

Exhibit No.:  
Issues: Allocation of Liabilities; Asset  
Listing  
Witness: Michael J. Getz  
Type of Exhibit: Surrebuttal Testimony  
Sponsoring Party: Union Electric Company  
d/b/a AmerenUE  
Case No.: EO-2004-0108  
Date Testimony Prepared: March 1, 2004

**MISSOURI PUBLIC SERVICE COMMISSION**

**CASE NO. EO-2004-0108**

**FILED<sup>4</sup>**

**APR 16 2004**

Missouri Public  
Service Commission

**SURREBUTTAL TESTIMONY**

**OF**

**MICHAEL J. GETZ**

**ON**

**BEHALF OF**

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

St. Louis, Missouri  
March 1, 2004

Exhibit No. 19  
Case No(s) EO-2004-0108  
Date 3-25-04 Rptr xf

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

In the matter of the Application of Union )  
Electric Company (d/b/a AmerenUE) for )  
an order authorizing the sale, transfer )  
and assignment of certain assets, real )  
estate, leased property, easements and )  
contractual agreements to Central Illinois )  
Public Service Company (d/b/a AmerenCIPS) )  
and, in connection therewith, certain other )  
related transactions. )

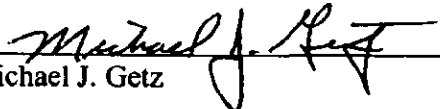
Case No. EO-2004-0108

**AFFIDAVIT OF MICHAEL J. GETZ**

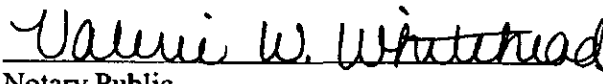
STATE OF MISSOURI )  
 ) ss  
CITY OF ST. LOUIS )

Michael J. Getz, being first duly sworn on his oath, states:

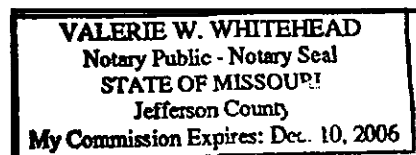
1. My name is Michael J. Getz. I work in the City of St. Louis, Missouri, and I am employed by Ameren Services Company as Director Plant Accounting in the Controllers' Function.
2. Attached hereto and made a part hereof for all purposes is my Surrebuttal Testimony consisting of pages 1 through 5, including Appendix A, all of which has been prepared in written form for introduction into evidence in Missouri Public Service Commission Case No. EO-2004-0108 on behalf of Union Electric Company, d/b/a AmerenUE.
3. I hereby swear and affirm that my answers contained in the attached testimony to the questions therein propounded are true and correct.

  
\_\_\_\_\_  
Michael J. Getz

Subscribed and sworn to before me this 1st day of March, 2004.

  
\_\_\_\_\_  
Notary Public

My Commission Expires: 12/10/06





1    **Q.     Can you be more specific?**

2    A.     Yes. In no particular order, these witnesses make various claims which  
3           eventually drive their recommendation that the Metro East transfer, aside from  
4           other concerns raised by them and other witnesses, is detrimental to the public  
5           interest. It is claimed by these witnesses (1) that in their view of the filing, and  
6           based on information provided by AmerenUE, no liabilities, except in the  
7           environmental area, would be transferred to AmerenCIPS from AmerenUE as  
8           they currently exist; (2) that AmerenUE has not provided a listing of its liabilities,  
9           or liabilities to be assigned; and (3) that the assignment of liabilities arising from  
10          services provided by Ameren Services to AmerenUE and AmerenCIPS is  
11          questionable. Mr. Gary Weiss, in his surrebuttal testimony, responds to the issue  
12          they raise regarding services provided by Ameren Services Company.

13   **I.     ALLOCATION OF LIABILITIES.**

14   **Q.     Please address the allocation of general liabilities issues.**

15   A.     It may be there has been some confusion over the matter of what liabilities are to  
16          be assigned, which needs to be clarified. It has always been AmerenUE's  
17          intention to assign at the time of closing an appropriate share of AmerenUE  
18          liabilities to AmerenCIPS. The Asset Transfer Agreement requires an assignment  
19          of AmerenUE liabilities that relate to or are associated with the business being  
20          transferred. The business being transferred, of course, can be generically  
21          described as the gas and electric utility business in the AmerenUE Illinois service  
22          territory. For example, a liability today that may be reflected on the AmerenUE  
23          journal entries is accrued payroll. At closing, an appropriate accounting journal

1 entry will be made on the books of AmerenCIPS to reflect this change in  
2 liabilities. The allocation of this and other liabilities to be assigned will be made  
3 using currently used and recognized allocation factors. In this example, the  
4 accrued payroll related to the AmerenUE departments currently operating in  
5 Illinois would be allocated to AmerenCIPS.

6 **Q. Has AmerenUE been able to identify the AmerenUE liabilities at issue?**

7 A. Yes. Specific liabilities related to the Illinois property and businesses were  
8 included on the original proposed journal entries submitted with the filing. The  
9 supporting detail information was provided near the time of the due date for  
10 Staff's testimony in this proceeding, and apparently Staff did not have time to  
11 review that before its testimony was due.

12 **Q. Setting aside the proper assignment of liabilities, can you foresee any**  
13 **detriment to ratepayers?**

14 A. No.

15 **Q. Please explain.**

16 A. The simplest answer is to note that rates are not being set in this proceeding.  
17 Rates are set in the context of a rate case when all elements of the cost-of-service  
18 can be examined. These accounting entries, whatever they may be, do not control  
19 the determination of just and reasonable rates. I doubt Staff means or intend that  
20 the accounting of liabilities in this proceeding will foreclose related ratemaking  
21 determinations in a subsequent rate case.

22 In addition, the Staff or any other party will be able to recommend and  
23 argue for whatever disallowances they believe appropriate in the context of a rate

1 case. For example, if Staff contends that a disproportionate share of an expense  
2 has been allocated to AmerenUE, no doubt it will make a disallowance  
3 recommendation of some sort.

4 **II. FIXED ASSET LISTINGS.**

5 **Q. Has AmerenUE provided the detail of the assets to be transferred to**  
6 **AmerenCIPS to the Staff?**

7 A. Yes, the detail of the plant assets as of December 31, 2003 for gas and electric  
8 transmission, distribution, and general plant to be transferred was provided in the  
9 response to MPSC data request 0028 on January 29, 2004. The assets were listed  
10 at the retirement unit level within each FERC account.

11 **Q. Why did the balance of the electric plant to be transferred to AmerenCIPS**  
12 **decrease from the original filing?**

13 A. After AmerenUE filed its Application in this case, it was discovered that the Iowa  
14 transmission lines and property were erroneously included in the listing of assets  
15 to be transferred to AmerenCIPS. These assets total approximately \$7.0 million  
16 and will be retained by AmerenUE.

17 **Q. Will the balance of assets to be transferred, if the filing is approved, be**  
18 **different in a material way from that provided in the response to MPSC data**  
19 **request 0028?**

20 A. No. The applicable assets have been identified as reported on the data request  
21 response. Since the data request listed the assets at a point in time, the only  
22 changes will be due to normal addition and retirement activity that will occur  
23 between December 31, 2003 and the date of the final approval. AmerenUE does

1           not anticipate any material differences in plant assets.

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

3    **A.    Yes, it does.**



### **QUALIFICATIONS OF MICHAEL J. GETZ**

My name is Michael J. Getz and my business address is One Ameren Plaza, 1901 Chouteau Avenue, St. Louis, Missouri 63103. My business residence is in St. Louis.

My educational background consists of a Bachelor of Science Degree in Accounting from Bradley University received in 1982. In 1983, I obtained my Certified Public Accountant certification in the State of Illinois. In 1988, I received my Masters of Business Administration degree from Bradley University, and obtained my Certified Management Accountant certification in 1996.

I began my employment at Central Illinois Light Company in 1984 in the plant accounting department. During my career I have supervised the accounts payable, general accounting, and plant accounting groups.

My duties as Director Plant Accounting include overseeing and maintaining the fixed asset records and the work order system.

**CERTIFICATE OF SERVICE**

I hereby certify that a copy of the foregoing has been sent to all parties of record this 1st day of March, 2004 by electronic mail (e-mail) or U.S. Mail.

**/s/ Joseph H. Raybuck**