeted info? In other words, costs that
21 have yet to be incurred?

22 A. If I were to base my analysis on
23 projections? Is that what you're asking me?

24 Q. Yes.

25 A. I would assume so, yes.

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1 Q. So would these costs be known and
2 measurable?

3 A. No, they wouldn't.

4 MR. FREY: No further questions. Thank you.

5 MS. DURLEY: I don't have any other
6 questions. Do you all have a procedure for reading
7 and signing or anything?

8 MR. FREY: We waive presentment but not
9 signature.

10 THE REPORTER: Would you like me to send it
11 to you then?

12 MR. FREY: Yeah.

13 THE REPORTER: Will you be withdrawing
14 exhibits?

15 MS. DURLEY: Oh. Let's clarify and get
16 that -- and I don't know if this needs to be on the
17 record.

18 (Proceedings go off the
19 record from 3:29 p.m. to
20 3:30 p.m.).

21 MS. DURLEY: Yes, can we just withdraw all
22 the exhibits?

23 MR. FREY: That's -- I just didn't know --

24 MS. DURLEY: Can we have this one?

25 THE WITNESS: Yeah. That's your company.

30 (Pages 114 to 117)

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1 MS. DURLEY: Okay. For the record, we
2 withdraw all of the exhibits and ask that they not be
3 included with part of this deposition.

4 (The deposition was
5 concluded at 3:31 p.m.)
6 (Ms. Durley withdrew
7 custody of Deposition
8 Exhibits Hagamayer 1 and
9 2).

10
11 [SIGNATURE RESERVED]

12 * * * * *

1 WITNESS ERRATA SHEET

2
3 WITNESS'S NAME: MR. JEREMY HAGAMAYER
4 CASE NAME: In Re the Matter of Union Electric Company
5 DATE TAKEN: January 10, 2007

6
7 Page # Line #
8 Should read:
9 Reason for change:

10
11 Page # Line #
12 Should read:
13 Reason for change:

14
15 Page # Line #
16 Should read:
17 Reason for change:

18
19 Page # Line #
20 Should read:
21 Reason for change:

22
23 Page # Line #
24 Should read:
25 Reason for change:

1 CERTIFICATE OF REPORTER

2
3 I, Karen S. Rogers, Registered Professional
4 Reporter, Certified Realtime Reporter, and Notary
5 Public within and for the State of Missouri, do hereby
6 certify that the witness whose testimony appears in
7 the foregoing deposition was duly sworn by me, that
8 the testimony of said witness was preserved via
9 machine shorthand by me to the best of my ability and
10 was thereafter reduced to written form under my
11 direction; that I am neither counsel for, related to,
12 nor employed by any of the parties to the action in
13 which this deposition was taken; and further that I am
14 not a relative or employee of any attorney or counsel
15 employed by the parties thereto, nor financially or
16 otherwise interested in the outcome of the action.

17
18
19
20
21
22 Karen S. Rogers, RPR, CRR,
23 CCR, and Notary Public within
24 and for the State of Missouri
25

1 STATE OF)
2)ss:
3 COUNTY OF)

4 I, JEREMY HAGAMAYER, do hereby certify:
5 That I have read the foregoing deposition;
6 That I have made such changes in form and/or
7 substance to the within deposition as might be
8 necessary to render the same true and correct;
9 That having made such changes thereon, I
10 hereby subscribe my name to the deposition.
11 I declare under penalty of perjury that the
12 foregoing is true and correct.

13
14 Executed the day of , 20
15

16 JEREMY HAGAMAYER

17
18
19 Notary Public
20 My Commission Expires:

MIDWEST LITIGATION SERVICES
1911 South National Avenue, Suite 402
Springfield, Missouri 65804
(417) 877-9700
(800) 280-3376

January 11, 2006

MR. DENNIS L. FREY
MISSOURI PUBLIC SERVICE COMMISSION
Suite 800 Governor Office Building
200 Madison Street
Jefferson City, Missouri 65102-0360

RE: In Re the Matter of Union Electric Company

Dear Mr. Frey

Enclosed please find an errata sheet and the original signature page from the deposition transcript of Mr. Jeremy Hagamayer. Per your request, I am sending this to you so that you may have him read and sign same.

Please return the executed signature page and errata sheet to Ms. Durlay within thirty days after receiving the transcript.

If you have any questions, please feel free to call our production department at (800) 280-3376. It was a pleasure working with you on this matter.

Respectfully,

Karen S. Rogers, RPR, CRR, CCR No. 846

1 WITNESS ERRATA SHEET

2

3 WITNESS'S NAME: MR. JEREMY HAGEMEYER

4 CASE NAME: In Re the Matter of Union Electric Company

5 DATE TAKEN: January 10, 2007

6

7 Page # 84 Line # 18

8 Should read: A. --rate base is recognized as well

9 Reason for change: mistake of witness

10

11 Page # 85 Line # 16

12 Should read: A. That would be in staff's plant.

13 Reason for change: recording error

14

15 Page # 85 Line # 17

16 Should read: Q. All right. That's in staff's plant. So

17 Reason for change: recording error

18

19 Page # 112 Line # 25

20 Should read: the results of those.

21 Reason for change: recording error

22

23 Page # 117 Line # 25

24 Should read: THE WITNESS: Yeah. That's for company.

25 Reason for change: recording error

120.2

1 Global

2 Witness name is spelled HAGEMEYER

1 STATE OF)
)ss:
 2 COUNTY OF)

3

4 I, JEREMY HAGEMEYER, do hereby certify:

5 That I have read the foregoing deposition;

6 That I have made such changes in form and/or

7 substance to the within deposition as might be

8 necessary to render the same true and correct;

9 That having made such changes thereon, I

10 hereby subscribe my name to the deposition.

11 I declare under penalty of perjury that the

12 foregoing is true and correct.

13

14 Executed the 2 day of March, 2007

15

16

17 JEREMY HAGEMEYER

18

19 Notary Public

20 My Commission Expires: 1-12-09

21

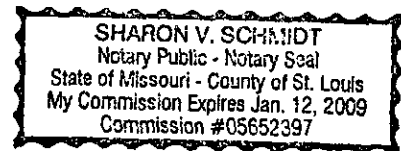
22

23

24

25

Jeremy Hagemeyer



Sharon V. Schmidt