

1 municipality like University City in converting to either
2 mercury or high pressure sodium?

3 A Now, in University City we have offered to
4 change the incandescent fixtures to mercury or high pressure
5 sodium at no charge to the customer.

6 Q So these tariffs which are in effect here
7 would not apply under the terms of the stipulation?

8 A That's correct.

9 Q And what type of conversion do you plan to
10 make in University City, mercury or high pressure sodium?
11 Is that their decision?

12 A That would be up to University City.

13 Q Looking at this rate sheet, what would be
14 appropriate under lamp and fixture for residential areas?

15 A To the best of my understanding, University
16 City--and perhaps they could best address that question--
17 has various sizes of lights. So, depending on the residential
18 area, or a commercial area, perhaps even some sort of a
19 small industrial area, they might want different types of
20 lights. So I really couldn't address very well what they
21 might want. The high pressure sodium light in the 250 watt
22 size is fairly large for a residential area.

23 Q You indicated that you were looking into the
24 availability of a 100 watt high pressure sodium. Will
25 that be available in time to make such a conversion?

1 A I would believe it would be.

2 Q So the municipalities that might be able to
3 make a conversion under the terms of this agreement, if it's
4 adopted by the Commission, will have available in the form
5 of tariffs filed for this Commission a 100 watt high
6 pressure sodium alternative?

7 A Well, I don't have responsibility for filing
8 those tariffs. But I believe we can develop such costs for
9 such a lighting fixture.

10 EXAMINER CADIEUX: Mr. Brady.

11 MR. BRADY: Perhaps, in an effort to under-
12 stand what's involved here, as far as this specific proceed-
13 ing is concerned, I might ask the company if they would agree
14 to stipulate, and maybe help the Commissioner, that all that
15 is involved here is the conversion from incandescent lights
16 in University City to mercury vapor lights. Can that be
17 stipulated to?

18 WITNESS ZDELLAR: If that's what you want.

19 MR. BRADY: A non-incandescent?

20 MR. BARNES: It is our understanding that
21 University City has requested only mercury vapor lights, so
22 far.

23 CHAIRMAN SLAVIN: Will there be a witness
24 from University City who can answer my question on that?

25 MR. BRADY: Yes, there will be, Commissioner
 Slavin.

1 EXAMINER CADIEUX: Mr. Carl.

2 MR. CARL: Just a very brief question
3 apropos of the Banner Iron Works exhibit that you put in
4 the record.

5 FURTHER QUESTIONS BY MR. CARL:

6 Q You did not mention Items 2, 3, and 4.

7 Would you state for the record what the costs
8 of those items are and, also, state whether the patterns are
9 readily available and whether those parts can be made?

10 A In the cost quotation from Banner Iron Works,
11 again, to Mr. Chris Kelleher of Union Electric, Item 1
12 referred to before was the 231 pattern post which was
13 \$1,204. The pattern price was \$9,000. And I understand
14 that there is not a pattern available for that particular
15 device.

16 In Item 2, Pattern No. 48, definition or
17 description is arm, in quantities of 8 to 10 the price would
18 be \$98.70 each. The pattern price is \$360. And I don't
19 know if a pattern is currently available for that or not.

20 Q Well, it says that Items 2, 3, and 4 have
21 existing patterns.

22 A Okay. Pardon me. That pattern is available.

23 Item No. 3, Pattern No. 49, description is
24 a flame, again, in quantities of 8 to 10 are \$16 each. The
25 pattern price is \$120. The pattern is currently available
at Banner.

1 Item 4, Pattern No. 49A, description is a
2 flame, in quantities, again, of 8 to 10 the price is \$16
3 each. The pattern price is \$120. A pattern is available.

4 Q May I ask you one thing.

5 Were you aware when you submitted ...'s
6 exhibit that the company--and there will be, we understand,
7 another witness to this point. But were you aware that the
8 company had a number, which will be established later, but
9 that the company had in stock in its yards this number 231
10 pole?

11 A I am aware that the company has some of those
12 poles at the present time.

13 EXAMINER CADIEUX: Mr. Kay.

14 MR. KAY: I have one question for the witness
15 that the Commissioner referred to.

16 CROSS-EXAMINATION BY MR. KAY:

17 Q On Page 5, or Sheet 43, the change of the
18 relocation charge. My question is: Is it the company's
19 position that if a new technologically advanced type of
20 light or bulb comes out that is smaller in size but more
21 efficient, it would then be the customer who would bear the
22 cost of replacing existing bulb with a more efficient bulb
23 even though it's smaller?

24 A The definition of the size of the bulb, which
25 I've already addressed, is lumen output, not physical size

1 of the bulb or the watts of the bulb.

2 Q But that is not what that Paragraph 3.a. says.
3 It says lamp size.

4 A By lamp size, I have said earlier that we're
5 talking about lumen output.

6 Q That's your definition of lamp size?

7 A Yes.

8 MR. KAY: I have no further questions.

9 CHAIRMAN SLAVIN: Mr. Barnes, do we have any-
10 where in your definitions, other than through interpretation,
11 larger and smaller?

12 MR. BARNES: Not directly. If you'll look
13 on Page 39 (M) of the exhibit, you'll see under lamp and
14 fixture that we list them according to lumens and watts.
15 That is, I guess, as close to a definition of lamp size as
16 we can get.

17 EXAMINER CADIEUX: Any further questions of
18 this witness?

19 (No response.)

20 EXAMINER CADIEUX: If none, the witness is
21 excused.

22 (Witness excused.)

23
24 EXAMINER CADIEUX: Any objections to Company's
25 Exhibits 6, 7, and 8?

1 MR. BRADY: University City has none.

2 MR. KAY: None.

3 EXAMINER CADIEUX: Hearing no objections,
4 those exhibits are received at this time.

5 (EXHIBITS NOS. 6 TO 8 WERE RECEIVED IN
6 EVIDENCE AND MADE A PART OF THIS RECORD.)

7 EXAMINER CADIEUX: Let's take a ten-minute
8 recess at this point.

9 (A recess was taken.)

10
11 EXAMINER CADIEUX: The hearing will come to
12 order.

13 Mr. Barnes, you may call your next witness.

14 MR. BARNES: I would like to call
15 Mr. Merrill Jack Gillum to the stand.

16 (Witness sworn.)

17
18 MERRILL JACK GILLUM testified as follows:

19 DIRECT EXAMINATION BY MR. BARNES:

20 Q Please state your name and address for the
21 record.

22 A My name is Merrill Jack Gillum. I reside in
23 Fairview Heights, Illinois.

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

25 A I'm employed by Union Electric Company. I'm

1 the manager of the Page District of the company's trans-
2 mission and distribution department.

3 Q Please briefly describe your work experience.

4 A I have been employed by Union Electric since
5 I graduated from college in 1948. From June, 1948, to
6 August, 1949, I was a student engineer assigned to various
7 functions within Union Electric. From August, 1949, to
8 June, 1950, I was an assistant engineer assigned to distri-
9 bution service where I worked with feeder loading and
10 balance in the St. Louis City and County.

11 From 1950 to 1960, I was assigned to the
12 company's East St. Louis Regional District. While there I
13 worked on a wide range, a wide variety, of engineering
14 duties including substation design and location, overhead
15 distribution planning, street lighting, and the investigation
16 of various customer engineering complaints. From 1960 to
17 1963, I was assigned to engineering and construction as a
18 project engineer for the design and construction of the
19 161 kv Cape to Joppa transmission line.

20 Since 1963, I have held a number of positions
21 within the transmission and distribution function. I was
22 supervising engineer of distribution design, supervising
23 engineer of customer substation and street lighting,
24 superintendent of job processing, superintendent of distri-
25 bution engineering in the North District, and manager of the

1 Berkeley District. Since 1970, I have been manager of the
2 Page District. And, as such, I am responsible for the
3 engineering, estimating, and construction of overhead and
4 underground residential distribution facilities in the Page
5 District, which includes University City.

6 Q Please describe your educational background.

7 A I received a Bachelor of Science degree in
8 electrical engineering from Purdue University in 1948.

9 Q Are you a registered professional engineer?

10 A I am a registered professional engineer in
11 the state of Illinois.

12 Q Do you have any engineering affiliations?

13 A I'm a member of the Illinois and National
14 Society of Professional Engineers.

15 Q Are you familiar with the subject matter of
16 this proceeding?

17 A Yes. Union Electric has proposed to amend
18 its tariffs so as to relieve the company from having to
19 perform maintenance of incandescent standards, brackets,
20 fixtures, and lamps after December 31, 1980.

21 University City and Mr. James Carl have
22 intervened in this case. The city and the subdivision in
23 which Mr. Carl resides lie within the service area of my
24 district. All Union Electric engineering contacts with the
25 intervenors have been through my district. And I have

1 personally been involved in many of these contacts.

2 Q What is the purpose of your testimony?

3 A I would like to do three things. First, I
4 will discuss the various options available to current
5 incandescent street light customers if the Commission approves
6 the proposed tariff change. Second, I will review the
7 agreement that has been reached by all the parties in this
8 case. Thirdly, I would like to discuss some of the points
9 raised at the hearing held in St. Louis County on September 16.

10 Q What options are available to current
11 incandescent street light customers if the Commission approves
12 the company's proposed tariff changes?

13 A Basically, there are four options. First,
14 Union Electric will convert incandescent lights to an
15 equivalent or larger size non-incandescent lamp at no charge
16 to the customer. The company will continue to own and main-
17 tain the street lighting system and charge the applicable
18 monthly rate.

19 Under this option granite or cast-iron
20 standard installations will be replaced in place or on
21 existing circuitry with standard fixtures. Concrete standard
22 or wood pole bracket arm incandescent installations will be
23 upgraded to non-incandescent lighting by simply replacing
24 the luminaire. Series underground circuitry will normally
25 be converted to multiple, again, with no charge to the

1 customer for that work.

2 I might add that if a customer does elect
3 this option, the company will continue maintenance of the
4 incandescent lighting to the best of its ability, subject to
5 the availability of parts from salvage or stock while
6 engineering, estimating, right of way, and construction
7 activities are under way.

8 The second option would pertain to customers
9 who do not elect the first option. Existing incandescent
10 lights would be continued in service until replacement or
11 major circuit repairs are required at which time the first
12 option could be exercised. No maintenance to incandescent
13 standards, brackets, fixtures, or lamps will be performed
14 by Union Electric under this option.

15 The third option has customer purchasing
16 incandescent cast-iron or granite standard installations
17 from the company. Series circuit supply stations will not
18 be included. The customer will wire to mutually agreed
19 sources of multiple power available from the company's
20 distribution system. Existing series underground circuitry
21 owned by Union Electric will be available for customer use
22 if acceptable for their purposes. The purchase price for
23 the standards and luminaires will be \$1 where supplied by
24 series circuitry. Installations which have been converted
25 to multiple supply by Union Electric at no cost to the

1 customer will be at a negotiated price.

2 The fourth option applies only to cast-iron and
3 red granite installations and is covered by a stipulation
4 and agreement that I would now like to review with you.

5 Q Mr. Gillum, I have given you what has been
6 marked Joint Exhibit 9. And I ask you to identify it.

7 A This is the stipulation and agreement that
8 the parties have entered into.

9 Q Has this agreement been signed?

10 A Yes, it has.

11 Q Do the signatures appear on the last page
12 thereof?

13 A Yes, they do.

14 Q Mr. Gillum, was this stipulation and agreement
15 arrived at after extended negotiations between Union Electric,
16 University City, and Mr. James Carl?

17 A Yes, it was.

18 Q And I assume that, by its company signature,
19 the Union Electric Company supports the stipulation and
20 agreement?

21 A Yes, sir.

22 MR. BARNES: Mr. Examiner, at this time we
23 would like to have your permission to have Mr. Gillum read
24 the stipulation and agreement into the record. Normally,
25 he would just summarize it. However, this particular

1 agreement is so finely and intricately worded that I just
2 wonder whether any kind of summary would do it justice on
3 the record. So we have timed it; it will take about five
4 minutes to read this brief stipulation into the record word
5 for word, if we have your permission to do so.

6 CHAIRMAN SLAVIN: Couldn't we just present
7 it in the record as if read, Mr. Barnes, since we're all
8 capable of reading?

9 MR. BARNES: We could. But sometimes I find
10 it advisable to have a key document in the testimony itself,
11 in the record, rather than as an exhibit. That's the only
12 reason.

13 EXAMINER CADIEUX: Considering that it's only
14 a little over three pages, that request will be granted.

15 I would ask that the witness not speed up too
16 fast in reading this because sometimes that causes a
17 problem in getting a clear record.

18 WITNESS GILLUM: Okay.

19 MR. BARNES: Does University City go along
20 with our request?

21 MR. BRADY: We have no objection. I think
22 it speaks for itself, but we have no objection. If the
23 company wants it read in, that's fine.

24 BY MR. BARNES:

25 Q Mr. Gillum, would you please proceed.

1 A "The parties to the Stipulation and Agreement
2 are the City of University City, Missouri, James L. Carl and
3 Union Electric Company together constituting the parties of
4 record in this proceeding.

5 "For the purpose of resolving all issues before
6 the Missouri Public Service Commission in this proceeding, the
7 parties hereto stipulate and agree as follows:

8 "1. Union Electric Company agrees to request
9 permission from the Missouri Public Service Commission to
10 extend the effective date of the proposed revised tariffs
11 filed on December 20, 1979 (20th Revised Sheet No. 75(M),
12 11th Revised Sheet No. 81, 2nd Revised Sheet No. 97.5(M))
13 until July 1, 1981.

14 "2. Union Electric Company offers to its
15 customers affected by said proposed revised tariffs the
16 following three alternative options:

17 "OPTION A - 1. In connection with the con-
18 version from incandescent to non-incandescent lighting,
19 Union Electric Company will not charge customer for conver-
20 sions from series circuits to multiple circuits;

21 "2. A Select Committee composed of customer
22 and Union Electric Company representatives will be formed.
23 The goal of this Select Committee will be to consider
24 alternative luminaires, in addition to those currently
25 offered by Union Electric Company to its street lighting

1 customers, with the Committee recommendations to be submitted
2 to Union Electric Company which will give serious and due
3 consideration to them;

4 "3. After the order for conversion from
5 incandescent to non-incandescent lighting has been received
6 from the customer, Union Electric Company will continue
7 maintenance of the incandescent lighting to the best of its
8 ability - subject to the availability of parts from Union
9 Electric Company stock - while engineering, estimating,
10 right of way and construction activities related to the
11 conversion are under way;

12 "4. a) Union Electric Company will install
13 standard non-incandescent street lighting luminaires on
14 existing 'red granite' and cast iron standards;

15 "b) Union Electric Company will continue in
16 service 'red granite' and cast iron standards that the
17 customer wishes to retain provided that the customer agrees
18 to supply Union Electric Company with needed replacement
19 standards and parts after the Union Electric Company stock
20 of existing useable replacement parts is depleted;

21 "c) Union Electric Company will, at the
22 customer's option, replace any 'red granite' or cast iron
23 standard with modern stock equipment at no expense to the
24 customer when:

25 "1) said standard becomes defective for any
reason, or

1 "2) all standards of either type are to be
2 removed from a given subdivision or like area.

3 "OPTION B - 1. All incandescent cast iron
4 or 'red granite' standard installations may be purchased by
5 the customer as is with all warranties, express or implied,
6 disclaimed. Series circuit supply stations will not be
7 included. The customer will wire to a mutually agreeable
8 source of multiple power available from Union Electric
9 Company's distribution system;

10 "2. Existing series underground circuitry
11 owned by Union Electric Company will be available for
12 customer use at no charge if the customer desires;

13 "3. Purchase price for the standards and
14 luminaires will be \$1.00 (ONE DOLLAR) where supplied by
15 series circuitry. Installations, which have been converted
16 to multiple supply by Union Electric Company at no cost to
17 the customer, will be sold to the customer at a negotiated
18 price;

19 "4. The existing Union Electric Company
20 stock of all spare parts relating to any system sold will
21 be equitably apportioned as is with all warranties, express
22 or implied, disclaimed, to the purchasing customers at no
23 charge.

24 "OPTION C - Customer, at his option, may
25 exercise Option A above, and Option B above, concurrently,

1 subject to Union Electric Company's approval as to the exact
2 areas and boundary lines involved in the exercise of this
3 option."

4 Q Mr. Gillum, I believe you testified before
5 that this stipulation and agreement that you just read has
6 been signed by Union Electric, University City, and Mr. James
7 Carl; is that correct?

8 A It is.

9 Q Nevertheless, if the Commission approves the
10 stipulation and agreement, will the company offer these same
11 terms to all street lighting customers who have these red
12 granite or cast-iron standards?

13 A Yes, we will.

14 Q Finally, Mr. Gillum, are you aware that on
15 September 16, 1980, in St. Louis County a public hearing was
16 held in this matter for the receipt of public views?

17 A Yes, sir.

18 Q Where you present at that hearing?

19 A No, sir.

20 Q But have you reviewed the transcript in that
21 hearing?

22 A Yes, I have.

23 Q And, at that hearing, did various members of
24 the public, including representatives from University City,
25 express their views concerning this particular matter?

1 A Yes, they did.

2 Q Mr. Gillum, today do you wish to respond very
3 briefly to some of the public views that were aired at that
4 September 16 hearing?

5 A Yes, I would.

6 Q Would you please proceed.

7 A On Page 8 of the transcript, Witness Frank
8 Ollendorff, city manager of University City, said, "The
9 company, in our opinion, has continually acted in an
10 arbitrary and capricious manner concerning all phases of
11 street lighting in our community. They take positions which
12 are unreasonable and, worse yet, constantly changing."
13 I feel it necessary to respond to this.

14 I have been responsible for the engineering,
15 construction, and maintenance of street light facilities in
16 University City since 1970. Most of my contacts have been
17 with Mr. Dieckgraefe, director of public works in the city.
18 And I feel that we have a good relationship. I have met with
19 him on numerous occasions regarding coordination and planning
20 for their budgeted lighting projects. Both of us devoted
21 considerable time in the past three years working with
22 Mr. Carl on the lighting in University Heights and West
23 Portland Place.

24 We made sample luminaire installations in
25 our company work headquarters and in the subdivisions. The

1 manager of our north marketing group and I attended a night
2 demonstration in University Heights to answer questions of
3 the residents. A customer service engineer and I attended a
4 city council meeting; and I answered questions from the
5 council. We received letters from Mr. Carl and Mr. Dieckgrafe
6 expressing appreciation for those efforts. We have prepared
7 several proposals to accommodate University City's and the
8 residents' desires in that three-year period.

9 It has been my intention to be straight-
10 forward and direct in all of my contacts with the city. I
11 have attempted to explain our reasons when we've not been
12 willing to honor specific requests. And I've provided copies
13 of the tariffs and discussed our interpretations when they
14 were in question. We want to have a cooperative atmosphere
15 with our customers. And I welcome the opportunity to
16 discuss areas of concern. I encourage Mr. Ollendorff or
17 others to call when there is a need for discussions.

18 On Page 11 Mr. Ollendorff says, "The company
19 not only sneers at its customers, they constantly show con-
20 tempt for the Public Service Commission." He continues
21 later on in that paragraph to say, "We find out today
22 through company workers, Union officials, that the workers
23 who have, in the past, been assigned to maintain incandescent
24 lighting have been transferred to other duties. We think
25 this flies in the face of the Commission action to suspend

1 the requested rule."

2 As I've already said, we certainly want a
3 cooperative relationship with our customers and regret any
4 impression given not in that character. We don't sneer at
5 our customers, and we certainly are not contemptuous of the
6 Commission.

7 Regarding the transfer of workers to other
8 duties, the work group in our company which performs street
9 light maintenance in University City does the work, the
10 underground residential distribution work, in subdivisions
11 and apartment projects. With new housing activities
12 extremely depressed in the St. Louis area, it has been
13 necessary to reassign men from that work. We increased the
14 complement of men at our headquarters from 7 to 12 as of
15 August 18. One man retired on October 1. So the net long-
16 term change was an increase of 4 men to 11.

17 We have projects in construction providing
18 for changing the supply to 108 lights from series circuitry
19 to 120 volt multiple. That work is about 40 percent
20 completed. We've actually generated some street light
21 maintenance work internally to partially offset the effect
22 of the housing downturn on the men in our URD work force and
23 transferred men from other duties to do street light main-
24 tenance work in University City.

25 MR. BARNES: Mr. Examiner, that completes our

1 direct examination of Mr. Gillum. He is now available for
2 cross-examination.

3 EXAMINER CADIEUX: Mr. Banks.

4 MR. BANKS: Thank you, your Honor.

5 CROSS-EXAMINATION BY MR. BANKS:

6 Q Mr. Gillum, would you clarify Option C for
7 us please and explain how Options A and Options B can exist
8 or can be exercised concurrently?

9 A Option C simply says that you can exercise
10 Option A in a part of the city. And, in another part of
11 the city, in Option B, you could buy some of the installations.
12 You could do both of them at the same time. You don't have
13 to buy all of the cast-iron and granite installations in
14 total.

15 Q How soon would the city have to make a
16 decision regarding which option they would like to exercise?

17 A The date would be July 1, 1981.

18 Q About how many of the 231 poles are presently
19 available, and what are their conditions?

20 A Bear with me while I get something out here.
21 Of the Model 231 poles, we have 18 of those
22 poles at Dorset, our Dorset storeroom. We have three at our
23 Page headquarters. Does that answer your question?

24 Q Yes, it does.

25 What conditions are those poles in?

1 A I consider 9 of those poles to be reparable,
2 and 12 of them to be either scrap, or you could make one
3 out of two, that type of thing.

4 Q If the Commission would agree to the
5 stipulation, would the neighborhoods that have the cast-iron
6 poles, other than those within University City, be notified
7 of the stipulation?

8 A Yes, they would.

9 Q And would they also be notified regarding
10 how many of the poles would be prorated to their neighbor-
11 hoods?

12 A Yes, they would.

13 MR. BANKS: Thank you. I have no further
14 questions, your Honor.

15 EXAMINER CADIEUX: Mr. Brady.

16 MR. BRADY: We have no questions.

17 EXAMINER CADIEUX: Mr. Carl.

18 MR. CARL: Just a very brief question.

19 QUESTIONS BY MR. CARL:

20 Q Mr. Gillum, on Page 2 of your testimony in
21 which you document the company's good faith in dealing with
22 the neighborhoods, you say, "We've prepared several proposals
23 to accommodate University City's and the residents' desires
24 in that three-year period."

25 Could you tell me what's happened to those
 proposals?