

Exhibit No.:
Issue: *Administrative and General
Costs*
Witness: *James D. Schwieterman*
Sponsoring Party: *MoPSC Staff*
Type of Exhibit: *Supplemental Rebuttal
Testimony*
Case No.: *EM-96-149*

**MISSOURI PUBLIC SERVICE COMMISSION
UTILITY SERVICES DIVISION**

SUPPLEMENTAL REBUTTAL TESTIMONY

OF

JAMES D. SCHWIETERMAN

UNION ELECTRIC COMPANY

CASE NO. EM-96-149

**Jefferson City, Missouri
June 1996**

Exhibit No. 14
Date 9-5-96 Case No. EM-96-149
Reporter XF

1 SUPPLEMENTAL REBUTTAL TESTIMONY

2 OF

3 JAMES D. SCHWIETERMAN

4 UNION ELECTRIC COMPANY

5 CASE NO. EM-96-149

6

7

Q. Please state your name and business address.

8

A. James D. Schwieterman, P. O. Box 360, Jefferson City, Missouri 65102.

9

Q. Are you the same James D. Schwieterman who previously submitted rebuttal testimony in this docket?

10

A. Yes, I am.

11

Q. What is the purpose of this supplemental rebuttal testimony?

12

A. The purpose of this testimony is to respond to the supplemental direct and second supplemental direct testimony of Company witness Warner L. Baxter.

13

Q. The supplemental direct testimony of Mr. Baxter on pages 1-2 contains several references to an amended General Services Agreement (GSA) between Ameren Services Company (Ameren Services or Service Company) and Ameren Corporation (Ameren) and its subsidiaries. The amended GSA is attached to Mr. Baxter's second supplemental direct testimony as Schedule 4. Have you reviewed that document?

14

A. Yes.

15

Q. What is your understanding of the amended General Services Agreement?

16

17

18

19

20

21

Supplemental Rebuttal Testimony of
James D. Schwieterman

1 A. It is my understanding that this contract sets out the principles by which
2 Ameren Services will charge Ameren and its subsidiaries (Client Companies) for services
3 provided to those affiliates.

4 Q. Does the amended GSA specifically state how those charges will be allocated
5 to the Client Companies?

6 A. Yes. The amended GSA states that the Client Company receiving the services
7 shall compensate Ameren Services for the cost of such services. The “[c]ompensation to be
8 paid by Client Companies shall include direct charges and Client Companies’ fairly allocated
9 pro rata share of certain of Service Company’s costs, determined as set out on Schedule 2,
10 attached hereto and made a part hereof.” (Baxter Schedule 4, page 3).

11 Q. Does the information in Mr. Baxter’s supplemental direct testimony address
12 the concerns that the Staff expressed about the General Services Agreement?

13 A. Yes, to some extent. The supplemental direct testimony of Mr. Baxter on
14 pages 2-5 identifies the specific services to be performed by Ameren Services and the
15 methodology of how the charges for those services will be calculated. Mr. Baxter’s
16 supplemental direct testimony contained general descriptions of the services to be performed
17 by the Service Company and a listing of the allocation factors that Ameren Services “expects
18 to utilize” to charge costs to Client Companies.

19 However, based on the information provided in Mr. Baxter’s supplemental and second
20 supplemental direct testimony, Staff is still unable to determine the impact that the amended
21 GSA will have on the costs that are intended to be passed on to the Missouri customers of
22 UE. Because of this uncertainty, the Staff intends to address these concerns in the context

Supplemental Rebuttal Testimony of
James D. Schwieterman

1 of UE's next rate filing, and/or in the context of the current Experimental Alternative
2 Regulation Plan in effect for UE, when adequate information should be available.

3 Q. Has Staff revised its recommendation concerning the approval of the amended
4 GSA?

5 A. The Staff recommends that the Commission not withhold approval of the
6 amended General Services Agreement, provided that approval is conditioned on the Staff and
7 other parties retaining the right to bring concerns to the Commission and propose
8 adjustments, if necessary, regarding the GSA's rate impact on Missouri customers, and the
9 Commission retaining its jurisdiction to consider and adopt such adjustments.

10 Q. Does this conclude your supplemental rebuttal testimony?

11 A. Yes, it does.

BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF MISSOURI

In the matter of the application of Union Electric)
Company for an order authorizing: (1) certain merger)
transactions involving Union Electric Company; (2) the)
transfer of certain assets, real estate, leased property,)
easements and contractual agreements to Central Illinois)
Public Service Company; and (3) in connection therewith,)
certain other related transactions.)

Case No. EM-96-149

AFFIDAVIT OF JAMES D. SCHWIETERMAN

STATE OF MISSOURI)
) ss.
COUNTY OF COLE)

James D. Schwieterman, of lawful age, on his oath states: that he has participated in the preparation of the foregoing Supplemental Rebuttal Testimony in question and answer form, consisting of 3 pages to be presented in the above case; that the answers in the foregoing Supplemental Rebuttal Testimony were given by him; that he has knowledge of the matters set forth in such answers; and that such matters are true and correct to the best of his knowledge and belief.

James D. Schwieterman
JAMES D. SCHWIETERMAN

Subscribed and sworn to before me this 26th day of June, 1996.

J. Kay Niemeier
Notary Public

My Commission Expires: J KAY NIEMEIER
NOTARY PUBLIC STATE OF MISSOURI
COLE COUNTY
MY COMMISSION EXP. FEB. 26, 2000