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STATE OF MISSOURI
PUBLIC SERVICE COMMISSION

TRANSCRIPT OF PROCEEDINGS

Evidentiary Hearing

March 24, 2010
Jefferson City, Missouri
Volume 32

In the Matter of Union Electric)
Company d/b/a AmerenUE's Tariffs)
To Increase Its Annual Revenues) File No. ER-2010-0036
For Electric Service)

MORRIS L. WOODRUFF, Presiding,
CHIEF REGULATORY LAW JUDGE.

ROBERT M. CLAYTON III, Chairman,
TERRY JARRETT,
KEVIN GUNN,
ROBERT S. KENNEY
COMMISSIONERS.

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1 P R O C E E D I N G S

2 JUDGE WOODRUFF: Good morning, everyone,
3 and welcome to another day for the AmerenUE rate case
4 hearing. I understand there were some developments
5 overnight. Anybody want to tell me about the settlement?

6 MR. LOWERY: I'd be glad to, your Honor.
7 We have settled in principle and we are putting together a
8 document, that I don't anticipate any issue at all getting
9 that put together and agreed up, that settles all of the
10 fuel-related issues in the case except the Callaway fuel
11 issue. So that will be the only issue that remains
12 contested.

13 JUDGE WOODRUFF: And that was No. 12 on my
14 list here is the other fuel modeling issues, that has been
15 settled?

16 MR. LOWERY: Right. There were two or
17 three other issues within the other fuel modeling issues,
18 but all of those have been settled. Callaway fuel is the
19 only thing left.

20 I did notice that Mr. Dauphinais was not
21 literally listed under the Callaway fuel issue. He was
22 listed under other. He does have some testimony under
23 Callaway fuel. He is here today. I'm sure he's intending
24 to take the stand. It will just be the three witnesses on
25 Callaway fuel.

1 One other housekeeping item. We had never
2 actually entered testimony that was the subject of the
3 first stipulation, and if your Honor would like to go
4 ahead and take care of that housekeeping item, I could at
5 least for AmerenUE go ahead and move those into the record
6 at this point.

7 JUDGE WOODRUFF: That would be fine. Go
8 ahead and offer them.

9 MR. LOWERY: Those would be the following
10 testimonies: Testimony of Stephen Kidwell, Exhibit 142
11 and 143; testimony of Krista Bauer, Exhibits 144 and 145;
12 Michael Adams, 149 and 150; William Barbieri, 151; Gary
13 Weiss, 154 and 155; Steven Wills, 156; Jim Pozzo, James
14 Pozzo, 153; and Matt Michels, 152. I would offer those
15 into the record at this time.

16 JUDGE WOODRUFF: All right, 142, 143, 144,
17 145, 149, 150, 151, 152, 153, 154, 155, 156, I guess that
18 was it, have been offered into evidence. Are there any
19 objections to their receipt?

20 (No response.)

21 JUDGE WOODRUFF: Hearing none, they will be
22 received.

23 (EXHIBIT NOS, 142 THROUGH 145 AND 149
24 THROUGH 156 WERE WAS RECEIVED INTO EVIDENCE.)

25 JUDGE WOODRUFF: Does any other party have

1 testimony ready to offer at this time for the settled
2 issues? Ms. Vuylsteke?

3 MS. VUYLSTEKE: Yes. Ms. Langeneckert
4 asked me to the alert you to the fact that she would like
5 to include Ms. LaConte's testimony in the record, and I
6 will provide a copy of that to you and the court reporter
7 when I have that available.

8 JUDGE WOODRUFF: Just offer it again when
9 you have the copy. Mr. Mills?

10 MR. MILLS: Judge, I was going to ask you
11 about the Second Nonunanimous Stipulation & Agreement. Is
12 the Commission anticipating an on-the-record presentation
13 of that?

14 JUDGE WOODRUFF: That's on for discussion
15 today at agenda. We should be able to let you know. If
16 you listen to agenda, you'll probably find the answer
17 then. Otherwise, I'll let you know tomorrow morning.

18 MR. MILLS: Thank you.

19 JUDGE WOODRUFF: Any other housekeeping we
20 need to take care of? There's actually one other thing
21 that I wanted to bring up, and that was an e-mail I
22 received from Ms. Vuylsteke yesterday indicating that the
23 parties do not have questions for a number of Noranda's
24 witnesses, specifically Senator Mayer, Representative
25 Hodges, Keith Gregston, Rick Earnheart, Adonis Yatchew,

1 Joe Haslag and Paul Coomes.

2 I've talked with all the -- or had
3 communication with all the Commissioners about that. They
4 all indicate that they also do not have questions for
5 those witnesses. So if it's okay with the parties, they
6 will not be appearing is my understanding. Is that right,
7 Ms. Vuylsteke?

8 MS. VUYLSTEKE: That would be correct if
9 the Commissioners have no questions, and I really
10 appreciate your making that inquiry, Judge. We have not
11 heard yet from Mr. Curtis, so I want to confirm that he
12 has no questions before formally stating that we do not
13 plan to have them here. I expect that he will not, but
14 I'll know later this morning, I believe.

15 JUDGE WOODRUFF: I'll take no action on
16 that at this time, then.

17 Anything anyone else wants to bring up
18 before we get started on the Callaway issue?

19 (No response.)

20 JUDGE WOODRUFF: All right. Let's start
21 with mini openings on the Callaway fuel modeling issue,
22 beginning with AmerenUE.

23 MR. LOWERY: Good morning again, and may it
24 please the Commission?

25 The issue before you this morning is truly

1 a simple one. Will the costs of the nuclear fuel
2 assemblies, the rods if you will, that the company has
3 already bought and paid for, that are already sitting at
4 the Callaway plant site, that will be loaded into the
5 reactor at Callaway and that will produce electricity
6 before rates in this case take effect, will the cost of
7 those assemblies be included in net fuel cost in this case
8 or will those costs be ignored and, in effect, the result
9 of that being would you intentionally understate the net
10 base fuel costs that will be in effect when rates set in
11 this case are in effect?

12 In the last case, you did not ignore those
13 costs. In that case, the true-up cutoff date was
14 September 30th, and a few weeks later new fuel rods at a
15 higher cost were loaded into the reactor. The net base
16 fuel cost in that case did include those higher cost fuel
17 rods.

18 In this case, the true-up cutoff date is
19 January 31, and about ten weeks after that date, new
20 higher cost fuel rods will be loaded into the Callaway
21 reactor, and those rods will be producing electricity
22 before rates in this case take effect.

23 So the only difference between the last
24 case and this case is that the actual refueling this time
25 will occur about ten weeks after the true-up cutoff date

1 and it occurred about three weeks after the true-up cutoff
2 date in the last case. I would submit to you that that is
3 a distinction that is entirely without a difference.

4 When you set rates, what you are attempting
5 to do is set a revenue requirement, a net base fuel cost
6 part of the revenue requirement here, that reflects the
7 revenues, expenses and rate base, the relationship between
8 those items that you can reasonably expect to exist during
9 the time that rates will be in effect, and that's post
10 June 2010 here.

11 Staff and MIEC can split hairs about
12 true-up cutoff dates and known and measurable calculations
13 out to the fifth decimal point all they want, but the
14 truth of the matter is that when rates take effect in
15 June, the nuclear fuel cost at Callaway will be materially
16 higher, about \$10 million on an annual basis higher, than
17 they were the backward looking historical period that
18 Staff and MIEC are using, and that's because 50 percent of
19 the rods in the reactor at that time will consist of these
20 higher cost rods that have already been purchased.

21 So if you don't include those costs in net
22 base fuel costs in this case, you will understate net base
23 fuel cost. It's that simple.

24 It's truly ironic that the Staff is taking
25 this position in this case. Ms. Mantle in her FAC-related

1 testimony, as you heard yesterday, she took KCPL and
2 Empire to task and she tried to cast aspersions AmerenUE's
3 way, although cross-examination yesterday indicated that
4 she completely missed the mark, but she took KCPL and
5 Empire to task for what she perceived as their lack of
6 diligence in fully and accurately rebasing their net fuel
7 costs now that they have a fuel adjustment clause.

8 By contrast, the company took the same care
9 in this case in attempting to accurately rebase its net
10 fuel cost as it did in the last two rate cases when the
11 company had no fuel adjustment clause. Yet it is the
12 Staff, now that the company has a fuel adjustment clause,
13 who has changed its approach to nuclear fuel in this case
14 versus the last case.

15 In the last case, they said, sure, include
16 the higher cost of these higher cost nuclear fuel rods
17 that are going to be loaded into the reactor shortly after
18 the true-up cutoff date but before rates would take
19 effect, include them in rates. In this case they say, no,
20 for some reason it's not known and measurable, so we can't
21 include them in net base fuel costs in this case.

22 And the Staff doesn't even hide their
23 changed position. Staff witness Roberta Grissum
24 affirmatively points out in her testimony that in the
25 Staff's view this shouldn't be a big deal because, to use

1 her words, the company will, quote, recoup these costs
2 through the fuel adjustment clause anyway.

3 The goal should be to set net base fuel
4 coasts as accurately as possible whether there is a fuel
5 adjustment clause in place or whether there is not a fuel
6 adjustment clause in place. The company seeks to do so.
7 The Staff and MIEC do not.

8 Thank you.

9 JUDGE WOODRUFF: Thank you. Opening for
10 Staff.

11 MR. RITCHIE: Good morning. May it please
12 the Commission?

13 I just have a brief opening statement here.
14 The issue before the Commission is what is the appropriate
15 nuclear fuel price input for the production cost model?
16 The appropriate price to use as the nuclear fuel input for
17 the production cost model is the trued-up 15-month average
18 cost of the nuclear fuel actually burned by AmerenUE at
19 the Callaway 1 plant during the period beginning after the
20 most current nuclear fuel reload taking place October 2008
21 through January 2010.

22 Thank you.

23 JUDGE WOODRUFF: Opening for Public
24 Counsel?

25 MR. MILLS: Judge, I'll waive mini opening

1 on this issue.

2 JUDGE WOODRUFF: For MIEC?

3 MS. VUYLSTEKE: We'll waive as well. Thank
4 you.

5 JUDGE WOODRUFF: Well, let's go ahead and
6 get started with the first witness then, which would be
7 Mr. Irwin. Good morning, Mr. Irwin. Please raise your
8 right hand.

9 (Witness sworn.)

10 JUDGE WOODRUFF: Thank you very much. And
11 before each witness testifies, I've been making a little
12 announcement. That's simply please answer the questions
13 that are asked of you and don't try and elaborate
14 responses to justify your answer. Your attorney will have
15 a chance to do that later, but if do you that, then things
16 get slowed down with the direct examination for the
17 attorneys. Keep that in mind and we'll move much more
18 quickly.

19 You may inquire.

20 RANDALL IRWIN testified as follows:

21 DIRECT EXAMINATION BY MR. LOWERY:

22 Q. Would you please state your name for the
23 record.

24 A. Randall Irwin.

25 MR. LOWERY: Your Honor, Mr. Irwin's

1 testimony has already been admitted into the record and he
2 didn't have any corrections, I don't believe, so I will
3 tender the witness for cross.

4 JUDGE WOODRUFF: Okay. For
5 cross-examination, then, beginning with Public Counsel.

6 MR. MILLS: No questions.

7 JUDGE WOODRUFF: For Staff?

8 CROSS-EXAMINATION BY MR. RITCHIE:

9 Q. Good morning.

10 A. Good morning.

11 Q. Mr. Irwin, do you have a copy of your
12 rebuttal testimony with you?

13 A. Yes, I do.

14 Q. If you could turn to page 3, and starting
15 at line 17 with the first new sentence, would you please
16 read that sentence?

17 A. The cost of the new fuel assemblies
18 typically has increased when compared to the original cost
19 of assemblies currently in the reactor.

20 Q. Now, does the company attempt to hedge
21 these price increases for nuclear fuel?

22 A. We have several components that make up our
23 nuclear fuel cost, uranium, conversion, enrichment and
24 fabrication, and the only portion of those costs that
25 could be hedged is the uranium component. However, the

1 hedge market for uranium is just beginning to develop, and
2 it has very limited ability to hedge at this time uranium
3 costs. So the answer is, we do do some hedging for
4 uranium, but it does not cover the bulk of the cost for
5 nuclear fuel.

6 Q. Okay. I'm going to show you a copy of
7 Staff Data Request 73.

8 MR. RITCHIE: And I'd also like to
9 introduce this as a Staff exhibit. This is -- it will be
10 HC.

11 JUDGE WOODRUFF: All right. It will be
12 238HC.

13 (EXHIBIT NO. 238HC WAS MARKED FOR
14 IDENTIFICATION BY THE REPORTER.)

15 MR. RITCHIE: I need to make some
16 additional copies for the other parties.

17 MR. LOWERY: What was the number,
18 Mr. Ritchie?

19 MR. RITCHIE: Of the Data Request?

20 MR. LOWERY: Yes.

21 MR. RITCHIE: 73.

22 MR. LOWERY: Thank you.

23 BY MR. RITCHIE:

24 Q. Can you please turn to page 4?

25 A. Okay.

1 Q. Now, does the table on the bottom of page 4
2 reflect your current risk management policy with regard to
3 nuclear fuel?

4 A. Yes, it does.

5 MR. RITCHIE: Okay. I have no further
6 questions.

7 JUDGE WOODRUFF: Did you wish to offer 238?

8 MR. RITCHIE: Yes.

9 JUDGE WOODRUFF: 238 has been offered. Any
10 objections to its receipt? Hearing none --

11 MR. LOWERY: Actually, I'm sorry. I wasn't
12 quick enough. I'm going to object on relevance grounds.
13 I don't know what this has to do with what the fuel costs,
14 nuclear fuel costs are going to be or not going to be when
15 rates in this case are in effect.

16 MR. RITCHIE: Well, the witness talks about
17 price increases in his testimony, so I think this is
18 relevant to show what sort of risk management programs the
19 company has in place.

20 JUDGE WOODRUFF: This is about coal hedging
21 and rail surcharge hedging?

22 MR. RITCHIE: Page 4, it talks about the
23 four different aspects of nuclear fuel, uranium,
24 conversion, enrichment, fabrication, the table at the
25 bottom.

1 JUDGE WOODRUFF: I'll overrule the
2 objection and it's admitted.

3 (EXHIBIT NO. 238HC WAS RECEIVED INTO
4 EVIDENCE.)

5 MR. RITCHIE: Thank you.

6 JUDGE WOODRUFF: Thank you. Cross for
7 MIEC?

8 MS. VUYLSTEKE: No questions. Thank you.

9 JUDGE WOODRUFF: Come up for questions from
10 the Bench. Mr. Chairman?

11 CHAIRMAN CLAYTON: I have no questions.
12 Thank you, Judge.

13 JUDGE WOODRUFF: Commissioner Jarrett?

14 COMMISSIONER JARRETT: No questions.

15 JUDGE WOODRUFF: Commissioner Gunn?

16 COMMISSIONER GUNN: No questions.

17 JUDGE WOODRUFF: Commissioner Kenney?

18 COMMISSIONER KENNEY: I do, actually,
19 because I want to understand the point of this chart.

20 QUESTIONS BY COMMISSIONER KENNEY:

21 Q. The uranium contracts, I'm looking at
22 page 4 of 5 where it says three years prior to reloading.
23 That means you're 100 percent hedged three years prior to
24 reloading?

25 A. No, it does not. It means we are to have

1 under contract supplies for uranium three years ahead. It
2 doesn't say that the price has been fixed. It's purely a
3 volumetric hedge.

4 COMMISSIONER KENNEY: All right. That's
5 it. Thank you.

6 JUDGE WOODRUFF: Any recross based on those
7 question from the Bench?

8 (No response.)

9 JUDGE WOODRUFF: Any redirect?

10 REDIRECT EXAMINATION BY MR. LOWERY:

11 Q. Mr. Irwin, I just want to ask you one
12 question. You were asked by Mr. Ritchie about hedging,
13 and I think the gist of his question was, can't you hedge
14 nuclear fuel? I think you answered, well, it's not very
15 well developed and you don't hedge very much.

16 For -- at this time, what percentage from a
17 cost perspective of hedges in place for your nuclear fuel?

18 A. For all our --

19 Q. For the entire, for all four components,
20 what percentage is --

21 A. We have only hedged uranium in 2010 and
22 2011, and it's like maybe 30 percent of our total uranium
23 deliveries during that time. So if you translate that to
24 total nuclear fuel needed, which includes conversion,
25 enrichment, fabrication, it's probably more like

1 10 percent.

2 MR. LOWERY: Thank you. I have no further
3 questions.

4 JUDGE WOODRUFF: All right. Mr. Irwin, you
5 can step down.

6 And the next witness then will be
7 Mr. Dauphinais. Good morning, sir. Please raise your
8 right hand.

9 (Witness sworn.)

10 JUDGE WOODRUFF: Thank you very much. And
11 you were just in the back of the room and you heard my
12 little statement about only answering the questions that
13 are asked?

14 THE WITNESS: Okay. Yes.

15 JUDGE WOODRUFF: You may inquire.

16 JAMES DAUPHINAIS testified as follows:

17 DIRECT EXAMINATION BY MS. VUYLSTEKE:

18 Q. Good morning, Mr. Dauphinais.

19 A. Good morning.

20 Q. Would you state your business address for
21 the record.

22 A. 16690 Swingley Ridge Road, Suite 140,
23 Chesterfield, Missouri 63017.

24 Q. By whom are you employed and in what
25 capacity?

1 A. I am employed by the firm of Brubaker &
2 Associates. Inc. in the capacity of being a public utility
3 regulatory consultant.

4 Q. And are you the same James Dauphinais that
5 filed direct and surrebuttal testimony in this proceeding?

6 A. Yes, I am.

7 Q. And if I were to ask you the questions
8 contained in your direct and surrebuttal testimony today,
9 would your answers be the same?

10 A. Yes, they would.

11 MS. VUYLSTEKE: At this point, your Honor,
12 I would like to move for admission into the record the
13 direct testimony of Jim Dauphinais, HC and NP, and also
14 the NP and HC versions of his surrebuttal testimony, and
15 those would be MIEC Exhibits 415 through 418.

16 JUDGE WOODRUFF: 415, 416, 417 and 418 have
17 been offered. Any objection to their receipt?

18 (No response.)

19 JUDGE WOODRUFF: Hearing none, they will be
20 received.

21 (EXHIBIT NOS. 415 THROUGH 418 WERE MARKED
22 AND RECEIVED INTO EVIDENCE.)

23 MS. VUYLSTEKE: At this point I would
24 tender the witness for cross-examination.

25 JUDGE WOODRUFF: Public Counsel?

1 MR. MILLS: No questions.

2 JUDGE WOODRUFF: Staff?

3 MR. RITCHIE: No questions.

4 JUDGE WOODRUFF: AmerenUE?

5 CROSS-EXAMINATION BY MR. LOWERY:

6 Q. Good morning, Mr. Dauphinais.

7 A. Good morning.

8 Q. In the company's last rate case where the
9 true-up cutoff date was September 30th, 2008, the nuclear
10 fuel costs that were included in rates from that case were
11 based upon a refueling outage that started and began after
12 the true-up cutoff date, correct?

13 A. The first I've heard of that is this
14 morning in your opening statement.

15 Q. So you don't know?

16 A. I don't know, no.

17 Q. There's no Commission rule that precludes
18 the Commission from including the higher cost of these new
19 fuel assemblies in net base fuel cost, is there?

20 A. I don't know of any specific rule.

21 MR. LOWERY: I don't have any further
22 questions.

23 JUDGE WOODRUFF: All right. Come up for
24 questions from the Bench. Chairman?

25 CHAIRMAN CLAYTON: No questions. Thank

1 you.

2 JUDGE WOODRUFF: Commissioner Jarrett?

3 COMMISSIONER JARRETT: No questions.

4 JUDGE WOODRUFF: Commissioner Gunn?

5 COMMISSIONER GUNN: No questions.

6 JUDGE WOODRUFF: Commissioner Kenney?

7 COMMISSIONER KENNEY: No questions.

8 JUDGE WOODRUFF: No questions from the

9 Bench. Any redirect?

10 MS. VUYLSTEKE: No, no redirect.

11 JUDGE WOODRUFF: Mr. Dauphinais, you can

12 step down.

13 THE WITNESS: Thank you.

14 JUDGE WOODRUFF: The next witness then is

15 Roberta Grissum. Good morning.

16 THE WITNESS: Good morning.

17 JUDGE WOODRUFF: I believe you did testify

18 last week also, right?

19 THE WITNESS: Yes, I did.

20 JUDGE WOODRUFF: You're still under oath.

21 You may inquire.

22 ROBERT GRISSUM testified as follows:

23 DIRECT EXAMINATION BY MR. RITCHIE:

24 Q. Are you the same Roberta Grissum that

25 caused to be prepared certain testimony in Staff's revenue

1 requirement cost of service report regarding nuclear fuel?

2 A. Yes, I am.

3 Q. Do you have any changes to that testimony?

4 A. Not to the cost of service report, no.

5 Q. If I asked you the same questions today,
6 you'd give the same answers?

7 A. Yes.

8 MR. RITCHIE: I submit the Callaway
9 refueling adjustment portion of Staff's revenue
10 requirement cost of service report in for evidence.

11 JUDGE WOODRUFF: That would be Exhibit 200?

12 MR. RITCHIE: That's correct. And
13 Ms. Grissum's surrebuttal testimony has already been
14 admitted as Exhibit 224.

15 JUDGE WOODRUFF: Portion of 200 has been
16 offered. Any objection to its receipt?

17 (No response.)

18 JUDGE WOODRUFF: Hearing none, it will be
19 received.

20 (PORTION OF EXHIBIT NO. 200 WAS RECEIVED
21 INTO EVIDENCE.)

22 MR. RITCHIE: I tender the witness.

23 JUDGE WOODRUFF: Thank you.

24 Cross-examination, again beginning with Public Counsel.

25 MR. MILLS: No questions.

1 MS. VUYLSTEKE: No questions.

2 JUDGE WOODRUFF: AmerenUE?

3 CROSS-EXAMINATION BY MR. LOWERY:

4 Q. Good morning, Ms. Grissum.

5 A. Good morning, Mr. Lowery.

6 Q. I know from your testimony in deposition
7 last week that this is the only case where you had been
8 involved in normalizing power plant maintenance. I take
9 it this is the only case in which you've been involved in
10 making a recommendation regarding the appropriate level of
11 nuclear fuel costs to include in the revenue requirement;
12 is that true?

13 A. That is correct.

14 Q. In arriving at your nuclear fuel
15 recommendation, you primarily relied on two things, I
16 believe it was company's response to Data Request 65 and a
17 conversation you had with Mr. Irwin; is that right?

18 A. Yes. And also I need to expand on that. I
19 failed to make some statements during deposition. I need
20 to also keep in mind the parameters of the fuel modeling
21 as well as the true-up cutoff date, and also the
22 relationship that needs to be maintained between revenues,
23 expenses and investments.

24 Q. Now, what you did for the nuclear fuel that
25 is actually burned in the reactor is you looked at the

1 time period post the October to November 2008 refueling,
2 right? You looked at the time period starting back at the
3 time of that last refueling and looked forward, correct?

4 A. Right. I started with October past 2008
5 and --

6 Q. And I think ultimately what you intend to
7 get to is roughly a 15-month average from that
8 October/November 2008 period through January 31st, 2010.
9 Is that what you ultimately intend to do?

10 A. That is correct.

11 Q. So that would be a backward-looking average
12 of that historic 15-year (sic) period is what you propose
13 to use to set nuclear fuel costs; is that right?

14 A. Yes.

15 Q. And you did the same thing for spent fuel
16 costs as well. I was talking about the assemblies
17 themselves and fuel, but there's also a spent fuel cost
18 component, and you also intend to look back at that
19 historical period for the spent fuel cost; is that right?

20 A. 15-month average October through January
21 31st of 2010.

22 Q. And the sum of those two things, those
23 averages would be your recommendation for the nuclear fuel
24 cost; is that right?

25 A. Yes. My total nuclear fuel cost, yes.

1 Q. Now, in the last rate case, the true-up
2 cutoff date was September 30th, 2008, right?

3 A. I believe that is correct.

4 Q. And the refueling outage that took place
5 last time took place in October and November of 2008; is
6 that correct?

7 A. I believe that is correct also.

8 Q. And that's why you're looking forward from
9 post that refueling outage through January 31st, 2010,
10 right?

11 A. Correct.

12 Q. You're reflecting the higher cost from that
13 refueling outage from the last -- that occurred after the
14 true-up cutoff date in the last case, right?

15 A. I'm simply looking at the time period post
16 the refueling because when the refueling is occurring, the
17 costs are going down. So I'm trying not to have those
18 costs skewed, so I'm looking at any cost post that
19 refueling up to as far as I can get, which is the 15
20 months ending January 31st, 2010.

21 Q. And in the last case, the higher cost
22 associated with those fuel assemblies that were put in
23 during that refueling outage, the higher costs were
24 reflected in the revenue requirement even though the
25 refueling took place after the true-up cutoff date; isn't

1 that right?

2 A. Yes. My understanding is that the Staff
3 believed going out that extra one month to pick up that
4 refueling price would not impact significantly the
5 relationship between revenues, expenses and investment.
6 So it was consistent with Staff's position to do that.

7 Q. So the true-up cutoff date is not a magic
8 line in the sand, if you will, that says we cannot include
9 nuclear fuel costs after a true-up cutoff date, there's
10 some judgment or discretion that can be used at least from
11 the Staff's perspective as to when the Staff thinks that's
12 appropriate and when the Staff doesn't; isn't that right?

13 A. Well, in this particular case, January 31st
14 is --

15 Q. Ms. Grissum, the question I asked you was
16 whether or not there is a magic line in the sand and
17 whether or not there's judgment involved on the Staff's
18 part in deciding how far to go. Is there judgment? Is
19 there a magic line in the sand or is there not?

20 A. I believe there is.

21 Q. You're not aware of a Commission rule that
22 precludes the Commission from including the cost of these
23 higher priced fuel assemblies in net base fuel cost in
24 this case even though they won't be loaded into the
25 reactor until April, are you?

1 A. No, I'm not aware of a specific rule.

2 Q. I want you to assume that, in fact, the
3 company -- strike that.

4 On your surrebuttal testimony, I think at
5 page 2, line 22 to page 3, line 5, you cite the existence
6 of the FAC to illustrate that even if the higher nuclear
7 fuel costs are not included in the revenue requirement in
8 this case, AmerenUE would, in your words, quote, be able
9 to recoup changes in its fuel costs, including these
10 nuclear fuel cost changes, through its fuel adjustment
11 clause. Is that your testimony?

12 A. Yes. The fuel adjustment clause review
13 case considers all aspects of fuel.

14 Q. Now, that statement's not literally true,
15 is it, because 5 percent of the increase, assuming that
16 the fuel adjustment clause sharing provision is 95/5, 5
17 percent of the increase would not be recouped, would it?

18 A. If all other costs remain constant,
19 5 percent would not be recouped, but --

20 Q. And if MIEC and OPC got their way and it
21 was a 20 percent sharing mechanism, then all else being
22 equal, 20 percent of the increased costs would not be
23 recouped, would they?

24 A. With all other costs remaining constant,
25 that would be true.

1 Q. And even if 95 percent is recouped, there's
2 going to be a delay in recouping those higher costs, won't
3 there?

4 A. I believe there's some delay, but I do not
5 know all of the ins and outs of fuel adjustment clause, so
6 I cannot tell you the exact time frame.

7 Q. If the first adjustment after rates set in
8 this case doesn't take effect until October, is there
9 going to be a delay at least until October?

10 A. I would say yes.

11 Q. Are you aware that there's a 12-month
12 recovery period under the fuel adjustment clause?

13 A. No, I'm not aware with all the details of
14 the fuel adjustment clause. I did not analyze that.

15 Q. I want you to assume that there is a
16 12-month recovery period, and I want you to assume that
17 the first accumulation period under the fuel adjustment
18 clause ends in June 2010. Do you have those assumptions
19 in mind?

20 A. Okay.

21 Q. I want you to assume that these higher --
22 these higher priced rods actually start being burned in
23 May. Do you have that assumption in mind?

24 A. Okay.

25 Q. Based on those assumptions, and also

1 assuming that the first adjustment doesn't start until
2 October 1, then the higher costs in May and June won't
3 even start to be recovered until October 1 and wouldn't be
4 fully recovered until September 30th, 2011; isn't that
5 right?

6 A. If that's the terms of the fuel adjustment
7 clause recovery, yes.

8 Q. And then if we have another accumulation
9 period -- I want you to assume we have another
10 accumulation period that starts on July 1 and goes July,
11 August, September and October of 2010. Do you have that
12 assumption in mind?

13 A. Yes.

14 Q. I want you to assume that the next fuel
15 adjustment clause adjustment doesn't take place until
16 February 1st, 2001. Do you have that assumption in mind?

17 A. Yes.

18 Q. If that's the case, then higher costs in
19 July, August, September and October would not be fully
20 recovered until January of 2012; isn't that right?

21 A. Again, I do not know all the details of the
22 fuel adjustment clause, so I don't believe I can answer
23 your question.

24 Q. If those assumptions are true, isn't that
25 right? It's a hypothetical question. If those

1 assumptions are true, isn't that right?

2 A. I don't know the mechanics of the fuel
3 adjustment clause, so I don't know.

4 Q. Did you not understand the question?

5 A. No. You're asking me to assume, and
6 without me knowing how the fuel adjustment clause works, I
7 don't believe I could accurately answer the question.

8 Q. I'm going to ask the question again because
9 I'm entitled to ask you to assume. If you assume that the
10 accumulation period is July, August, September and October
11 of 2010, are you with me?

12 A. Okay.

13 Q. And you assume that the adjustment
14 reflecting those costs is February 1, 2011. Are you with
15 me?

16 A. Okay.

17 Q. And that it takes 12 months to fully
18 recover that February 1st adjustment through January 2012.
19 Are with you me?

20 A. Okay.

21 Q. Isn't it true, based on those assumptions,
22 that you won't fully recover the June through September
23 nuclear fuel costs through the fuel adjustment clause
24 until January of 2012?

25 A. With your assumptions, I would say that

1 would be true.

2 Q. Are you familiar with the Uniform System of
3 Accounts?

4 A. Yes.

5 Q. And you're aware that the Commission's
6 rules require the application of the Uniform System of
7 Accounts to utilities, including AmerenUE?

8 A. Yes.

9 Q. These nuclear fuel assemblies or rods, if
10 you will, they're a rate base item, right, until they're
11 burned?

12 A. Well, it's my understanding they are not
13 particularly rate base items. They start out as
14 construction work in process until they're fully
15 assembled, and then they move into what they call nuclear
16 fuel assembly stock account, and then once they're loaded
17 into the reactor, then they become inventory.

18 Q. And once they're burned, they're expensed
19 as fuel expense, right?

20 A. Correct.

21 Q. What happens when construction work in
22 progress, that construction is done? What happens from an
23 accounting perspective, do you know?

24 A. My understanding, when that assembly is
25 done, that those rods are moved out of construction work

1 in progress and into a materials nuclear fuel and
2 assemblies stock account.

3 Q. And what that means is AFUDC on those
4 assemblies stops when they're moved out of construction
5 work in progress, doesn't it?

6 A. That is currently my understanding, yes.

7 Q. Which means from the time period that that
8 occurred through when they are loaded in the reactor, the
9 company will receive no carrying costs on those
10 assemblies; isn't that right?

11 A. That's my current understanding.

12 Q. Do you know when the -- when they were
13 moved out of construction work in progress?

14 A. I believe Mr. Weiss told us that they were
15 moved in October of '09.

16 Q. So November, December, January, February,
17 March and let's say April, during that entire period, the
18 company will receive no carrying costs on these fuel
19 assemblies; isn't that right?

20 A. That's my understanding.

21 Q. Makes sense to you, does it not, that the
22 company wants to assure that it has nuclear fuel onsite
23 for the refueling outage; isn't that fair?

24 A. If it's part of their procurement pricing
25 strategy, I would say yes.

1 Q. I assume that the Staff wouldn't want the
2 company not to be absolutely sure that those assemblies
3 are there, fabricated and ready to go for the refueling
4 outage? Staff would want the company to be very
5 scrupulous in doing that, wouldn't it?

6 A. I would think it would benefit the
7 customers, yes.

8 Q. You agree, do you not, that the update or
9 trued-up test year is a period past but that is employed
10 as a vehicle on which to project experience in a future
11 period when rates determined in this case are going to be
12 in effect, correct?

13 A. No, we do not do a projection.

14 Q. Let me ask you the question again. Listen
15 to it very carefully. In general, do you agree that the
16 updated or trued-up test year is a period past but it is
17 employed as a vehicle on which to project experience in a
18 future period when rates determined in the case are going
19 to be in effect? Yes or no.

20 A. No.

21 Q. Do you have your deposition, Ms. Grissum?

22 A. Yes, and I realize my answer is different.

23 Q. If you'd turn to page 26 of your
24 deposition, please. I'll direct your attention to line 1.
25 Let me know when you have that, please.

1 A. Did you say page 28 or 26?

2 Q. 26, please.

3 A. I'm sorry. Okay.

4 Q. Starting on line 1, I want you to confirm

5 for me if I asked you the following question and you gave

6 the following answer:

7 Question: Let me ask you if you agree with

8 the following statement, and if you don't in some fashion,

9 if I tell me how you don't. Would you agree that the test

10 year is a period past but it is employed as a vehicle on

11 which to project experience in a future period when the

12 rates determined in the case are going to be in effect?

13 Answer: In general, that's correct.

14 A. That was my answer, and --

15 Q. Was that your answer, Ms. Grissum?

16 A. That was my answer, but it was not a

17 complete answer.

18 Q. It was your answer, correct?

19 A. That day, that was my answer.

20 Q. Before you had time to think more about it?

21 A. Correct.

22 Q. You update for known and measurable changes

23 that may make the costs and revenues in rate base more

24 reflective of the revenue requirement that will be in

25 place when the new rates are effective, right?

1 A. We're to normalize costs that keep in mind
2 the parameters of the true-up cutoff date while also
3 maintaining the relationship between the revenues,
4 expenses and investment, and that results in a revenue
5 requirement that will be used to set rates for a future
6 period.

7 Q. But I don't think you answered my question.
8 Isn't it true that you update for known and measurable
9 changes that may make the costs and revenues in rate base
10 more reflective of the revenue requirement that will be
11 place when the new rates are effective?

12 A. Repeat your question, please.

13 Q. Isn't it true that you update for known and
14 measurable changes that may make the costs and revenues
15 and rate base more reflective of the revenue requirement
16 that will be in place when the new rates are effective?

17 A. Based on historical data, yes.

18 Q. In recommending that an 11-month -- or I
19 guess actually you're going to use a 15-month period, but
20 I think you used 11 months when you filed your direct
21 case, right?

22 A. Correct.

23 Q. In recommending that an 11-month or
24 15-month historical average be used rather than the cost
25 level that will be in place after the refueling outage in

1 the spring of 2010, did you consider the fact that under
2 normal conditions the Callaway plant runs at full load 24
3 hours a day seven days a week?

4 A. No, I did not.

5 Q. Did you consider the fact that the megawatt
6 hours generated at Callaway each year don't vary based
7 upon the nuclear fuel costs?

8 A. No, I did not.

9 Q. Did you consider where the Callaway plant
10 fits in AmerenUE's dispatch stack?

11 A. No, I did not.

12 Q. You didn't consider the fact that even with
13 the nuclear fuel cost increase occurring with the
14 refueling outage this spring, that Callaway will still be
15 by far the cheapest generating resource AmerenUE has
16 except for the hydro units? You didn't consider that, did
17 you?

18 A. Did not.

19 Q. Assume for me that the Staff first runs its
20 fuel model and uses your 11-month or 15-month average,
21 historical average cost, and assume for me based on using
22 your number that Callaway produces X megawatt hours of
23 generation. Do you have that assumption in mind?

24 A. Yes.

25 Q. Now, assume for me that the Staff runs its

1 fuel model and it uses the higher cost calculated by
2 Mr. Irwin associated with -- including the new nuclear
3 fuel rods.

4 A. Okay.

5 Q. Do you have that assumption in mind?

6 A. Yes.

7 Q. Will the Staff's model produce the same
8 number of megawatt hours of generation as it did in its
9 first model when it used your price?

10 A. It should.

11 Q. And the dispatch of Callaway won't change
12 from the first Staff run to the second Staff run, will it?

13 A. Should not.

14 Q. Now, assume for me that the Staff does
15 model run No. 1 in my prior hypothetical using your price
16 and then does model run 2 using Mr. Irwin's, and assume
17 for me that the megawatt hours from Callaway don't vary
18 very much between the two runs, which you confirmed should
19 be the case. Including Mr. Irwin's price in Staff's
20 modeling based on those assumptions will not upset the
21 matching of revenues, expense and rate based that you are
22 trying to maintain by using trued-up numbers through
23 January 1 3 1, will it?

24 A. And I believe in my errata sheet I
25 corrected my response because I misheard that question.

1 It will disrupt the relationship between revenues,
2 expenses and investment.

3 Q. Turn to page 47 of your deposition, please.

4 A. Yes.

5 Q. I'm going to direct your attention to the
6 lines 10 to 21. Let me know when you're there.

7 A. Okay. Page 47. Yes.

8 Q. And before I do that, I'm going to show you
9 the errata sheets that you provided for your deposition.

10 A. I have copies of those also.

11 Q. Would you like to show me where you made a
12 correction to page 47, line 21? You indicate that you
13 misheard the question; is that right?

14 A. Yes. I thought you said what we were
15 talking about here was the relationship between revenues,
16 expenses and investment when considering Mr. Irwin's
17 price.

18 Q. Let me ask you for the record if I asked
19 you this question if you gave the following answer,
20 because I don't think the question was at all unclear.

21 Question: If that's true, then including
22 Mr. Irwin's price in the Staff's modeling is not going to
23 upset the matching of revenues, expenses and rate base, is
24 it?

25 Answer: I don't believe it will.

1 That was your answer at the time, correct?

2 A. That was my answer at the time.

3 Q. The company's labor costs are not going to
4 change based upon change in nuclear fuel costs, are they?

5 A. No, they are not.

6 Q. The company's other O&M costs are not going
7 to change based on a change in nuclear fuel costs, are
8 they?

9 A. Only to the extent that fuel expense will
10 change.

11 Q. Only the fuel expense component of O&M is
12 going to change, right?

13 A. Correct.

14 Q. The higher nuclear fuel cost of Callaway
15 won't effect the capital investment levels of the company,
16 will it?

17 A. No, it will not.

18 Q. So the only change that will take place in
19 revenues, expenses and rate base is the nuclear fuel cost
20 change itself, right?

21 A. Correct.

22 Q. A nuclear fuel cost change that's going to
23 be in effect when rates are set in this case; isn't that
24 right?

25 A. Correct.

1 Q. Mr. Irwin's testimony in this case is that
2 the price he calculates includes amortization of the cost
3 of the 50 percent of the fuel rods that are in the reactor
4 now that will remain in the reactor after the refueling,
5 right?

6 A. Yes.

7 Q. Plus it also includes amortization of the
8 other 50 percent of the new fuel rods that will be loaded
9 in the reactor in the spring, right?

10 A. That's what he asserts in his testimony,
11 yes.

12 Q. In fact, that's how fuel expense will be
13 calculated post the refueling, isn't it? You will have a
14 blend of the cost associated with the 50 percent of the
15 old fuel rods and the cost associated with 50 percent of
16 the new fuel rods, right?

17 A. Assuming that the 50 percent that are being
18 taken out are from the last refueling and 50 percent being
19 put in are the new fuel rods, that assumption is correct.

20 Q. And you don't have any facts that would
21 dispute that, in fact, that is how it works, do you?

22 A. No.

23 Q. Do you know how it works?

24 A. I understand that sometimes there could be
25 fuel rods left in the reactor as much as two refuelings

1 ago, but without seeing the exact number of rods taken out
2 of each refueling, I can't answer with any certainty.

3 Q. Mr. Irwin says it's 50 percent, doesn't he?

4 A. If he says 50 percent, then I have to agree
5 with him.

6 Q. I want you to assume for purposes of my
7 question that Mr. Irwin's testimony on that point is
8 accurate. All right? Do you have that assumption in
9 mind?

10 A. I'll assume it's accurate.

11 Q. He's been doing this for 25 or 30 years,
12 hasn't he?

13 A. Sure.

14 Q. This is the first time you've dealt with
15 nuclear fuel, isn't it?

16 A. Correct.

17 Q. Assuming that's correct, the rods that were
18 loaded in the reactor this spring, the 50 percent
19 Mr. Irwin testifies, they cost the company more than the
20 rods purchased in the past that are in the reactor now,
21 didn't they?

22 A. Yes.

23 Q. All else being equal, if the 50 percent of
24 the rods that are to be loaded into the reactor this
25 spring cost more than the 50 percent that are already in

1 there, the cost per MMBtu after the spring refueling
2 occurs will be higher than it was before the refueling,
3 won't it?

4 A. Yes.

5 Q. You agree, do you not, that the goal in the
6 case when it comes to fuel cost is to rebase those costs
7 as accurately as possible regardless of whether the
8 company has a fuel adjustment clause or not; do you agree?

9 A. Yes.

10 Q. Then I take it you would agree that the
11 Commission should make decisions on fuel-related issues
12 that promote that goal, shouldn't they?

13 A. Yes, keeping in mind the cutoff period, the
14 fuel modeling parameters, as well as the relationship that
15 needs to be maintained between revenues, expenses and
16 investment.

17 Q. Which may or may not promote that goal;
18 isn't that right?

19 A. It should maintain that goal.

20 MR. LOWERY: I don't have any further
21 questions, your Honor. Thank you.

22 JUDGE WOODRUFF: Come up for questions from
23 the Bench. Chairman?

24 CHAIRMAN CLAYTON: No questions. Thank
25 you.

1 JUDGE WOODRUFF: Commissioner Jarrett?

2 COMMISSIONER JARRETT: No questions.

3 JUDGE WOODRUFF: Commissioner Gunn?

4 COMMISSIONER GUNN: I don't have any
5 questions.

6 JUDGE WOODRUFF: Commissioner Kenney?

7 COMMISSIONER KENNEY: No, thank you.

8 JUDGE WOODRUFF: No questions from the
9 Bench, so no need for recross. Any redirect?

10 MR. RITCHIE: Yes.

11 REDIRECT EXAMINATION BY MR. RITCHIE:

12 Q. Do you think it's reasonable to assume that
13 all things will remain equal regarding fuel costs?

14 A. Repeat that. I'm sorry.

15 Q. Do you think it is reasonable to assume
16 that all things will remain equal regarding fuel costs?

17 A. No, it's not reasonable to make that
18 assumption.

19 Q. Aren't there potential offsets to the
20 increase in nuclear fuel costs?

21 MR. LOWERY: Objection. These are leading
22 questions obviously canned to produce a yes response or a
23 no response as counsel wishes her to say.

24 JUDGE WOODRUFF: I'll sustain the
25 objection. It is leading.

1 BY MR. RITCHIE:

2 Q. Okay. What are the potential offsets to
3 the increase in nuclear fuel costs?

4 A. Well, there can be declines in cost of
5 other fuels, coal or natural gas or oil. There could also
6 be decreases in purchased power, and there also could be
7 increases in off-system sales, which are all components of
8 the fuel expense.

9 Q. Okay. Do you recall the time delay
10 Mr. Lowery discussed with you?

11 A. The time delay in regard to the --

12 Q. FAC.

13 A. The FAC? Yes.

14 Q. Does the time delay apply to all fuel
15 components that flow through the FAC?

16 MR. LOWERY: Objection, leading. He asked
17 her does the time delay apply, asking for her to say yes.

18 JUDGE WOODRUFF: I'll overrule that
19 objection. You can answer the question.

20 THE WITNESS: Repeat your question, please.

21 BY MR. RITCHIE:

22 Q. Does the time delay apply to all fuel
23 components that flow through the FAC?

24 A. I believe it would.

25 Q. Can you explain why the operating

1 characteristics of Callaway in any way have a bearing on
2 this issue?

3 A. From a modeling perspective, Callaway, at
4 least two-thirds of a refueling is always modeled in the
5 production cost model as part of determining fuel
6 production costs, fuel costs.

7 Q. Are you aware if there's ever actually
8 two-thirds of a fuel reload in a year?

9 A. Well, refueling is an 18-month cycle, so
10 two-thirds of that 18 months is always in a year. It's
11 always modeled.

12 Q. You mean in a modeling year?

13 A. Yes, in a modeling year, because you're
14 trying to determine a normal level of operating of the
15 plants within that fuel modeling process.

16 Q. Do you know whether the company will
17 experience a payroll increase between now and when the
18 rates go into effect?

19 A. It's my understanding that there will be
20 several pay wage increases beginning, I believe, in April,
21 and the union contract wages are usually staggered over
22 several months.

23 Q. Why or why wouldn't any party propose to
24 include payroll increases in the cost of service?

25 A. Well, no party has proposed that we go out

1 and pick up these fuel -- or these wage increases because
2 it is beyond the parameters of the true-up cutoff date,
3 and it also causes an imbalance between the revenues,
4 expenses and investment required by Staff.

5 Q. Do you know whether the -- based on the --
6 that based on the results Staff has seen in the true-up,
7 whether the company will experience customer growth
8 between now and when the rates go into effects?

9 A. It's my understanding that the company's
10 true-up work papers do indicate that there will be a
11 customer growth of approximately \$10 million between now
12 and the June date.

13 Q. Do you know why or why not any party is
14 proposing to include that customer growth in the
15 calculation of the revenue requirement in this case?

16 A. Again, there's no party that's proposing
17 that we go out and pick up that customer growth, because
18 again it would significantly impact the ability to
19 maintain the relationship between expenses, revenues and
20 investment.

21 Q. Will the company add new plant between now
22 and when the rates go into effect?

23 A. Yes. I believe the company testified
24 earlier that they would be adding significant plant
25 between now and June.

1 Q. And do you know why or why not any party
2 proposing to include plant additions in the calculation of
3 the revenue requirement in this case?

4 MR. LOWERY: I'm going to object. It calls
5 for speculation as to why one party or another might or
6 might not propose something.

7 JUDGE WOODRUFF: I'll sustain that
8 objection.

9 BY MR. RITCHIE:

10 Q. Do you know why Staff would propose to
11 include plant additions in the calculation of the revenue
12 requirement in this case?

13 A. Staff would not propose to include that
14 because it is beyond the cutoff date, and it would again
15 make it difficult to maintain the relationship between
16 expenses, revenues and investment required.

17 Q. Can you explain what the effect would be of
18 including an expense that occurred four months after the
19 true-up cutoff date while excluding increases in revenue
20 and plant that also occurred after the true-up cutoff date
21 in the calculation of the revenue requirement?

22 A. It would disrupt the relationship between
23 revenues, expenses and investment and cause that
24 relationship not to be maintained.

25 MR. RITCHIE: I have no further questions.

1 JUDGE WOODRUFF: Ms. Grissum, then you can
2 step down.

3 THE WITNESS: Thank you.

4 JUDGE WOODRUFF: I believe that completes
5 the Callaway fuel modeling issue; is that fair?

6 MR. LOWERY: Yes. Your Honor, I failed to
7 move one piece of testimony in that was resolved by the
8 first stipulation into evidence earlier today. That's
9 Exhibit 159, the supplemental testimony of Gary S. Weiss.

10 JUDGE WOODRUFF: 159 has been offered. Are
11 there any objections to its receipt?

12 (No response.)

13 JUDGE WOODRUFF: Hearing none, it will be
14 received.

15 (EXHIBIT NO. 159 WAS MARKED AND RECEIVED
16 INTO EVIDENCE.)

17 JUDGE WOODRUFF. Before he left to get
18 ready for agenda, the Chairman asked me to ask a question
19 of the parties concerning that First Nonunanimous
20 Stipulation & Agreement that's on today's agenda, and if
21 you can answer this question, he'd appreciate it. It's
22 about the dollar amount of revenue requirement that is
23 affected by this Stipulation & Agreement. Has anyone
24 calculated that?

25 MR. LOWERY: I don't know if I have a copy

1 with me, your Honor. No, I can't answer it off the top of
2 my head.

3 JUDGE WOODRUFF: Anybody else?

4 MR. LOWERY: The revenue -- I mean, there's
5 a list in the miscellaneous of the various moves in the
6 revenue requirement. The one number that's not listed I
7 think is the customer growth number, and there's non-fuel
8 and fuel components of that number, so it's not a clean
9 answer to exactly give you a number.

10 JUDGE WOODRUFF: Then his other question is
11 how that number would differ from what AmerenUE's position
12 was coming into the case. Is that also found anywhere?

13 MR. LOWERY: No, it's not. I don't know
14 that that would be something that could be --

15 JUDGE WOODRUFF: It would probably be in
16 the initial reconciliation back in January, if somebody
17 were to look at it.

18 MR. LOWERY: I suppose it could be
19 discerned from that.

20 JUDGE WOODRUFF: Okay. He's looking for
21 information for today's agenda.

22 MR. MILLS: Judge, if I can just offer a
23 caveat to what he just said. Some of the -- I mean, you
24 can look at the initial reconciliation, you can look at
25 the updated reconciliation and you can look at the numbers

1 in the miscellaneous issues in the Stipulation &
2 Agreement, but there are some other changes, so that you
3 can't -- not everything that has changed from the initial
4 reconciliation to the updated reconciliation is due to the
5 settled issues. You can get a flavor of the magnitude,
6 but you're not going to get an exact dollar.

7 MR. LOWERY: Mr. Mills is exactly right.
8 For example, the company updated its ROE recommendation
9 and that changed. Capital -- the company's capital
10 structure changed because equity was issued between the
11 filing and the filing of rebuttal testimony. That
12 changes. So there's a lot of moving parts. I'm not sure
13 we can give the Chairman, you know, exactly the number I
14 think maybe he's looking for.

15 JUDGE WOODRUFF: Okay. I'll pass that
16 along to him.

17 Mr. Mills, anything else you want to bring
18 up?

19 MR. MILLS: No, Judge. I guess just if
20 this is the appropriate time, I wanted to ask some
21 questions about what our procedure will be tomorrow.

22 JUDGE WOODRUFF: Okay. Ask away.

23 MR. MILLS: We have the Nonunanimous
24 Stipulation & Agreement that's filed on the issues that
25 are going to be heard tomorrow and the next day, and it's

1 my understanding based on witness availability that we
2 will take the MEUA witness first, and then --

3 JUDGE WOODRUFF: That would be Mr. Chriss.

4 MR. LOWERY: Just to clarify, it was my
5 understanding that we were going to be taking Mr. Birk to
6 finish up a small leftover piece of depreciation.

7 MR. MILLS: Okay. With respect to the rate
8 design, class cost of service issues, we'll take
9 Mr. Chriss first; is that correct?

10 JUDGE WOODRUFF: That's the first I've
11 heard of it. It makes no difference to the Commission as
12 to who goes first.

13 MR. MILLS: I think it was indicated, and I
14 don't have a copy in front of me, but I think on the list
15 of witnesses, it was indicated that he was going first on
16 Thursday because of availability.

17 JUDGE WOODRUFF: I have that he would have
18 to testify tomorrow. I hadn't realized that he was going
19 to be first, but that's fine.

20 MR. MILLS: And I'm -- I think that would
21 make sense to do it that way just because of the positions
22 of the parties in any event. So I would suggest -- I
23 mean, that MEUA is not here to say whether they agree or
24 don't agree, but that would be my suggestion.

25 JUDGE WOODRUFF: If that's okay with the

1 parties, it's okay with the Commission.

2 MR. LOWERY: It's fine with AmerenUE.
3 Incidentally, your Honor, Mr. Wakeman will be here in the
4 morning as well. I think perhaps there was some leftover
5 issue from the training dollars, the union issues.
6 Mr. Wakeman will be available, for example, right after
7 Mr. Birk gets done tomorrow, he will be available if the
8 Commissioners had questions for him.

9 JUDGE WOODRUFF: We can slip him in. All
10 right. And there is a non-- there was a Nonunanimous
11 Stipulation & Agreement filed on these issues. That's
12 been objected to. I'm sure the parties are all aware at
13 this point the Commission cannot approve or reject that
14 Stipulation & Agreement. It is now just a joint position
15 of the parties. Any decision the Commission reaches on
16 rate design class cost of service will have be be
17 supported by competent and substantial evidence in the
18 record. We'll need that from the parties.

19 MR. MILLS: And typically when there is a
20 Nonunanimous Stipulation & Agreement that is objected to,
21 the parties are allowed to do additional direct of their
22 witnesses to elicit support for the change of position.
23 Will we be able to do that tomorrow?

24 JUDGE WOODRUFF: Again, I don't want to
25 make a decision on that until all of the parties are here

1 on that issue. You're correct, that's how it's been done
2 in the past.

3 Anything else we need to decide today? All
4 right. Then we'll adjourn until 8:30 tomorrow morning.
5 We are adjourned.

6 WHEREUPON, the hearing of this case was
7 recessed until March 25, 2010.

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1	I N D E X	
2	CALLAWAY FUEL	
3	Opening Statement by Mr. Lowery	2640
4	Opening Statement by Mr. Ritchie	2644
5	AMERENUE'S EVIDENCE:	
6	RANDALL IRWIN	
7	Direct Examination by Mr. Lowery	2645
8	Cross-Examination by Mr. Ritchie	2646
9	Questions by Commissioner Kenney	2649
10	Redirect Examination by Mr. Lowery	2650
11	MIEC'S EVIDENCE:	
12	JAMES DAUPHINAIS	
13	Direct Examination by Ms. Vuylsteke	2651
14	Cross-Examination by Mr. Lowery	2653
15	STAFF'S EVIDENCE:	
16	ROBERT GRISSUM	
17	Direct Examination by Mr. Ritchie	2654
18	Cross-Examination by Mr. Lowery	2656
19	Redirect Examination by Mr. Ritchie	2676
20		
21		
22		
23		
24		
25		

	Exhibits INDEX	MARKED	RECEIVED
1			
2			
3	EXHIBIT NO. 142		
4	Direct Testimony of Stephen M. Kidwell	2638	2638
5	EXHIBIT NO. 143		
6	Rebuttal Testimony of Stephen M. Kidwell	2638	2638
7	EXHIBIT NO. 144		
8	Rebuttal Testimony of Krista G. Bauer	2638	2638
9	EXHIBIT NO. 145		
10	Surrebuttal Testimony of Krista G. Bauer	2638	2638
11	EXHIBIT NO. 149		
12	Direct Testimony of Michael J. Adams	2638	2638
13	EXHIBIT NO. 150		
14	Rebuttal Testimony of Michael J. Adams	2638	2638
15	EXHIBIT NO. 151NP/HC		
16	Rebuttal Testimony of William J. Barbieri	2638	2638
17	EXHIBIT NO. 152		
18	Rebuttal Testimony of Matt Michels	2638	2638
19	EXHIBIT NO. 153		
20	Direct Testimony of James R. Pozzo	2638	2638
21	EXHIBIT NO. 154		
22	Direct Testimony of Gary s. Weiss	2638	2638
23	EXHIBIT NO. 155		
24	Rebuttal Testimony of Gary S. Weiss	2638	2638
25	EXHIBIT NO. 156		
26	Direct Testimony of Steven M. Wills	2638	2638
27	EXHIBIT NO. 159		
28	Supplemental Testimony of Gary S. Weiss	2681	2681
29	EXHIBIT NO. 238HC		
30	Response to DR MPSC 0073	2647	2649

1	EXHIBIT NO. 415		
2	Direct Testimony of James R. Dauphinais		
	Highly Confidential Version	2652	2652
3	EXHIBIT NO. 416		
4	Direct Testimony of James R. Dauphinais		
	Non-proprietary Version	2652	2652
5	EXHIBIT NO. 417		
6	Surrebuttal Testimony of James R.		
	Dauphinais, Highly Confidential Version	2652	2652
7	EXHIBIT NO. 418		
8	Surrebuttal Testimony of James R.		
	Dauphinais, Non-Proprietary Version	2652	2652
9			
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C E R T I F I C A T E

STATE OF MISSOURI)
) ss.
COUNTY OF COLE)

I, Kellene K. Feddersen, Certified

Shorthand Reporter with the firm of Midwest Litigation Services, do hereby certify that I was personally present at the proceedings had in the above-entitled cause at the time and place set forth in the caption sheet thereof; that I then and there took down in Stenotype the proceedings had; and that the foregoing is a full, true and correct transcript of such Stenotype notes so made at such time and place.

Given at my office in the City of Jefferson, County of Cole, State of Missouri.

Kellene K. Feddersen, RPR, CSR, CCR