

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

In the Matter of Union Electric Company)
d/b/a AmerenUE for Authority to File)
Tariffs Increasing Rates for Electric) Case No. ER-2008-0318, et al.
Service Provided to Customers in the)
Company's Missouri Service Area.)

AFFIDAVIT OF MICHAEL DATILLO

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

Michael Datillo, of lawful age, on his oath states: that he has participated in the preparation of the following Direct Testimony in question and answer form, consisting of 4 pages of Direct Testimony to be presented in the above case, that the answers in the following Direct Testimony were given by him; that he has knowledge of the matters set forth in such answers; and that such matters are true to the best of his knowledge and belief.

Michael A. Datillo
Michael Datillo

Subscribed and sworn to before me this 28 day of AUGUST, 2008.

Melanie E. Wilhelm
Notary Public

My commission expires 2/28/2011



MELANIE E. WILHELM
My Commission Expires
February 28, 2011
St. Louis County
Commission #07017667

Union Exhibit No. 900
Case No(s) ER-2008-0318
Date 12/1/08 Rptr pk

DIRECT TESTIMONY

OF

MICHAEL DATILLO

SUBMITTED ON BEHALF OF IBEW LOCAL 1455 and ALL AMEREN UNIONS

AMEREN

CASE NO. ER-2008-0318, et al.

1 **Q. Please identify yourself and your job title.**

2 **A.** My name is Michael Datillo. I am the Business Manager and Financial Secretary
3 of International Brotherhood of Electrical Workers Local 1455, AFL-CIO
4 ("IBEW 1455"). My labor organization represents 847 workers at Ameren, down
5 from approximately 1500 Ameren employees in 1986. IBEW 1455 represents
6 clerical, technical, payroll and administrative employees at Ameren.

7 **Q. Please describe your history with Ameren and IBEW 1455.**

8 **A.** I worked for Ameren for 11 years, mostly as a transmission distribution
9 draftsman. I became a Business Representative for IBEW 1455 in approximately
10 1982 and served in that capacity until I became Business Manager in 1983, a
11 position that I have held ever since.

12 **Q. On whose behalf are you presenting this testimony?**

13 **A.** I am testifying on behalf of IBEW 1455 and all Ameren local unions. The other
14 unions at Ameren consist of International Brotherhood of Electrical Workers
15 Locals 2, 309, 649, 702 and 1439, AFL-CIO and International Union of Operating
16 Engineers Local 148, AFL-CIO.

17 **Q. What is the purpose of this testimony?**

1 A. I generally support Ameren's petition for a rate increase given the increasing
2 volume of business that my members are experiencing and the technology costs
3 associated with servicing that volume of business. However, I am testifying due
4 to my concerns that Ameren is not using the rate payers' money in the most cost-
5 efficient manner or getting the best quality for the customer. These concerns are
6 due to Ameren's increasingly heavy reliance on an outside contractor workforce
7 to perform its normal and sustained work.

8 **Q. What work that your bargaining unit performs has been outsourced?**

9 A. Ameren is outsourcing substantial amounts of the normal sustained work load of
10 virtually every classification represented by IBEW 1455: accounting, accounts
11 payable, stenographers, mailroom employees, call center employees and computer
12 aided design ("CAD") used in distribution and power operations.

13 **Q. How does Ameren's reliance on an outside contractor workforce lead to
14 inefficiency and quality concerns?**

15 A. Mike Walter accurately testified about the nature of Ameren's permanent internal
16 workforce. IBEW 1455's members have historically performed the non-
17 supervisory office work associated with the generation and distribution of power.
18 Per its own admission, since approximately 2000, Ameren is subcontracting call
19 center work to The CSI Companies, where the work is performed in North
20 Carolina. Call center employees answering remotely are less efficient because
21 they are unfamiliar with the idiosyncrasies of the area: the pronunciations of
22 streets and municipalities, the relative distances and drive times between customer
23 service stations and customers, and other issues that complicate customers'

1 service issues. Thus, the outsourced call center employee cannot provide service
2 with the speed, accuracy or comfort that a Missouri native can.

3 For the last five or more years, Ameren has been subcontracting union
4 information technology ("IT") work to Accenture and other companies and
5 individuals. On information and belief, based on statements of members who
6 have been told this directly, some of the support work for IT is being performed
7 by Accenture personnel in India.

8 Ameren has also been subcontracting stenographic, accounts payable and
9 mailroom work to ManPower.

10 **Q. Do you have any recommendations to this Commission?**

11 **A.** Yes. I recommend that, as a condition to the rate increase, the Commission
12 require Ameren to expend a substantial portion of the rate increase on investing in
13 its employee infrastructure. This will restore quality and efficiency to the areas of
14 work performed by members of my union, as well as insure that the portion of the
15 rate payers' monies that is attributable to employment will largely remain in
16 Missouri (and, for the Ameren operations in other states, in those states).

17 **Q. Does that conclude your testimony?**

18 **A.** Yes.