

1 really given an opportunity to have the company maintain
2 this, and we fiscally felt that perhaps the best alternative
3 would be to take a chance and purchase this outright and
4 then purchase the energy, and in the long run, over a
5 period of ten years, come out at least even or a few bucks
6 ahead of the game, than to increase--or take a chance and
7 get an increased rate, or increased tariff and have to
8 live with that for ten years and not have any opportunity
9 to maneuver this.

10 Thus, we took the--once the company decided
11 that they would not maintain this, we acquiesced and then
12 worked out this alternative agreement of these other three
13 options as the best for the times.

14 CHAIRMAN SLAVIN: Do they maintain the
15 wiring?

16 MR. KAY: After the system is taken over and
17 purchased by the city, it's my understanding that it's
18 our baby completely.

19 CHAIRMAN SLAVIN: So if something goes wrong
20 with the wiring, to what point is your responsibility and
21 to what point is theirs?

22 MR. KAY: It's my understanding again that
23 we will hook up to their poles or to Bell Tel. poles in
24 an alley at numerous locations, and from the point of
25 hookup to their pole throughout the system then it's ours.

1 And we have to maintain it should something go wrong.

2 And again, that's a gamble. If something
3 goes wrong, we could be facing quite a bit of dollars,
4 digging it up, or nothing could go wrong for 20 or 30 years.
5 These things have lasted sixty.

6 CHAIRMAN SLAVIN: What's your policy on
7 maintaining the fiberglass colonial lights, Mr. Barnes?

8 MR. BARNES: I'd like to have my expert speak.

9 MR. GILLUM: What do you mean by maintaining
10 them, Mrs. Slavin?

11 CHAIRMAN SLAVIN: Do you sell those to the
12 city?

13 MR. GILLUM: No.

14 CHAIRMAN SLAVIN: Nobody would want them,
15 is that it?

16 MR. GILLUM: No. We own and maintain those.

17 CHAIRMAN SLAVIN: Well, the question that
18 I have to you is why do you have a different standard of
19 maintenance for this type of light than the fiberglass
20 pole with a light on the top?

21 MR. GILLUM: The fiberglass pole is continuing
22 to be available. These poles, it's our contention that they
23 are available only at high cost and that the repair work
24 on them can be expensive when they do require repair.

25 The fiberglass pole you just simply replace

Massachusetts Public Service Commission

1 it when it gets broken.

2 CHAIRMAN SLAVIN: It's a throwaway pole?

3 MR. GILLUM: Yeah.

4 CHAIRMAN SLAVIN: How about the wiring? Do
5 you maintain the wiring?

6 MR. GILLUM: Yes, ma'am.

7 CHAIRMAN SLAVIN: Is there any proposal to
8 maintain the wiring for these poles, if not the pole itself?

9 MR. GILLUM: No, there is not.

10 CHAIRMAN SLAVIN: And why not?

11 MR. GILLUM: There is a problem in trying to
12 determine where a case of trouble exists. If they own the
13 pole and the wiring in the pole, and we own the wiring up
14 to that point, then you have to always determine where is the
15 trouble. Is the trouble before you get into the pole,
16 coming into the pole, or between the pole and the source of
17 supply.

18 CHAIRMAN SLAVIN: Well, I'm no electrician,
19 but I assume that once you found the wire coming to the
20 pole, that you have a way of testing whether or not electricity
21 is coming through that wire into the pole.

22 Now, is that correct?

23 MR. GILLUM: Yeah.

24 CHAIRMAN SLAVIN: So you could find out if
25 your failure was before the pole itself?

1 MR. GILLUM: Yes, you can track it down
2 and you can find it.

3 CHAIRMAN SLAVIN: Well, then my question is
4 still the same: Why is your wiring maintenance only to
5 the point where the wiring connects with your source?

6 MR. GILLUM: The wire that--under this
7 proposal, the wire that is coming to these poles is going
8 to be owned by University City.

9 CHAIRMAN SLAVIN: But my question is:
10 Why doesn't it start at the point where the pole is, not
11 back in the alley?

12 MR. GILLUM: Why isn't the point of ownership
13 at the pole, rather than back at the point of the alley?

14 CHAIRMAN SLAVIN: Correct.

15 MR. GILLUM: This is a disconnect point
16 there and a metering point and so forth and so on, and
17 that needs to be at one point rather than different
18 points and a way to control those lights so that it goes
19 on and off at dusk and dawn and so forth and so on.

20 CHAIRMAN SLAVIN: Where are you finding your
21 failures?

22 MR. GILLUM: In the series circuits, it
23 generally speaking is in the cable. It's in the series
24 cable, but that's because the voltages that are impressed
25 on that cable under faulty conditions are at a high level,

Missouri Public Service Commission

1 which causes that cable to break down. And it may break
2 down in more than one spot.

3 When you operate that cable at 120 volts,
4 our experience has been that we have very, very few and
5 infrequent troubles.

6 CHAIRMAN SLAVIN: Now you lost me.

7 Where are the failures then before it leaves
8 the metered spot? At the pole or after it leaves the metered
9 spot at the pole?

10 MR. GILLUM: In this pole you mean?

11 CHAIRMAN SLAVIN: No, your pole back in the
12 alley.

13 MR. GILLUM: Our pole. It usually would be
14 underground someplace. Not infrequently it's because of
15 a dig-in or something has happened to cause some damage
16 to the cable.

17 CHAIRMAN SLAVIN: And if, in fact, I were
18 a municipality that had the fiberglass pole, which I wasn't
19 required to buy, you would maintain that underground line?

20 MR. GILLUM: Yes.

21 CHAIRMAN SLAVIN: But you will not maintain
22 the underground line under the circumstances of this
23 stipulation?

24 MR. GILLUM: No, ma'am.

25 CHAIRMAN SLAVIN: Right?

Missouri Public Service Commission

1 MR. GILLUM: That's correct.

2 CHAIRMAN SLAVIN: Now, is that not a
3 discriminatory policy?

4 MR. GILLUM: No.

5 CHAIRMAN SLAVIN: It is not the pole itself
6 which is in doubt, it is the wiring and the service which
7 goes from your--you know, I can understand the pole being
8 a problem for the company to replace. We've had a lot of
9 testimony to that. I'm talking about service now. I'm
10 talking about electricity. And you pointed out to me that
11 the real failure is between that service area in the alley
12 and the pole itself, not in the pole, but underground,
13 getting the service from the pole, from your source to the
14 pole itself.

15 Now, it seems to me that this proposal
16 discriminates against the cities which are interested
17 in saving this type of standard.

18 MR. GILLUM: I think it's consistent in
19 that there is a separate rate for the wiring. The wiring
20 comes under--normally the wiring is overhead. And that's
21 what's covered in the rate structure and it goes to under-
22 ground on the basis of payment and charges or payment
23 differences between overhead and underground.

24 CHAIRMAN SLAVIN: In maintenance or install-
25 ation?

Missouri Public Service Commission

1 MR. GILLUM: Installation.

2 CHAIRMAN SLAVIN: Not maintenance?

3 MR. GILLUM: Maintenance goes on beyond that.

4 CHAIRMAN SLAVIN: But there is no maintenance
5 charge once it's installed?

6 MR. GILLUM: No, no.

7 CHAIRMAN SLAVIN: I'm talking about maintenance.

8 MR. GILLUM: All right. In all cases where
9 we--where a customer has underground service there is a
10 point of ownership change. And that point has a meter loop--
11 a meter switch fuse combination arrangement. And it's
12 the same way for all customers.

13 CHAIRMAN SLAVIN: Well, this Commission
14 had a case before it in which underground wiring was
15 discussed. I think it was in the homebuilders case. You
16 maintain underground wiring in those circumstances.

17 I'm really trying to figure out why, in this
18 proposal, you do not continue to carry a responsibility
19 for maintaining that wire at least to the pole?

20 MR. GILLUM: We own the wire in that
21 residential situation that you're describing from our
22 facilities, our distribution facilities, into the point
23 where the customer takes service. That point is on the
24 building in a meter base. And what I'm saying is in this
25 particular case, that metering point, that point of service

1 is on the pole.

2 CHAIRMAN SLAVIN: Okay. I understand that
3 then.

4 Well, what about in a fiberglass pole?
5 Where does your metering occur there?

6 MR. GILLUM: There is no metering on that.
7 The energy charges are a part of the rate structure and a
8 part of the structure on the rates on that unit.

9 CHAIRMAN SLAVIN: Well, let me understand
10 then how your charges are determined there.

11 MR. GILLUM: I'm sorry.

12 CHAIRMAN SLAVIN: How your charges are
13 determined under that scenario.

14 MR. GILLUM: On the fiberglass pole install-
15 ation of a fiberglass pole post top light the rate covers
16 the cost of the installation of the standard and the luminaire,
17 and the cable, back to the point of supply; the maintenance
18 of that cable is included in all of the rate structures.
19 The one-time charge might be for the cable to come from a
20 source out to the pole where the light is installed. And
21 that would either be a difference between overhead and
22 underground, or in the case of a municipality, there is a
23 footage charge that can be applied, depending upon whether
24 it's under dirt or under pavement.

25 I don't know whether I've answered your
question or not.

Missouri Public Service Commission

1
2 CHAIRMAN SLAVIN: Well, I'm just trying to
3 figure out how your maintenance policy for an underground
4 light, whether it's to a cast iron pole or a fiberglass
5 pole, you may have underground or you may have overhead
6 service, correct?

7 MR. GILLUM: Well, not on a fiberglass pole.
8 Its system is set up on an overhead system and
9 it's priced that way, essentially, on the supply. But it
10 really isn't practical to string an overhead wire into a
11 pole that is fiberglass of limited strength only 15 and a
12 half foot in the air.

13 CHAIRMAN SLAVIN: Now, you really lost me.
14 You mean it's charged for overhead, but the service is
15 underground?

16 MR. GILLUM: No. We charge the additional
17 cost of underground wiring versus overhead wiring that
18 would normally be installed.

19 CHAIRMAN SLAVIN: So you do not have overhead
20 wiring for the fiberglass pole?

21 MR. GILLUM: No.

22 CHAIRMAN SLAVIN: So you have the same wiring
23 for those poles as you do for this one?

24 MR. GILLUM: Yes.

25 CHAIRMAN SLAVIN: But you have two different
maintenance proposals?

1 MR. GILLUM: I'm sorry. Say that again?

2 CHAIRMAN SLAVIN: But you have two different
3 maintenance proposals.

4 If you have this light, the city has to
5 maintain the underground and if you have the fiberglass
6 pole, you maintain the underground.

7 MR. GILLUM: The key difference is that in
8 the one case where we own the cable, we maintain it.
9 In the other case where the city owns the cable--

10 CHAIRMAN SLAVIN: Well, they don't own the
11 cable now, do they?

12 MR. GILLUM: Well, part of the Stipulation
13 is that we would sell--

14 CHAIRMAN SLAVIN: The Stipulation hasn't
15 been approved.

16 MR. GILLUM: Okay. There is one other
17 aspect.

18 CHAIRMAN SLAVIN: They don't own the cable
19 now?

20 MR. GILLUM: No, they do not.

21 CHAIRMAN SLAVIN: You own the cable now?

22 MR. GILLUM: Right.

23 CHAIRMAN SLAVIN: If a failure occurs now,
24 who takes care of it?

25 MR. GILLUM: We do.

Missouri Public Service Commission

1 CHAIRMAN SLAVIN: And do you charge the
2 city?

3 MR. GILLUM: No.

4 CHAIRMAN SLAVIN: So the city is going to
5 take over not only the maintenance of the pole, but the
6 underground wiring?

7 MR. GILLUM: That's correct.

8 CHAIRMAN SLAVIN: Boy, you are really in for
9 trouble.

10 MR. GILLUM: But, Mrs. Slavin, but they will
11 be getting, as Mr. Kay pointed out, the price that they'll
12 be paying for that service will be considerably less than
13 they would in the case of that fiberglass pole installation.
14 They're going to be paying 2.95 cents per kilowatt-hour
15 or something as compared to \$1 per month rate that would
16 have been much higher.

17 CHAIRMAN SLAVIN: Per kilowatt-hour, \$1 per
18 month?

19 MR. GILLUM: No, two to three cents per
20 kilowatt-hour. I don't know the figures.

21 CHAIRMAN SLAVIN: Does someone know the
22 figures?

23 MR. KAY: It's 24 cents a kilowatt-hour for--

24 MR. GILLUM: Whoops, no.

25 MR. KAY: .24?

Missouri Public Service Commission

1 EXAMINER CADIEUX: Off the record.

2 (Discussion off the record.)

3 EXAMINER CADIEUX: Back on the record.

4 CHAIRMAN SLAVIN: Could we have the charges
5 first?

6 MR. GILLUM: There were two other points that
7 I wanted to make.

8 Pardon?

9 EXAMINER CADIEUX: Do you have a figure on
10 those charges?

11 MR. KAY: We figured it out and it was .207--

12 MR. DIECKGRAEFE: May I?

13 EXAMINER CADIEUX: Mr. Dieckgraefe.

14 MR. DIECKGRAEFE: By our calculation the
15 energy charge on the typical incandescent light would be
16 about a little over \$24 a year, so about \$2 a month.

17 I hope that's fairly close for--we're talking about 6,800,
18 .2--

19 EXAMINER CADIEUX: Let's speak up so we have
20 a record of this.

21 MR. DIECKGRAEFE: Excuse me. So basically
22 what we're talking about is the city would be paying in
23 energy charge to the utility approximately \$2 per month
24 as opposed to the current rate. And I don't have that
25 handy.

Missouri Public Service Commission

1 The current rate is \$8.10 per month for
2 Union Electric to own and maintain the entire system.

3 So basically, the additional \$6 per month
4 would be available to the city for maintenance and for
5 payback, so to speak, of the cost of converting it to
6 multiple. It is a calculated risk, of course, on the part
7 of the city, because we don't have the expertise or the
8 workmen to do the work. It would have to be done by
9 contract. We're simply hoping that from the experience
10 cited to us by Union Electric, once the cable is changed
11 to multiple, that the underground problems would be relatively
12 minimal. And assuming we avoid any accidents to the poles
13 and the entire fixture, then hopefully our maintenance
14 will be kept under control and would not exceed what we're
15 currently paying to Union Electric.

16 CHAIRMAN SLAVIN: Then if I understand
17 correctly you mean you're rewiring--if you change the
18 series to multiple, would be a rewiring that goes back
19 from the point of access to the pole?

20 MR. DIECKGRAEFE: Yes.

21 MR. KAY: That's the way we're going to
22 receive the system. It's going to be rewired by the
23 company and a fully functional operating multiple circuit
24 series operation up to the end of the socket.

25 CHAIRMAN SLAVIN: Okay. That makes it a

1 little more understandable.

2 EXAMINER CADIEUX: Mr. Gillum, were you
3 finished?

4 MR. GILLUM: There was one more thing I
5 might point out, and I haven't mentioned it before.

6 There are jurisdictional problems about
7 whether--if we own it, we maintain it.

8 When we get into an area where it's owned
9 by somebody else, we get into a situation where the contractors
10 take care of it and we have some problems in terms of what
11 our people working for Union Electric can do and what
12 must be done by others.

13 WITNESS CARL: I just had a tiny amplification
14 of what Mr. Gillum and Mr. Dieckgraefe have said.

15 The bulb of the lights, these post top
16 lights, these standard lights in University City utilize,
17 as Mr. Gillum has outlined, the old cable.

18 In other words, the proposal in the Stipulation
19 that Union Electric rewire this system with these lights
20 to multiple and then turn it over to the city, would be,
21 in essence, what they have done for these standard issue
22 lights in other parts of University City, and I assume in
23 other parts of their jurisdiction.

24 They have assured us, and we see nightly that
25 it is true, that when the old cable is dropped from the

Missouri Public Service Commission

1 high stress voltage of two to 4,000 volts to 110 it starts
2 to behave itself again.

3 I guess, and this is why I'm much beholding
4 to the city, is that the city is willing to undertake that
5 little uncertainty involved, although the company's experience
6 has been very good in these conversions, it's a tiny bit
7 scary for the city without the knowledge and years of
8 experience the company has to worry about that little
9 2 or 3 percent uncertainty. But, in general, I think--
10 I agree with Mr. Cillum and the company that these lights
11 do behave themselves once converted using the old cable
12 to the lower voltage.

13 EXAMINER CADIEUX: I have a question.

14 Does anyone have a figure on how many, I
15 guess we've referred to them as historic lights with the
16 crossarms, are presently situated in University City?

17 MR. KAY: 34.

18 EXAMINER CADIEUX: 34.

19 WITNESS CARL: Another 30 in Hampton Park,
20 Mr. Cadieux.

21 EXAMINER CADIEUX: Hampton Park is located in--

22 MR. KAY: Richmond Heights.

23 MR. GILLUM: There are actually 33 in Hampton
24 Park.

25 WITNESS CARL: I stand corrected. I beg your
pardon.

1 EXAMINER CADIEUX: Off the record.

2 (Discussion off the record.)

3 EXAMINER CADIEUX: Back on the record.

4 Mr. Banks, any further questions?

5 MR. BANKS: No, I have no further questions.

6 EXAMINER CADIEUX: Mr. Kay.

7 MR. KAY: No questions.

8 MR. BARNES: Mr. Cadieux, we would request
9 maybe a ten-minute recess to reply to Mr. Carl and to the
10 Chairman.

11 EXAMINER CADIEUX: All right. Do you wish to
12 place a witness on the stand--

13 MR. BARNES: Yes.

14 EXAMINER CADIEUX: --for that purpose?

15 All right. Let's take a ten-minute recess
16 here.

17 And, Mr. Carl, you may step down.

18 Thank you very much.

19 (Witness excused.)

20
21 (A recess was taken.)
22
23
24
25

1 EXAMINER CADIEUX: The hearing will come
2 to order.

3 Mr. Barnes, I understand that the company
4 wishes to call a rebuttal witness; is that correct?

5 MR. BARNES: Can we go off the record?

6 EXAMINER CADIEUX: Off the record.

7 (Discussion off the record.)

8 EXAMINER CADIEUX: Mr. Barnes.

9 MR. BARNES: I'd like to recall Mr. Gillum
10 to the witness stand.

11 EXAMINER CADIEUX: The record should reflect
12 that Mr. Gillum was previously sworn and I would ask whether
13 he still considers himself to be under oath?

14 MR. GILLUM: Yes.

15 EXAMINER CADIEUX: You may proceed.

16 MERRILL JACK GILLUM testified as follows:

17 DIRECT EXAMINATION BY MR. BARNES:

18 Q Mr. Gillum, were you present at the hearing
19 this afternoon to hear Mr. Jim Carl's direct testimony?

20 A Yes, I was.

21 Q Did you also see his demonstration?

22 A Yes, I did.

23 Q Would you please briefly explain to the
24 Commission why Union Electric refused this particular
25 proposal of Jim Carl?

Missouri Public Service Commission

1 A We did give consideration to this installation.

2 We have approximately 60 trouble men in our
3 metropolitan area, they're oftentimes or on occasion called
4 upon to shoot trouble, determine where trouble is in a
5 street lighting system. There is a considerable turnover
6 in that group. And the difficulties in trying to keep
7 60 men trained in how to find and correct trouble in that
8 type of an installation where we only had about 60, if
9 Hampton Park went along with this system, we would only
10 have 60 installations, with parts that are germane only
11 to those installations, would have been a situation that
12 we thought would be excessively high in maintenance cost.

13 QUESTIONS BY CHAIRMAN SLAVIN:

14 Q I think the question went to why did you
15 refuse to install them. And is it your answer that you
16 refused to install them because you didn't want to maintain
17 them? I'm not understanding your response.

18 A Well --

19 Q Or make that conversion?

20 A The proposals that had been worked up and
21 talked about having to do with this kind of installation
22 and not this particular luminaire placed the responsibility
23 for maintenance costs on that luminaire and on that pole
24 with the city. And had we done the maintenance, what I
25 felt we would have had is repetitive calls on one case of

Missouri Public Service Commission

1 trouble by more than one trouble man, needing to go back
2 and get different parts to make repairs, and therefore,
3 the maintenance cost that would be billed to the City of
4 University City, in my opinion, would have been such that
5 they would have objected to those. And I did not think
6 that we ought to put ourselves into that situation.

7 Q Again, that's an indirect response.

8 The question is why wouldn't you install
9 them? Because you don't want to maintain them; is that the
10 answer?

11 A Yes, yes.

12 Q So you refused to install them because you
13 said it's going to be expensive to maintain them because
14 this is an application for 60 lamps?

15 A That's right.

16 Q Why didn't you tell Mr. Carl that?

17 A University City is the customer we deal with.

18 Q Why didn't you tell University City?

19 A I did. I discussed this with Mr. Dieckgraefe
20 in his office.

21 Q That you're refusing to make the installation
22 because the maintenance will be expensive?

23 A Yes, ma'am.

24 Q Now, I looked at this.

25 How do you make a determination that the

Missouri Public Service Commission

1 maintenance is going to be expensive when we're talking
2 about one, two, three parts, maybe four at most?

3 A My judgment was that the fact that the men
4 who are going to try to maintain it are not familiar with
5 that installation. They will not know where to look or
6 what to do with it.

7 Q Do you have any supervisors or personnel
8 who stay longer than a few months at your shop?

9 A Oh, yes.

10 Q You've stayed there for a while. You've
11 been there how long?

12 A Thirty-two years.

13 Q You don't think there is a supervisor who
14 could have been trained who could be knowledgeable about
15 this particular system?

16 A There are supervisors on duty and--but we,
17 again, have the same problem of them being familiar with
18 all the different types of systems that there are.

19 Q It doesn't sound like there are very many
20 different systems from the testimony we've heard today.

21 A There are not too many.

22 Q So this one would have been one of how many?

23 A It would have been one that's different from
24 anything else.

25 Q One of how many?

Missouri Public Service Commission

1 A I do not know.

2 Q Roughly.

3 A I can't even hazard a guess on that.

4 Q Ten?

5 A We're talking about special street lighting
6 installations?

7 Q I'm talking about street lights.

8 A I would think less than ten.

9 Q Less than ten?

10 A I would think so.

11 Q Less than eight?

12 A I'm sorry, I can't--I don't know. I have
13 to admit to you I do not know how many there might be.

14 Q It's not hundreds, however?

15 A No. I'm sure of that.

16 Q I have a little difficulty comprehending this.
17 Was it your decision alone on this matter?

18 A I participated in that decision.

19 Q Who else participated?

20 A I reviewed this subject with, as Jim pointed
21 out, our standards group, they were not the predominant
22 deciding factor. I discussed it most totally with our
23 operating group.

24 Q Who is in your operating group?

25 A Jim Healy.

Missouri Public Service Commission

1 Q Did he ever enter into a discussion with--
2 did Mr. Healy meet with University City?

3 A No, not that I'm aware of.

4 Q So he gave you his decision which you then
5 passed along to University City?

6 A I would say it was a mutual decision. We
7 mutually agreed in that decision.

8 Q Was the purpose behind this to make it
9 impossible to maintain these lights so that they could not
10 be preserved? I mean, that's the only conclusion I can
11 draw.

12 A No, ma'am. We worked for about three to
13 four years and reached a situation where we were ready to
14 go ahead and install this Benjamin fixture that had been
15 talked of and a picture was up. And we were willing to
16 do that and had agreed to do it, had made a proposal that
17 would have led to a contract. But this then was a change
18 from that that we were not willing to agree to.

19 Q You would have done the Benjamin proposal,
20 which was not as attractive, did not match the same
21 specifications as this one in terms of meeting the historic
22 comparison between the old light and the new? You would
23 do that one, but you would not do this one.

24 Now, again, I'm lost. Why?

25 A The Benjamin was the proposal or was the