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STATE OF MISSOURI
PUBLIC SERVICE COMMISSION

TRANSCRIPT OF PROCEEDINGS

Local Public Hearing

September 17, 2008

St. Louis County Library, St. Louis, Missouri

Volume 9

In the Matter of Union Electric)
Company d/b/a AmerenUE's Tariffs) Case No. ER-2008-0318
To Increase Its Annual Revenues)
For Electric Service)

COMMISSIONERS PRESENT:
Morris L. Woodruff, Deputy Chief Regulatory Law Judge
Commissioner Robert Clayton
Commissioner Connie Murray
Commissioner Kevin Gunn
Commissioner Jeff Davis

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

2 COMMISSIONER WOODRUFF: All right.

3 Good afternoon, everyone. Welcome to the local public
4 hearing this afternoon. This is Case No. ER-2008-03138,
5 which is concerning Ameren UE's request for a rate increase.

6 Let me begin by introducing the Commissioners
7 who are with us today. On the left here is Commissioner
8 Connie Murray. To her left, is Commissioner Robert Clayton.
9 On my right is Commissioner Kevin Gunn.

10 And to start things out, I'll ask them if they
11 have any comments they'd like to make. Commissioner Murray?

12 COMMISSIONER MURRAY: Just welcome.
13 Happy to see the turnout. Thank you for being here.

14 COMMISSIONER WOODRUFF: Mr. Clayton?

15 COMMISSIONER CLAYTON: I don't think I
16 have any opening comment. Thanks.

17 COMMISSIONER WOODRUFF: Commissioner
18 Gunn?

19 COMMISSIONER GUNN: Nothing, just
20 welcome. I look forward to hearing from you.

21 COMMISSIONER WOODRUFF: All right.
22 Thank you. Then at this time, I'll ask the attorneys for
23 the parties if they'd please make entry of appearance,
24 beginning with Ameren.

25 MS. TATRO: Wendy Tatro, 1901 Chouteau

1 Avenue, St. Louis, Missouri on behalf of Ameren UE.

2 COMMISSIONER WOODRUFF: Thank you. Now
3 for Public Counsel.

4 MR. MILLS: For the Public Counsel and
5 the public, my name is Lewis Mills. My address is Post
6 Office Box 2230, Jefferson City, Missouri 65102.

7 COMMISSIONER WOODRUFF: Thank you. And
8 for the staff and Commission?

9 MR. DOTTHEIM: Steven Dottheim, Post
10 Office Box 360, Jefferson City, Missouri 65102, here on
11 behalf of the staff of the Missouri Public Service
12 Commission.

13 COMMISSIONER WOODRUFF: Thank you, sir.
14 Are there any other attorneys for any other parties here? I
15 don't see anyone.

16 And as you've noticed, this is being web-cast,
17 and the Commission staff attorney is sitting from Jefferson
18 City, and you can ask -- they can hear us and so forth. But
19 I've noticed there is a slight delay. So please be aware of
20 that, and accept our apologies for that.

21 Also you'll see we have a court reporter here
22 today who's making -- will be making a transcript of the
23 testimony that we hear today. The two commissioners who are
24 not here will be able to review the testimony once it's
25 transcribed, and so everyone will have a chance to hear what

1 you have to say.

2 As I said, we're here to listen to what you
3 have to say, and I'll go down the list of witnesses who have
4 signed up in the order that they've signed up. After we get
5 to the bottom of the list, if there's anyone else who wants
6 to testify, just raise your hand, and we'll recognize you as
7 well.

8 When you come up, if you just come up to the
9 microphone stand up there, and I'll swear you in as the
10 witness, and hear your testimony.

11 So let's go ahead and get started. The first
12 name on the list is Mike Walter.

13 COMMISSIONER WOODRUFF: Good afternoon.

14 MR. WALTER: Good afternoon.

15 COMMISSIONER WOODRUFF: Please raise
16 your right hand.

17 (Thereupon, Witness Walter was sworn on
18 his oath by Commissioner Woodruff, and proceeded
19 to testify as follows:)

20 Thank you. And if you'll tell us your name,
21 and spell your last name for us.

22 MR. WALTER: My name is Mike Walter.

23 W-A-L-T-E-R.

24 COMMISSIONER WOODRUFF: And what's your
25 address?

1 MR. WALTER: My home address is 3061
2 Arrowhead Point Drive, 63129, St. Louis, Missouri.

3 COMMISSIONER WOODRUFF: Thank you very
4 much. What would you like to tell us?

5 MR. WALTER: First of all, I'd like to
6 introduce myself. I am the business manager of
7 International Brotherhood of Electrical Workers, Local 1439.
8 I represent about 800 workers on the Ameren property, most
9 of which are all outside physical workers. As most people
10 identify with, it's your lineman, substation repairman, et
11 cetera, et cetera.

12 I am also a shareholder and a customer, as
13 well as a great majority of my members are shareholders and
14 customers as well. So we -- we have two sides to why we're
15 here speaking on behalf of the local union.

16 Just a little history. I have been with the
17 IBEW for 30 years. I've been active in the union in that
18 office for 14 years, and so have had the opportunity to, I
19 think, get a little more involved with what we see as the
20 industry. Ameren is part of the industry, the electric
21 utility industry. So there's some trends that have gone on
22 that as local unions we think they really need to be
23 addressed. Sometimes in this truer process, I don't know if
24 it's all recognized, but I want to at least say some of the
25 things that we -- that we think are important.

1 So we've definitely seen a -- the decrease in
2 staffing levels throughout this entire country, and Ameren
3 is no different than that. Some of which are justified, but
4 at some point in time, those levels become too low. And as
5 an industry, the training to -- to keep up with the
6 reduction in the work force, to keep up with attrition,
7 these things are -- all have become a very, very significant
8 problem.

9 Today to keep up with the attrition on
10 Ameren's property is very difficult and is very costly.
11 Now, that's just to keep up with attrition, and I do believe
12 that the entire utility industry has to go beyond that
13 point. As the company is -- has introduced their proposal,
14 I guess it's somewhat my understanding that -- that future
15 costs maybe are not considered as -- maybe not considered at
16 all. But in our opinion, that -- that isn't necessarily
17 fair.

18 It's not going to do anything, whether it's
19 the Public Service Commission in Missouri or anywhere else.
20 It's not going to do anything for the utility industry if we
21 can't forecast the need to increase those additional costs
22 of training and improving staffing levels. This isn't --
23 this isn't a normal business, as far as I'm concerned.
24 There's a lot of highly qualified people. It requires a lot
25 of training, and for the most part, a lot of jobs are very

1 hazardous.

2 As well, and certainly as someone mentioned
3 earlier, the cost is one thing, but reliability is something
4 else, and we firmly believe that -- that properly staffed,
5 qualified, certified, trained internal work force is
6 probably the best thing for the customers of Ameren UE.

7 The -- if an argument is made that we out
8 source this so we don't have quite the expenses of an
9 internal work force, at the end of the day, somebody is
10 paying for equipment for contractors, training and things of
11 those nature and, although we're not expecting a company
12 with Ameren -- like Ameren to staff to meet all the peaks
13 and valleys, there is a sustained normal work that -- that
14 is there, and it's always going to be there. And the
15 utility cannot survive without workers. It's just not going
16 to happen. It'll never go away.

17 So as that goes, I really think there needs to
18 be some -- some serious consideration for what is needed to
19 prepare for the future and to maintain the reliability and
20 the satisfaction of these customers.

21 I don't think that it can be argued that the
22 customers -- and there are studies out there that show
23 Ameren's rates are some of the lowest in the country. That
24 didn't come without a cost. The Public Service Commission
25 as well as Ameren has done a remarkable job to keep those

1 costs down, but again there's a limit to how far we can go
2 as far as the IBEW Local 1439 is concerned.

3 I think probably one of the best things that
4 happened to the customers in the state of Missouri is not to
5 deregulate. I think the regulated system has proven to be
6 very successful, and that's why we have these hearings and
7 -- and we're very supportive of that.

8 We also -- and it was mentioned earlier, that
9 there's, I guess, some compensation that was stated as
10 bonuses, we sometimes refer to them as lump sums, that are
11 not -- are at least at the onset here, are not to be
12 included in their costs that they've incurred.

13 Some of these things I don't think are fair
14 either, and the reason I say -- state that is in some cases,
15 these lump sums are, or if you want to refer -- we call them
16 lump sums, bonuses, they come as a negotiated item. And the
17 company negotiates with the unions, and in some cases
18 instead of wage increases, the settlement is for lump sum
19 bonuses or possibly some type of incentive.

20 So speaking on the side of the bargaining unit
21 employees, I don't think that's fair either. That needs to
22 be included in -- in their total costs. Again, workers are
23 just like everybody else. They -- they work to be
24 compensated, and that needs to be included.

25 Just in closing, I'd like to state that Local

1 1439 IBEW is in support of the rate increase, but do believe
2 -- and without a doubt, we see the increased cost of the
3 material, the operations, just cost of doing business.
4 Everybody in this room is seeing the pinch. You can see the
5 increase in your fuel and everything else. It's no
6 different with the utility business, and we -- we recognize
7 that.

8 But with that, we do believe that that
9 consideration for their future investment and their internal
10 work force as well as which goes along with their training
11 and everything else, it's in the best interest of everybody
12 that, in our opinion, that some of that be included in -- in
13 their request for a rate increase.

14 I'd be glad to answer any questions you may
15 have. I tried to keep that as brief as possible. I hope I
16 got to the point.

17 COMMISSIONER WOODRUFF: Thank you. Any
18 of the Commissioners have any questions for Mr. Walter?

19 COMMISSIONER MURRAY: Mr. Walter, are
20 you saying that the current training levels are inadequate?

21 MR. WALTER: The training levels -- the
22 training programs are good. We -- we do -- the Company and
23 Union have very good training programs, but there's a limit
24 to -- to how much train- -- how many people you can train.
25 Quite possibly, training programs need to be increased. The

1 number of people that you can get in and trained, facilities
2 for training, trainers, this is -- you know, it's just an
3 increased cost, and it's something that we're falling behind
4 on, in our opinion. It needs to be increased, and that's --
5 that's going to come at a cost that needs to be, I think,
6 considered in their -- in the future of their investment in
7 their own company.

8 COMMISSIONER MURRAY: Is that at any
9 particular level, any particular job area?

10 MR. WALTER: No. No, we believe it's
11 across the board.

12 COMMISSIONER MURRAY: Thank you.

13 MR. WALTER: Thank you very much.

14 Anything else?

15 COMMISSIONER CLAYTON: I'm not sure if
16 the folks in Jeff City can hear us. Should we speak into
17 the mike? Is that helpful?

18 Still can't hear us. You can hear us?

19 MR. DOTTHEIM: Yes, we can hear you.

20 COMMISSIONER CLAYTON: Mr. Walter,
21 thank you very much for coming today. I first wanted to ask
22 you how long have you been business manager of Local 1439?

23 MR. WALTER: Business manager one year
24 last month.

25 COMMISSIONER CLAYTON: Okay. And how

1 long have you been in say a leadership position assoc- -- at
2 1439?

3 MR. WALTER: Well, I've been a business
4 representative since December of 1995. Prior to that,
5 several other leadership positions that -- lower level shop
6 steward, things of that nature.

7 COMMISSIONER CLAYTON: Okay.

8 MR. WALTER: But in the office since
9 '95.

10 COMMISSIONER CLAYTON: So have you been
11 in a position say over the last ten years to be familiar
12 with all aspects of Local 1439 and its relationship with
13 Ameren?

14 MR. WALTER: Yes.

15 COMMISSIONER CLAYTON: Okay. You
16 started off talking about who was a member of your local,
17 and I got confused. Are your members all employees of
18 Ameren, or do you also have external contractors that are
19 also members?

20 MR. WALTER: We do not represent any
21 external contractors on Ameren's property. We have a total
22 of 950 members, 100 or so of which work are under other
23 utilities, and approximately 800 which work for Ameren.

24 COMMISSIONER CLAYTON: Okay.

25 MR. WALTER: No outside contractors, no

1 tree trimmers.

2 COMMISSIONER CLAYTON: Okay. Now --
3 okay. I was going to ask you if you had any tree trimmers,
4 and that's not the case?

5 MR. WALTER: No.

6 COMMISSIONER CLAYTON: Now, I think
7 there's a Local 1 IBEW that also operates in the
8 metropolitan area; is that correct?

9 MR. WALTER: Correct. And they are
10 typically inside wire men type classifications.

11 COMMISSIONER CLAYTON: Inside wire men.
12 Are they also employees of Ameren?

13 MR. WALTER: No.

14 COMMISSIONER CLAYTON: Those would be
15 external contractors or something like that?

16 MR. WALTER: Yeah, your -- your inside
17 wiring for your residential wiring or commercial, strip
18 malls, hospitals, construction type buildings. That's where
19 your inside wire men, or Local 1 contractors, are, you'll
20 typically see them.

21 The other local union on Ameren's property who
22 -- who represent a significant number is IBEW Local 2. They
23 represent linemen and tree trimmers.

24 COMMISSIONER CLAYTON: Okay. Okay. So
25 your members are employees of Ameren, and they are made up

1 of linemen and repairmen. Any other classifications?

2 MR. WALTER: Yeah, everything from a
3 stores keeper, janitors, substation repairmen, --

4 COMMISSIONER CLAYTON: Okay.

5 MR. WALTER: -- electrical mechanics,
6 stores employees, fleet services, relay technicians,
7 distribution technicians.

8 COMMISSIONER CLAYTON: Okay.

9 MR. WALTER: The whole gamut.

10 COMMISSIONER CLAYTON: You've been in a
11 leadership position, I think you said, for at least the last
12 ten years, maybe more. Were you associated with the union,
13 I guess, during the reliability outages or concerns that
14 came up say two or three years ago?

15 MR. WALTER: I was in the office, yes.

16 COMMISSIONER CLAYTON: Okay. And what
17 -- what have you seen in terms of staffing and training
18 since that time? Have you seen any changes in -- in repair
19 and inspection on infrastructure? Have you seen any changes
20 in -- in how the linemen do their business out in the field
21 since that time?

22 MR. WALTER: Difficult question to ask
23 -- answer really. There have been changes. Yes, there have
24 been changes. As even in the aspect of safety, there has
25 been a -- I guess a significant amount of overtime that

1 people work. That's a difficult question to answer. I'm
2 having some difficulty figuring that out.

3 COMMISSIONER CLAYTON: Okay.

4 MR. WALTER: But --

5 COMMISSIONER CLAYTON: You've seen some
6 safety enhancements? I think you suggested that.

7 MR. WALTER: Sure.

8 COMMISSIONER CLAYTON: I think you also
9 suggested maybe some moderate changes. Have you seen an
10 increase or decrease in the number of members working for
11 Ameren since 2004 or '5?

12 MR. WALTER: I'm going to say it's
13 probably about -- maintained about the same.

14 COMMISSIONER CLAYTON: It's about the
15 same. So you don't have additional employees out on the
16 job?

17 MR. WALTER: Probably not.

18 COMMISSIONER CLAYTON: Okay. Does the
19 Local believe that more staffing or increased numbers are
20 needed out in the field?

21 MR. WALTER: Yes, we do.

22 COMMISSIONER CLAYTON: Do you think
23 that would play a direct role in terms of improving
24 reliability?

25 MR. WALTER: Presently there is a lot

1 of contractors IBEW Local 2 who are on the property who --
2 who respond to outages, just like we're having right now.

3 There is, I think, a significant difference in
4 the -- the quality of response to the customer or concern to
5 the customer when you have an internal work force versus an
6 outside contractor, whether it be an IBEW contractor who are
7 fully trained.

8 When an IBEW Local 1439 member goes out on a
9 job, that customer I believe is -- they have much more
10 concern for the customer. There's an investment and a
11 reason to be -- create some satisfaction. So it's hard to
12 -- hard maybe for sometimes a customer to understand they
13 have a lineman comes out there or whatever, the internal
14 work force is much more concerned about the satisfaction of
15 -- of those customers. And that's -- that's obviously an
16 opinion of ours, but we do believe that that is -- that
17 there is a value there, and as well as having, we believe, a
18 little more immediate response to the needs of the company.

19 You've got that work force, and you have
20 control over the work force.

21 COMMISSIONER CLAYTON: Okay. Aside
22 from storms where you have an increase in the number of
23 people who are out there working, maybe they bring in crews
24 from other utilities, bring in folks from out of town,
25 aside from storms, just day-to-day reliability, day-to-day

1 service, do you believe that there are sufficient linemen,
2 sufficient experts out there ensuring that Ameren is
3 providing the most reliable service possible?

4 MR. WALTER: We believe those numbers
5 need to be increased.

6 COMMISSIONER CLAYTON: Okay.

7 MR. WALTER: For various reasons. Just
8 for example, the average age of our bargaining unit is -- is
9 right about 49, 50 years old. You can say that right now
10 that staffing may be pretty close to where it needs to be,
11 but as -- as many of the consultants out there and studies
12 show, as the baby boomers start to increase, we're not going
13 to keep up with that, that level. It's just -- it's just so
14 hard to imagine that we could train people at the rate that
15 we're training now to keep up with it.

16 It's just a -- it's a concern that needs to be
17 addressed I believe.

18 COMMISSIONER CLAYTON: Do you believe
19 that Ameren's reliability has improved over the last two
20 years, three years, or do you know?

21 MR. WALTER: I don't know if I can
22 speak to that at all.

23 COMMISSIONER CLAYTON: Okay. Aside
24 from staffing issues, do you believe Ameren is doing
25 everything possible to improve reliability for its system,

1 both storm-related reliability as well as non-storm-related
2 reliability?

3 MR. WALTER: Sure.

4 COMMISSIONER CLAYTON: Okay. Thank you
5 very much for coming today.

6 MR. WALTER: Okay. Thank you.
7 Anything else?

8 COMMISSIONER WOODRUFF: Go ahead,
9 Commissioner Gunn.

10 COMMISSIONER GUNN: Most of my
11 questions have been answered already. I just have a quick
12 question about the lump sum payments that you're talking
13 about. So you're in favor of including that in rates for
14 the negotiated payments for your -- for your membership.

15 Would you feel the same about management
16 payments? Do you think they ought to be classified as the
17 same, or should we --

18 MR. WALTER: I don't think it's fair to
19 answer that question, because I don't really know how that
20 structure is put together, how that compensation package is,
21 you know. I can only really speak to the bargaining unit.

22 COMMISSIONER GUNN: Okay. But you're
23 in favor of it for the bargaining unit --

24 MR. WALTER: Sure.

25 COMMISSIONER GUNN: -- for the stuff

1 that's negotiated? Great. Thanks. I don't have anything
2 else. Thanks for coming out.

3 MR. WALTER: Thank you.

4 COMMISSIONER WOODRUFF: Any questions
5 from the attorneys for the parties? Ameren?

6 MR. MILLS: No questions.

7 MS. TATRO: No questions.

8 COMMISSIONER WOODRUFF: Anything from
9 the staff?

10 MR. DOTTHEIM: No questions.

11 COMMISSIONER WOODRUFF: Thank you.

12 Thank you, Mr. Walter.

13 The next name on the list is a W. P., and then
14 a name I can't decipher. Is there a W. P. here?

15 MR. W. P.: It may be me, Mr. Chairman.

16 I didn't plan to testify. I misunderstood the purpose of
17 the sign-up sheet.

18 COMMISSIONER WOODRUFF: Okay. Well,
19 you're welcome to testify while you're here.

20 MR. W. P.: I really have nothing too
21 significant.

22 COMMISSIONER WOODRUFF: Well, thank you
23 for coming.

24 The next name on the list then is Virginia
25 Harris.

1 MS. HARRIS: Hello.

2 COMMISSIONER WOODRUFF: Hello. If you
3 would please raise your right hand, I'll swear you in.

4 (Thereupon, Witness Harris was sworn on
5 her oath by Commissioner Woodruff, and testified
6 as follows:)

7 Thank you. Can you tell us your name, please.

8 MS. HARRIS: Virginia Harris.

9 COMMISSIONER WOODRUFF: And your
10 address?

11 MS. HARRIS: 5560 Oak Haven Lane, Creve
12 Coeur.

13 COMMISSIONER WOODRUFF: All right.
14 Thank you. What would you like to tell us?

15 MS. HARRIS: Well, in light of the fact
16 that Ameren has requested \$46.9 million what they would like
17 to include in the rate base, which is to be allocated to the
18 cost of a new nuclear power plant called Calloway 2, I would
19 like to make a statement about the construction --
20 construction work in progress that they are attempting to
21 achieve with this request.

22 On November 2, 1976, Missouri voters approved
23 by a 2 to 1 majority a law that banned charging electric
24 rate payers for construction work in progress. Now Ameren
25 UE lobbyists are pressing the Missouri General Assembly to

1 overturn this voter-enacted consumer protection provision.

2 Driving this current push to allow, I'll call
3 it CWIP, construction work in progress, is Ameren's desire
4 to build a second nuclear power reactor and their inability
5 to lure private investors to take the risk of mistakes,
6 possible delays or strikes or material -- material or labor
7 shortages, even while asking for the guaranteed opportunity
8 to earn a given profit margin of I believe 10 percent or so.

9 The 1976 ballot initiative amended Missouri
10 law to ensure that electric rate payers were not billed for
11 charges based on the cost of construction work in progress
12 of a new or existing power plant until the plant was fully
13 operational and used for service. This initiative
14 overturned the Missouri Public Service Commission's decision
15 in this 1975 to allow construction work in progress.

16 Utilities have historically sold stocks and
17 bonds to private investors to pay for the construction of
18 new power plants, and the finance charges for the use of
19 this money were paid after the plant was producing
20 electricity. The PSC decision would have had rate payers
21 pay the finance charges and get nothing in return for this
22 amount added to the monthly bill.

23 The American Public Power Association stated
24 at the time CWIP abandons the traditional practice that the
25 capital market furnish capital for the construction of new

1 plants. Instead, the Commission desires consumers to supply
2 money for the growth of the private business, and the
3 consumer receives no financial return for a company's use of
4 its capital.

5 The proposal removes incentives for utility
6 management to curb costs. If a utility is guaranteed
7 revenues for all costs incurred during construction, for
8 example, equipment, property, engineering studies, some
9 incentive -- then some incentive is removed for utility
10 management to operate efficiently and be conscious of costs
11 because the consumer is supplying the capital and the risks
12 to management and to the investors diminish.

13 So we say that allowing CWIP, which I
14 understand that the -- that your Public Council I believe or
15 the Commission of the -- and the staff of the PSC has
16 recommended not be allowed, but I would like to address the
17 Commissioners in this case to go along with the staff's
18 recommendation and not allow CWIP, those CWIP cost of \$46.9
19 million into this rate base.

20 We would say that doing so, allowing such
21 costs, would be unfair. CWIP would allow electric utilities
22 to charge current customers for future projects that are not
23 yet providing new service. We say it's unnecessary. The
24 Calloway 1 nuclear plant was built by Union Electric,
25 financed and audited before the large cost was phased in for

1 the rate payers.

2 Customers then experienced no significant cost
3 increases for two decades, while Union Electric profited
4 considerably, at times even setting earnings records,
5 without the assistance of CWIP or any other rate payer
6 bailout.

7 We say that to approve such costs would be
8 irresponsible because CWIP would force rate payers to pay
9 for projects before they are audited. When Calloway 1 was
10 completed and thoroughly audited by the PSC, hundreds of
11 millions of dollars were disallowed by the PSC as unprove
12 cost overruns.

13 If Ameren UE knows that the money supplying
14 the project is going to be passed through while it is being
15 built, then pressure to explore the least costs options and
16 manage efficiently is weakened. We feel that CWIP would be
17 a ripoff. Consumers already pay Ameren a high level of
18 profit. This electric monopoly is already allowed to charge
19 rates that include a rate of return for the return on equity
20 higher than 10 percent. This profit already compensates it
21 for the risk of planning and financing their operations.

22 If, in fact, it prefers to have rate payers
23 bear the cost -- bear this big risk, then Ameren UE's rate
24 of return should be eliminated. To allow CWIP would be a
25 bad precedent. Consumers should not be forced to invest in

1 the utility's projects. That is the job of shareholders.
2 Consumers also should not be forced to be the utility's
3 insurance company guaranteeing the utility's risk.

4 Given that -- well, initially we understood
5 that Ameren was requesting a change by the Missouri
6 Legislature, and now we've discovered that they've already
7 requested part of this cost for the new power plant as part
8 of the current rate case -- as part of the current case base
9 -- case base load. And so we would like to make sure that
10 -- that the Commissioners do not allow that in this rate
11 case.

12 Thank you.

13 COMMISSIONER WOODRUFF: Just wait a
14 minute.

15 MS. HARRIS: Okay.

16 COMMISSIONER WOODRUFF: Do any of the
17 Commissioners have any questions for Ms. Harris?

18 Commissioner Murray?

19 COMMISSIONER MURRAY: I have none.
20 Thank you.

21 COMMISSIONER CLAYTON: Ms. Harris,
22 thanks for coming out today. I appreciate hearing these
23 comments. They're very comprehensive and well prepared. I
24 wanted to ask, have you been involved in utility battles in
25 the past?

1 MS. HARRIS: No.

2 COMMISSIONER CLAYTON: No, okay. Are
3 you familiar with the utility policy of the Commission
4 associated with construction of the power plant over in the
5 Kansas City area?

6 MS. HARRIS: You mean north of Kansas
7 City?

8 COMMISSIONER CLAYTON: Uh-huh. Yes,
9 ma'am.

10 MS. HARRIS: With the KPC and O?

11 COMMISSIONER CLAYTON: Yes.

12 MS. HARRIS: Just a tiny bit.

13 COMMISSIONER CLAYTON: Just a tiny bit,
14 okay. Well, I'm not going to go into that.

15 MS. HARRIS: Okay.

16 COMMISSIONER CLAYTON: I don't think I
17 have any other questions. Thanks for coming in.

18 MS. HARRIS: Uh-huh.

19 COMMISSIONER WOODRUFF: Commissioner
20 Gunn?

21 COMMISSIONER GUNN: I don't have any
22 questions.

23 COMMISSIONER WOODRUFF: Any of the
24 parties have questions for Ms. Harris?

25 MS. TATRO: None by UE.

1 MR. MILLS: No questions.

2 COMMISSIONER WOODRUFF: Staff?

3 MR. DOTTHEIM: No questions.

4 COMMISSIONER WOODRUFF: Thank you, Ms.
5 Harris.

6 The next name on the list is Karen Caston?

7 MS. CASTON: Yes.

8 COMMISSIONER WOODRUFF: Please raise
9 your right hand.

10 (Thereupon, Witness Caston was sworn on
11 her oath by Commissioner Woodruff, and testified
12 as follows:)

13 Could you tell us your name.

14 MS. CASTON: My name is Karen Caston.

15 COMMISSIONER WOODRUFF: Can you spell
16 your last name, please.

17 MS. CASTON: C-A-S-T, as in Tom, -O-N.

18 COMMISSIONER WOODRUFF: Thank you.

19 What would you like to tell us?

20 MS. CASTON: Well, my concern is you've
21 got here about monthly raise of \$8.66. Has anyone thought
22 about the senior citizens or people who's on fixed incomes,
23 people who are already struggling to pay their bills?

24 How about the people who are steady losing
25 their jobs? Now, there are organizations out there that

1 help, but they got different criteria that these people got
2 to meet, and if they don't meet it, there's a problem. And
3 I mean I understand everything is going up, but something
4 has to give. People cannot keep going through what they're
5 going through.

6 That's all I have to say about it.

7 COMMISSIONER WOODRUFF: Thank you. Any
8 of the Commissioners have questions for Ms. Caston?

9 COMMISSIONER MURRAY: No. Thank you,
10 Ms. Caston.

11 MS. CASTON: Thank you.

12 COMMISSIONER CLAYTON: No questions.

13 COMMISSIONER GUNN: Just a couple quick
14 ones. Have you had any issues with reliability with your
15 service, any outage issues or customer service issues?

16 MS. CASTON: Not me personally, but I
17 have seen it. I have seen the effect of it. I have seen
18 when the power went out, the trees falling down, how rough
19 it is for people to get different things. I'm out there
20 with it all the time, so I see it.

21 I see the power lines down on the ground.
22 There was an incident where something happened with the
23 power, and the person's house caught afire. So I -- I look
24 at it. I see it every day, but me personally, no because
25 one, to keep my bill from going up, I purposely do not turn

1 on my air. And I mean, it's not a good thing. It's not a
2 safe thing, but when you are on an income fixed, you cut
3 costs the best way you know how.

4 So if that means not cutting on my air,
5 cutting on my fan, or if I do cut my air on, cut it on for a
6 short time and then cut it out. That's what I choose to do.

7 COMMISSIONER GUNN: Thank you for
8 coming out, ma'am. I don't have any further questions.

9 COMMISSIONER WOODRUFF: Any questions
10 from any of the parties?

11 MS. TATRO: I don't have a question,
12 except could you ask her to place her address in the record?

13 COMMISSIONER WOODRUFF: I'm sorry.

14 MS. CASTON: It's 2851 West Pasture,
15 P-A-S-T-U-R-E, Drive, West Overland, Missouri 63114.

16 COMMISSIONER WOODRUFF: Thank you. Any
17 other questions? Okay. You can step down. Thank you very
18 much.

19 MS. CASTON: Thank you.

20 COMMISSIONER WOODRUFF: The last name
21 on the list is Sharon Sanders. Please raise your right
22 hand.

23 (Thereupon, Witness Sanders was sworn on
24 her oath by Commissioner Woodruff, and testified
25 as follows:)

1 Thank you. Tell us your name.

2 MS. SANDERS: Sharon A. Sanders.

3 COMMISSIONER WOODRUFF: And your
4 address?

5 MS. SANDERS: 15951 Forest Valley
6 Drive, Ballwin, Missouri, 63021.

7 COMMISSIONER WOODRUFF: Thank you.
8 What would you like to tell us?

9 MS. SANDERS: Well, first of all, I
10 appreciate the fact that the Public Service Commission comes
11 to these venues and listens to the public. You know, this
12 is all part of the system in which we are so vitally
13 involved, and that the Commission takes the time out and
14 makes venues available is greatly appreciated by the public,
15 and I'm sure everyone in this room who represents the public
16 shares my opinion. So thank you.

17 First of all, I'd like to say that on behalf
18 of all of us, we thank the Public Service Commission for
19 recognizing the redundancy of fuel adjustment costs in
20 Ameren UE's requests. It seems that all of us are subject
21 to fuel increases, but to have the ability to go ahead and
22 raise the rates and then have the ability to keep raising
23 the rates when there's a fuel adjustment, doesn't seem like
24 somebody is doing good planning.

25 So as I read what the staff recommended, it

1 seems to me that the staff is on the right track
2 representing the people in saying that we don't need a
3 double adjustment for fuel given to Ameren UE for whatever
4 purposes they think they need them.

5 Also I notice that one of the Commissioners
6 has been asking about reliability, and I find it interesting
7 that after our debacle with the ice freeze, Ameren UE
8 stepped on the accelerator for customer service, and did
9 their utmost best to get out there and fix the problems that
10 the reliability issues and reliability complaints were
11 centered on.

12 I found that very impressive. I also found it
13 frustrating to think that they had let the tree trimming go,
14 you know, and my question in my head was why was that
15 allowed to happen. But since I've been a financial planner
16 for 30 years, and I am a chartered financial consultant, and
17 just newly retiring from selling my practice, it doesn't
18 take a rocket scientist to figure out that money was going
19 in different places and not for cutting trees.

20 Ameren UE has fallen into some very
21 interesting behaviors, and one of the things that bothers me
22 as a financial planner is the fact that we hear nothing from
23 utility until they are failing us, and then suddenly they
24 flood the airwaves with television and radio broadcasts
25 about what a job they're doing to come back.

1 You know, they don't get that advertising for
2 free, and I don't appreciate my utility payments being used
3 to buy public -- to buy private television commercial time
4 to tell me that they're fixing a problem they never should
5 have had. And I think that these things need to be
6 regulated on the part of every public utility.

7 Thank you all for being here for the Ameren UE
8 situation, but I don't think there's an exception for the
9 gas company or for anybody else who uses our funds to
10 advertise. And I asked a question in the question and
11 answer period about this little brochure that I received in
12 the mail from Ameren, and the question was -- I was
13 scratching my head. I didn't recall receiving this prior to
14 the time that these public meetings were being scheduled.

15 A friend behind me indicated that, you know,
16 if I wanted to see this, that it was on line. And quite
17 frankly, that's where it should stay. My feeling is that
18 all the postage that is used in trying to convince us that
19 Ameren is doing, you know, wonderful public service, doesn't
20 need to be spent on postage. You know, what you do speaks
21 much louder than what you say.

22 As a financial planner, I'm looking at the
23 numbers here on these papers that we were given, and I'm
24 looking at return on equity. And I'm asking myself what
25 other investor in what other venue has been able to rely on

1 the kinds of return on equity that investors in UE have had
2 for the last five and seven years. And in view of what's
3 going on in the public sector today and the dire situation
4 that many investors are in, I certainly empathize with and
5 encourage my clients to buy utilities and to buy Ameren UE
6 in an effort to have a steady kind of flow of income in
7 their portfolios, but I don't expect that steady flow of
8 income to be above and beyond the risk-taking proportion
9 that we discuss with our clients all the time.

10 There is little or no risk in a utility
11 investment, yet these rates of return are the highest things
12 that I have seen in quite some time, and I challenge this
13 Commission to bring these returns of net equity back into
14 focus with other kinds of investments and other kinds of
15 public returns on monies invested in other kinds of
16 companies.

17 I find this totally unacceptable, and I
18 noticed the gentleman was asked in the back here in the
19 question and answer session what's the current return on
20 equity, and it was 10 plus, but we expect it to be 8
21 something at the end of the year.

22 Well, I know people who would turn somersaults
23 for 8 something at the end of the year, and for Ameren to
24 come to us and not show us any kind of budget trimming, any
25 kind of way that they are going to contribute to this and

1 still, you know, expect a return on equity that they are
2 expecting, to me seems to be rather a good deal of hubris.

3 So aren't I the one getting up here? Don't I
4 have the nerve? But today is my turn, and I've been waiting
5 a number of years, and this is the day that I get it. So
6 thank you very much for listening to our concerns.

7 COMMISSIONER WOODRUFF: Thank you very
8 much. Do any of the Commissioners have any questions for
9 Ms. Sanders?

10 COMMISSIONER MURRAY: I would just like
11 to comment and thank you for recognizing and appreciating
12 the fact that we do come out and have these public meetings.
13 It's frustrating when we -- I forget how many we scheduled
14 for Ameren UE this time.

15 COMMISSIONER WOODRUFF: Fourteen I
16 believe.

17 COMMISSIONER MURRAY: Fourteen or
18 sixteen local public hearings around the state, and I think
19 before today we've had about ten people show up to the
20 hearings. So it's nice when people recognize that we are
21 here and it is an opportunity for you to come and share your
22 views with us. So thank you.

23 MS. SANDERS: You're welcome, and I
24 might say to you, you know, that many times, you know, when
25 we try to schedule ourselves, it's difficult to get at the

1 times that these are, you know, scheduled. I also might
2 speak on behalf of my other public citizens and say we do
3 appreciate your work very much, but sometimes we throw up
4 our hands in dismay and say what's the point. We don't know
5 how effective our little voices are.

6 Thanks.

7 COMMISSIONER CLAYTON: Well, I can tell
8 you people are listening, and people do read these
9 transcripts and they do become part of the documents and
10 part of the decisions that are made. So don't think for a
11 second that -- that your testimony or anyone's testimony is
12 irrelevant.

13 They are very important. In fact, I was
14 thinking this is my third time to this facility here. We
15 were here in 2006 I believe when we were taking testimony on
16 the storm outages that occurred in July of 2006, I believe,
17 and then ice storm -- the first ice storm hit later that
18 year. And then another ice storm hit January of '07, and
19 then we came back and had another hearing for Ameren's last
20 rate case.

21 So this is our third time here, and we do try
22 to reach out and give people as much opportunity as
23 possible. I was thinking about maybe getting a house close
24 by because we've been here with some frequency.

25 MS. SANDERS: It's a great

1 neighborhood.

2 COMMISSIONER CLAYTON: Yeah, it looks
3 like it. I wanted to ask -- coming from your perspective,
4 you bring an interesting perspective being a financial
5 planner, being an investor, offering advice to investors,
6 and you are suggesting outrage or unhappiness with the
7 returns on equity that were being proposed in this case.

8 Is that, first of all, accurate?

9 MS. SANDERS: It is. It is.

10 COMMISSIONER CLAYTON: And you also
11 said that you encourage clients to purchase utility stocks,
12 and I -- is that correct?

13 MS. SANDERS: Yes, it is.

14 COMMISSIONER CLAYTON: Now, can you
15 elaborate on why a utility stock would be such a good
16 investment, because we always hear on the other side that
17 utilities have a hard time attracting capital, have a hard
18 time maintaining stock prices.

19 Can you give me some more feedback on why a
20 utility stock would be something one of your clients should
21 be looking at?

22 MS. SANDERS: Well, the basic
23 utilization in the part of a financial planning program for
24 a client using utility stock as income, and income is fairly
25 regular with utility stock. Even though the price of the

1 stock may go up and down and over and around, the income is
2 fairly steady almost all the time.

3 And in a practical sense, I have to tell you
4 that there is so much Ameren UE stock right now in people's
5 safety deposit boxes, I would hesitate to think because I
6 have clients who have had that stock handed down to three
7 generations already. All right. And because of its
8 consistency and obviously the fact that no one can -- you
9 know the old saying, you know, nobody is going to quit using
10 the electric company, all right, or the gas company or, you
11 know, any other utility from other places.

12 Because of the nature of a utility stock and
13 the nature of the utilization and the fact that, you know,
14 whether Ameren thinks so or not, you know, our bills have
15 gone up. Well, they may not have gone up in the same ratio
16 that our gasoline cost at the pump has gone up, but still
17 the bills continue to go up and the investors continue to
18 receive an increasing return on their equity investment.

19 And it's a very steady return, and that's why
20 we recommend utilities.

21 COMMISSIONER CLAYTON: Well, as someone
22 who wears a hat -- and I'm not sure if you said that whether
23 you personally own Ameren stock. I don't think it's
24 important, --

25 MS. SANDERS: I do not.

1 COMMISSIONER CLAYTON: -- but you're
2 from a perspective of dealing with folks who do obviously.
3 So you have the hat of a shareholder, but you also have a
4 hat of a rate payer. How would you suggest that the
5 Commission these interests and improving reliability and
6 ensuring that service is the best possible for the people of
7 the area?

8 MS. SANDERS: Well, what I would say
9 basically is -- is that as you look at returns on equity and
10 you look at a utility stock, not as a growth and risk stock,
11 but as an incoming-producing stock, okay, and that kind of
12 ilk, then, you know, if you look at the returns on
13 income-producing industries elsewhere, you know, bonds,
14 again good safe triple A bonds, that kind of return,
15 utilities have been in excess of those kinds of returns, I
16 think, for quite some time.

17 And you know, as a group, I think, you know,
18 there's two pieces to your puzzle, okay, as it were. You
19 want the shareholders to receive a fair return on their
20 invested dollar. You want the recipients of the service to
21 get a fair shake. The question is how is the utility
22 behaving? Are your audits good? Do you have an excellent
23 way of determining whether or not -- whether somebody gets a
24 bonus it's based on performance? What kind of performance
25 is it based on?

1 You know, based on the lack of tree service,
2 that seems obvious to most of us in here, over the last, you
3 know, years before we had the ice storm, you know, were the
4 bonuses still the same, and did they continue that way after
5 the ice storm. Those kinds of things need to be -- you
6 know, how is the company being encouraged within itself?
7 Okay. And how is the company policing its own as far as its
8 budget and its internal costs?

9 Those are the things that we like to look at,
10 and you know, as an investment adviser, you know, obviously,
11 if the gasoline costs go up, you know, you have to take a
12 look at your budget at home and figure out what you're going
13 to give on that. You know, the average homeowner doesn't
14 have the ability to come to the Public Service Commission
15 and say would you please, you know, raise my allowance so I
16 can spend enough money on gasoline to make -- to pay my
17 bills.

18 You know, obviously, if this affects service,
19 then that's the issue, you know, that's the quid pro quo.
20 And those are the things obviously you all have to look at,
21 and I can't, you know, say that I can do it -- a better job
22 than anybody else here can. But it seems to me that when,
23 you know, we see the kinds of returns on equity that we see
24 from this utility and the frustrations that we as users of
25 the utility have, we kind of feel like, hey, wait a minute.

1 You know, is the only way to make money on this deal is to
2 buy UE stock?

3 That's the joke, and of course, that's what a
4 lot of people say. You know, if you want to fix your
5 electric bill, buy some stock. That shouldn't be the
6 answer, you know.

7 COMMISSIONER CLAYTON: Have you seen
8 your service improve since 2006?

9 MS. SANDERS: I haven't seen it deprove
10 (sic). Okay. I haven't seen it in any way --

11 COMMISSIONER CLAYTON: May have to have
12 that read back.

13 MS. SANDERS: I haven't seen it in any
14 way be negatively affected.

15 COMMISSIONER CLAYTON: Okay.

16 MS. SANDERS: Okay. It hasn't -- I
17 haven't had any problems. I haven't had any reliability --
18 you know, it just hasn't been the case.

19 COMMISSIONER CLAYTON: Have you seen
20 more tree trimming? Have you seen more Ameren folks? Have
21 you seen more Local 1439 guys out there working on your
22 neighborhood, or --

23 MS. SANDERS: Well, you know --

24 COMMISSIONER CLAYTON: -- you don't see
25 anything?

1 MS. SANDERS: In our particular
2 neighborhood, we have underground wiring. So I wouldn't see
3 as much, but as I drive around, yes, I've seen more people
4 out there, you know, on the lines and doing the job. And if
5 Ameren can afford to have those people do that and pay them
6 overtime, you know, and still have this return on equity
7 they have, I say, you know, why do you need more money.

8 COMMISSIONER CLAYTON: Well, last
9 question here. You're talking about this return on equity.

10 MS. SANDERS: Yeah.

11 COMMISSIONER CLAYTON: What do you
12 think they ought to get?

13 MS. SANDERS: Oh, now -- now you're
14 getting me in trouble. Now you're getting me in trouble. I
15 -- you know what, I think if you took averages of good
16 triple A and double A bonds, that's what they should get and
17 they're getting more. Okay.

18 COMMISSIONER WOODRUFF: Thank you very
19 much.

20 MS. SANDERS: Thank you.

21 COMMISSIONER WOODRUFF: And I noticed
22 that Commissioner Jeff Davis has joined us there in
23 Jefferson City. Good afternoon, Commissioner.

24 COMMISSIONER DAVIS: Good afternoon.

25 Ma'am, just a -- just a couple of questions.

1 Can you hear me?

2 MS. SANDERS: I certainly can.

3 COMMISSIONER DAVIS: Okay. Back a few
4 years ago, there were earnings complaints being filed
5 against Ameren UE, and there were several settlements, you
6 know, in regards to lowering Ameren UE's rates.

7 Do you think all the parties who signed on to
8 those agreements ought to share some of the responsibilities
9 for Ameren's lack of service in the last few years, because
10 they signed on to those agreements with that lowering of
11 rates without sitting on any quality of service? Do you
12 think they ought to share some of the responsibility too?

13 MS. SANDERS: Well, I must say I'm not
14 terribly familiar with what you're speaking about. So that
15 leaves me at a loss as to who "they" are. Could you
16 elucidate a little more on who "they", the parties, were?

17 COMMISSIONER DAVIS: The Missouri
18 Public Service Commission staff, the Attorney General of the
19 State of Missouri, the Office of Public Counsel, Industrial
20 Consumers.

21 MS. SANDERS: Okay. And what you're
22 saying is that they filed suit in that Ameren should have
23 lowered its -- should lower its rates, and they in fact did?

24 And you're asking me should your --

25 COMMISSIONER DAVIS: Right.

1 MS. SANDERS: -- should the Public
2 Service Utility Commission be a better watchdog? I say yes,
3 they should.

4 COMMISSIONER DAVIS: Okay. You think
5 we should have figured this out before -- before now, before
6 all the bad things happened?

7 MS. SANDERS: Well, I don't know what
8 kind of auditing process you have. I don't know, you know
9 -- Ameren UE is a big company, and you have very -- you
10 don't have a big staff. So I really don't know about
11 figuring it out ahead of time, but I think that it doesn't
12 hurt for a Public Service Commission to tell those it
13 governs that they need to make sure that they are ready at
14 any time for, you know, thorough examination of how they're
15 spending that money.

16 You know, I -- you know, the issue is as an
17 investor or as a financial planner, you know, I -- I have to
18 speak to my clients about what investments I advise them to
19 purchase, and how they're doing. And surely, you know, if
20 you are in charge of a utility, then if you -- if the
21 utility doesn't need to be charging what it was charging and
22 the issue is nothing changes at the utility except the
23 service, the executives get the same pay and the
24 shareholders get the same dividends, and nothing changes but
25 the service, then I would say, well, hey, you know, we all

1 have to pitch in here.

2 Is it just the -- the service that has to
3 suffer? Doesn't everybody have to take a little piece of
4 this? And again, I -- I go back to, you know, rates of
5 return. You know, I don't know what -- I don't know what
6 people expect, but I think they've been very, very good.

7 And I don't think that they need to decrease
8 significantly, but I don't think people need to expect them
9 to be higher than everybody else's in that type of
10 investment.

11 COMMISSIONER DAVIS: Okay. Well, I
12 mean, ma'am, I guess I'm a little confused here because I'm
13 not a distinguished investment analyst like yourself, but
14 you know, as a State of Missouri employee, we're part of the
15 Missouri State employee's retirement system. And if you
16 read their newsletter, I believe their last -- one of their
17 last most recent newsletters, it was talked about how they
18 consistently were trying to earn a rate of return, in fact,
19 had a rate of return of approximately 12 percent a year.

20 Now, at that rate, the State of Missouri
21 retirement system, they wouldn't be investing in Ameren,
22 would they?

23 MS. SANDERS: Well, actually, I'd be a
24 little afraid if I were you. If my retirement system was
25 saying they were making 12 percent, I'd be a little

1 concerned. I'm sorry to say that to you, but you know, risk
2 and return are a big piece, and I'm sure that your pension
3 system, if it was making 12, has probably taken a little hit
4 on the chin lately too.

5 Ameren UE and your retirement system are not
6 comparisons, and you know, I don't want to get up here and
7 spend an hour, you know. I'm not a sophisticated financial
8 analyst. I'm a humble financial planner who takes care of
9 little people's accounts, and tries to make sure that they
10 have enough money to last them their lifetime. But I can
11 say that anybody whose accounts have been averaging 12
12 percent are doing absolutely extraordinarily better than the
13 rest of the public. Congratulations.

14 COMMISSIONER DAVIS: There you have it.
15 Thank you, ma'am.

16 COMMISSIONER WOODRUFF: Commissioner
17 Gunn, do you have any questions?

18 COMMISSIONER GUNN: No, I don't have
19 any questions. One of the things about going last is all
20 the good questions are taken. So I don't have anything
21 except to thank you for -- thank you for coming out today,
22 and we're happy for your input with great perspective and
23 great comments.

24 MS. SANDERS: Thank you.

25 COMMISSIONER WOODRUFF: Anybody -- any

1 of the parties have questions for Ms. Sanders?

2 MS. SANDERS: Oh, I'm sorry.

3 COMMISSIONER WOODRUFF: That's all
4 right. Nobody had any questions. And Ms. Sanders was the
5 last name on the list. Is there anyone else here who would
6 like to testify? All right. Come forward.

7 MR. BRUNGARD: My name is Dan Brungard.
8 B-R-U-N-G-A-R-D.

9 COMMISSIONER WOODRUFF: And your
10 address?

11 MR. BRUNGARD: 1001 Boardwalk Springs
12 Place, O'Fallon, 63368.

13 COMMISSIONER WOODRUFF: Okay. If you'd
14 please raise your right hand.

15 (Thereupon, Witness Brungard was sworn
16 on his oath by Commissioner Woodruff, and
17 testified as follows:)

18 Okay. What would you like to tell us?

19 MR. BRUNGARD: I am here representing a
20 couple of different developments near the airport where we
21 have had great cooperation from UE and in that enabled us to
22 stay on schedule and keep our costs down while not incurring
23 any additional cost to UE. Which also allowed us to keep
24 costs down for our customers, which allowed us to create
25 more jobs, which is what our whole philosophy is -- is

1 about, is creating jobs.

2 At the North Park development, which is the
3 old airport buy-out area on the northeast corner of 70 and
4 170, Ameren -- we went to Ameren, and they were receptive to
5 us helping look at the backbone design and how that was laid
6 out and how it would impact not only delivery of power to
7 the area, which changed significantly from the character it
8 was before, to what it was going to be, but also how that
9 would impact construction schedules.

10 We -- we did have an opportunity to work with
11 Ameren on scheduling demolition of -- I don't know how
12 familiar you are with the area, but it was an area where
13 there were several hundred homes that were bought out for
14 noise mitigation, and most of those homes were basically
15 just pushed into the basement.

16 So the person -- what we had to do is go in
17 and rip them all out, and as part of that process, worked
18 with Ameren to get that done. And -- and they worked with
19 us to accommodate our schedule kind of bouncing around
20 rather than going methodically down the street, which didn't
21 cost Ameren any more, and again, was able to help us keep on
22 -- on track.

23 We also had great cooperation from Ameren if
24 you're -- if you're familiar with the Express Grips building
25 at -- on 70, just east or right in front of Unsel, that was

1 also our project, and at the, what I'll call the last
2 minute, we were able to have some accommodation with Ameren
3 that saved us about \$1.2 million in what would have been
4 temporary infrastructure costs. Again, no additional cost
5 to UE, and we were able to take a five and a half month
6 project and complete it in about 90 days to get power on to
7 Express Grips on schedule.

8 So that was a huge benefit for -- for us to be
9 able to deliver on time, which again, ultimately made us
10 able to keep our costs down to be able to generate more jobs
11 for the region.

12 At the other end of the runways from North
13 Park is a development we call Hazelwood Logistics Center. A
14 similar situation where there were hundreds of homes that we
15 purchased and had been -- those had been previously
16 developed -- demolished had been pushed into the basements.
17 And we were doing that work during the crisis that had come
18 up a few years ago when there were thunderstorms and ice
19 storms, and working with Ameren.

20 Obviously, their crews and all the crews from
21 the surrounding areas went out and worked on the crisis
22 right away, but we were able to jockey our schedule to be
23 able to work with them to get that back on track, and again,
24 keep that on -- on schedule.

25 The final thing I wanted to mention is that

1 when Ameren faced a custom design situation to be able to
2 keep the power on at the airport through, you know,
3 uninterrupted -- with uninterrupted service, which obviously
4 is critical, we were able to work together with them on the
5 design so that it -- they were able to get that done and
6 also accommodate us.

7 And again, they came off with, what I'm told
8 by the engineers that work for us, with a very creative
9 design that is going to ultimately be used in other places
10 also. So that's really all I have from a business
11 perspective. Personally I can tell you that I'm an Ameren
12 customer, and although I live in an area where the power
13 lines are buried, we do occasionally have outages during
14 major storms.

15 I don't think it's any more, in my humble
16 opinion, than -- than I could expect keeping power to as
17 many people as they keep power to is no easy task. And I
18 will for the -- in the interest of full disclosure, tell you
19 that while I am not a stockholder, my 11- and 13-year-olds
20 are. So they're doing better than me, I guess.

21 And I think you should let Mr. Dodd go first.
22 I'm sorry, Mr. Gunn go first.

23 COMMISSIONER GUNN: That's okay.

24 COMMISSIONER WOODRUFF: All right.

25 Commissioner Murray?

1 COMMISSIONER MURRAY: I have no -- I
2 have no questions. Thank you.

3 COMMISSIONER WOODRUFF: Commissioner
4 Clayton?

5 COMMISSIONER CLAYTON: I think it's a
6 splendid idea, but I do want you to know he told me to wear
7 my orange tie today. But I have no questions.

8 COMMISSIONER GUNN: I actually do have
9 some questions.

10 MR. BRUNGARD: Okay.

11 COMMISSIONER GUNN: Are all these
12 developments -- I know they're relatively new developments.
13 Did -- did you work with Ameren on any energy efficiency
14 issues, both in design and the building of --

15 MR. BRUNGARD: Absolutely.

16 COMMISSIONER GUNN: -- these things?

17 MR. BRUNGARD: We've been -- in those
18 two developments that I mentioned and a couple of others
19 that I haven't, again, I'm not the engineer. I'm the -- I'm
20 the, you know, spin doctor, the communications guy. So I
21 can't tell you what happens when you plug in a lamp, but the
22 folks in our shop who are in charge of laying out our
23 developments and getting the power everywhere, have had
24 tremendous cooperation with UE in layouts, in planning.

25 We are working on one thing that's going to

1 pretty significantly change some power delivery in an area
2 that Ameren has been very receptive to our conversations
3 about conservation and sustainability and those types of
4 things.

5 So to answer your question, absolutely.

6 COMMISSIONER GUNN: Great. And the
7 information was clear and, you felt, innovative and met your
8 needs?

9 MR. BRUNGARD: It wasn't clear to me.
10 It was clear to our engineers.

11 COMMISSIONER GUNN: The people that
12 needed to know?

13 MR. BRUNGARD: Yeah, the people who
14 knew what they were talking about.

15 COMMISSIONER GUNN: That's all the
16 questions I have. Thanks for coming in.

17 COMMISSIONER WOODRUFF: Any questions
18 from the parties?

19 MR. MILLS: Just briefly. What
20 development do you represent?

21 MR. BRUNGARD: I'm the vice president
22 of Communications for McEagle Properties, and we are the
23 Hazelwood Logistic Center is -- is just us, and North Park
24 is North Park Partners, which is us and Ipeca, are the two
25 partners that are there.

1 MR. MILLS: Thank you. That's it.

2 COMMISSIONER WOODRUFF: All right.

3 Staff? Mr. Dottheim, do you have anything for staff?

4 MR. DOTTHEIM: No questions.

5 COMMISSIONER WOODRUFF: Thank you.

6 MR. BRUNGARD: Thank you very much.

7 COMMISSIONER WOODRUFF: You may step
8 down. Is there anyone else who would like to testify? Yes,
9 ma'am.

10 MS. HARRIS: I wanted to add to my
11 testimony. I'm Virginia Harris.

12 COMMISSIONER WOODRUFF: All right.

13 MS. HARRIS: That I have heard one
14 person say that the United States is the Saudi Arabia of
15 efficiency, energy efficiency, that we could get as much
16 energy efficiency out of our utilities as Saudi Arabia gets
17 oil out of the ground in their country.

18 And in that respect, I thought that was
19 interesting, and the previous speaker's statements about
20 working with Ameren for greater energy efficiency of his
21 operation. I would love to know to what extent the
22 incentive -- well, rather to what extent the initiative for
23 those efficiencies came from Ameren UE or from McEagle
24 Corporation.

25 But I also believe that -- I would like to

1 know whether there were any incentives built into McEagle's
2 developments to use greater energy efficiency. And I would
3 like to recommend that the Public Service Commission look
4 for ways to encourage Ameren UE to set up programs that
5 would achieve more energy efficiency in our region.

6 I have seen statements that indicate that it
7 would cost less money for Ameren UE to get the same amount
8 of energy as the proposed 16 megawatt reactor that it wants
9 to build. It could get that much power from efficiencies
10 for far less than the cost that they plan to spend on this
11 new reactor, because they think it's being estimated at
12 maybe around 6 billion.

13 But based on what's happened in Finland and
14 other places, we expect that cost to go up possibly to 9
15 billion before we're finished paying for it, and for that
16 money, you could get at least that much power by just
17 implementing incentives for energy efficiency.

18 Thank you.

19 COMMISSIONER WOODRUFF: Okay. Any
20 followup questions from the Commissioners, or the parties?

21 MR. MILLS: No.

22 COMMISSIONER WOODRUFF: All right.
23 Thank you very much, Ms. Harris. Anyone else like to
24 testify?

25 Any closing comments from any of the

1 Commissioners? All right. Then we are adjourned.

2 (WHEREIN, the hearing was concluded at

3 1:12 p.m.)

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