Exhibit No.:Updated Production Cost<br/>ModelWitness:Timothy D. FinnellSponsoring Party:Union Electric CompanyType of Exhibit:Supplemental Direct Testimony<br/>Case No.:Case No.:ER-2007-0002Date Testimony Prepared:September 29, 2006

### MISSOURI PUBLIC SERVICE COMMISSION

#### CASE NO. ER-2007-0002

## SUPPLEMENTAL DIRECT TESTIMONY

#### OF

## TIMOTHY D. FINNELL

#### ON

## **BEHALF OF**

## UNION ELECTRIC COMPANY d/b/a AmerenUE

St. Louis, Missouri September, 2006

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1	SUPPLEMENTAL DIRECT TESTIMONY
2	OF
3	TIMOTHY D. FINNELL
4	CASE NO. ER-2007-0002
5	I. <u>INTRODUCTION</u>
6	Q. Please state your name and business address.
7	A. Timothy D. Finnell, Ameren Services Company, One Ameren Plaza, 1901
8	Chouteau Avenue, St. Louis, Missouri 63103.
9	Q. Are you the same Timothy D. Finnell who previously filed testimony in
10	this case?
11	A. Yes.
12	II. <u>PURPOSE OF TESTIMONY</u>
13	Q. What is the purpose of your supplemental direct testimony in this
14	proceeding?
15	A. The purpose of my supplemental direct testimony is to update the normalized
16	fuel costs, the variable component of purchased power costs and off-system sales revenues
17	for this case. The normalized fuel costs and revenues which I calculated are utilized by
18	AmerenUE witness Gary S. Weiss in developing the updated revenue requirement for this
19	case as discussed in Mr. Weiss's supplemental direct testimony. I am also providing a
20	correction to Schedule TDF-7, which is titled "Derate Outage Data."
21	III. <u>COST UPDATES</u>
22	Q. What updates were done for the normalized fuel costs, the variable
23	component of purchased power costs and off-system sales revenues?
24	A. The normalized load for the test year period April, May, and June was the
25	only item that changed. The updated (actual) annual normalized load is 39,872,916 MWh,

Supplemental Direct Testimony of Timothy D. Finnell

1	down 190,530 MWh from the original forecasted load of 40,063,446 MWh which was used				
2	in my direct testimony for the months of April to June, 2006. The updated load plus the				
3	original unit availabilities, fuel prices, unit operating characteristics, hourly energy market				
4	prices and system requirements were used in the PROSYM production cost model to				
5	recalculate the normalized fuel costs, variable purchase power costs, and off-system sales				
6	revenues.				
7	Q.	What was the result of the new PROSYM production cost model run?			
8	A.	The updated normalized fuel costs, variable purchased power costs, and off-			
9	system sales	revenues are approximately \$598 million, \$26 million, and \$317 million			
10	respectively.				
11	Q.	How much did these costs change from the costs included in AmerenUE's			
12	original filin	g?			
13	A.	The fuel costs and variable purchase power costs did not change significantly.			
13 14		The fuel costs and variable purchase power costs did not change significantly. e off-system sales revenues increased by approximately \$6 million.			
14	However, the Q.	e off-system sales revenues increased by approximately \$6 million.			
14 15	However, the Q.	e off-system sales revenues increased by approximately \$6 million. Why did the off-system sales revenues increase in the updated PROSYM cost model run?			
14 15 16	However, the Q. production of A.	e off-system sales revenues increased by approximately \$6 million. Why did the off-system sales revenues increase in the updated PROSYM cost model run?			
14 15 16 17	However, the Q. production of A. off-system sa	e off-system sales revenues increased by approximately \$6 million. Why did the off-system sales revenues increase in the updated PROSYM cost model run? The off-system sales revenues increased due to an increase in the volume of			
14 15 16 17 18	However, the Q. production of A. off-system sa drop in the n	e off-system sales revenues increased by approximately \$6 million. Why did the off-system sales revenues increase in the updated PROSYM cost model run? The off-system sales revenues increased due to an increase in the volume of ales. The off-system sales increased by 179,000 MWh, which is similar to the			

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1	IV. <u>CORRECTION TO SCHEDULE TDF-7-1</u>	
2	Q. Why is Schedule TDF-7, Derate Outage Data, being corrected?	
3	A. Schedule TDF-7, Derate Outage Data, is being corrected because it contained	
4	Unplanned Outage Data which was already on Schedule TDF-6-1. Schedule TDF-8 replaces	
5	Schedule TDF-7 and reflects the Derate Outage Data that was actually used in the PROSYM	
6	production cost model.	
7	Q. Does this conclude your supplemental direct testimony?	

8 A. Yes, it does.

Derale	Outag	je Data
Sum of Ea Hra		inal minic
Sum of Eq Hrs	V	incl minis
Unit	Year	UnDer Rt
Callaway 1	2000	0.3%
	2001	3.6%
	2002	2.4%
	2003	0.4%
	2000	1.7%
	2005	1.6%
Callaway 1 Total		1.5%
Labadie 1	2000	1.5%
	2001	1.4%
	2002	4.5%
	2002	0.5%
	2004	2.0%
	2005	2.1%
Labadie 1 Total		1.8%
Labadie 2	2000	3.2%
	2001	5.8%
	2001	2.4%
	2003	2.8%
	2004	3.4%
	2005	2.6%
Labadie 2 Total		3.2%
Labadie 3	2000	0.7%
	2001	1.4%
	2002	2.1%
	2003	4.5%
	2004	1.4%
	2005	2.9%
Labadie 3 Total	2000	2.0%
Labadie 4	2000	
Labadie 4	2000	1.9%
	2001	2.0%
	2002	1.9%
	2003	1.8%
	2004	2.8%
	2005	3.7%
Labadie 4 Total	2000	2.4%
	2000	
Meramec 1	2000	6.5%
	2001	1.6%
	2002	5.1%
	2003	7.2%
	2004	1.8%
	2005	0.4%
Meramec 1 Total	2000	3.6%
	2000	
Meramec 2	2000	2.3%
	2001	3.8%
	2002	4.4%
	2003	0.2%
	2004	1.9%
		0.6%
Marana - O T- ( )	2005	
		2.1%
Meramec 2 Total		4.6%
Meramec 2 Total Meramec 3	2000	
	2000 2001	
	2001 2002	1.7% 2.6%
	2001 2002 2003	1.7% 2.6% 3.6%
	2001 2002 2003 2004	1.7% 2.6% 3.6% 2.6%
Meramec 3	2001 2002 2003	1.7% 2.6% 3.6% 2.6% 0.7%
Meramec 3 Meramec 3 Total	2001 2002 2003 2004	1.7% 2.6% 3.6% 2.6% 0.7%
Meramec 3	2001 2002 2003 2004	1.7% 2.6% 3.6% 2.6% 0.7%
Meramec 3 Meramec 3 Total	2001 2002 2003 2004 2005	1.7% 2.6% 3.6% 2.6% 0.7% <b>2.4%</b> 2.0%
Meramec 3 Meramec 3 Total	2001 2002 2003 2004 2005 2000 2000	1.7% 2.6% 3.6% 2.6% 0.7% <b>2.4%</b> 2.0% 11.0%
Meramec 3 Meramec 3 Total	2001 2002 2003 2004 2005 2000 2001 2002	1.7% 2.6% 3.6% 2.6% 0.7% <b>2.4%</b> 2.0% 11.0% 4.7%
Meramec 3 Meramec 3 Total	2001 2002 2003 2004 2005 2000 2001 2002 2003	1.7% 2.6% 3.6% 2.6% 0.7% 2.0% 11.0% 4.7% 2.7%
Meramec 3 Meramec 3 Total	2001 2002 2003 2004 2005 2000 2001 2002 2003 2004	1.7% 2.6% 3.6% 2.6% 0.7% 2.0% 11.0% 4.7% 2.7% 6.9%
Meramec 3 Meramec 3 Total	2001 2002 2003 2004 2005 2000 2001 2002 2003	1.7% 2.6% 3.6% 2.6% 0.7% 2.0% 11.0% 4.7% 2.7%
Meramec 3 Meramec 3 Total	2001 2002 2003 2004 2005 2000 2001 2002 2003 2004	1.7% 2.6% 3.6% 2.6% 0.7% 2.0% 11.0% 4.7% 2.7% 6.9% 3.9%
Meramec 3 Meramec 3 Total Meramec 4	2001 2002 2003 2004 2005 2000 2001 2002 2003 2004 2005	1.7% 2.6% 3.6% 2.6% 0.7% 2.4% 2.0% 11.0% 4.7% 2.7% 6.9% 3.9% <b>4.9%</b>
Meramec 3 Meramec 3 Total Meramec 4 Meramec 4 Total	2001 2002 2003 2004 2005 2000 2001 2002 2003 2003 2004 2005 2000	1.7% 2.6% 3.6% 2.6% 0.7% 2.0% 2.0% 11.0% 4.7% 6.9% 3.9% 4.9% 6.1%
Meramec 3 Meramec 3 Total Meramec 4 Meramec 4 Total	2001 2002 2003 2004 2005 2000 2001 2002 2003 2004 2005 2004 2005 2000 2000	1.7% 2.6% 3.6% 2.6% 0.7% 2.0% 2.0% 11.0% 4.7% 6.9% 3.9% 4.9% 6.1% 1.3%
Meramec 3 Meramec 3 Total Meramec 4 Meramec 4 Total	2001 2002 2003 2004 2005 2000 2001 2002 2003 2003 2004 2005 2000	1.7% 2.6% 3.6% 2.6% 0.7% 2.0% 11.0% 4.7% 2.7% 6.9% 3.9% 4.9%

Derate	e Outag	je Data
Sum of Eq Hrs		incl minis
Unit	Year	UnDer Rt
	2004	0.3%
	2005	0.8%
Rush Island 1 To	otal	2.1%
Rush Island 2	2000	3.3%
	2001	2.6%
	2002	1.3%
	2003	3.2%
	2004	3.6%
	2005	1.6%
Rush Island 2 To	otal	2.6%
Sioux 1	2000	0.6%
	2001	1.2%
	2002	1.5%
	2003	2.3%
	2004	0.3%
	2005	0.4%
Sioux 1 Total	-	1. <b>0</b> %
Sioux 2	2000	2.2%
	2001	0.4%
	2002	1.2%
	2003	0.4%
	2004	0.1%
	2005	0.4%
Sioux 2 Total		0.7%

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

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In the Matter of Union Electric Company d/b/a AmerenUE for Authority to File Tariffs Increasing Rates for Electric Service Provided to Customers in the Company's Missouri Service Area.

Case No. ER-2007-0002

### **AFFIDAVIT OF TIMOTHY D. FINNELL**

#### **STATE OF MISSOURI** ) ) **SS CITY OF ST. LOUIS** )

Timothy D. Finnell, being first duly sworn on his oath, states:

1. My name is Timothy D. Finnell. I work in the City of St. Louis, Missouri,

and I am employed by Ameren Services Company as a Supervising Engineer.

2. Attached hereto and made a part hereof for all purposes is my Supplemental

Direct Testimony on behalf of Union Electric Company d/b/a AmerenUE consisting of 3

pages and Schedule TDF-8, all of which have been prepared in written form for introduction

into evidence in the above-referenced docket.

I hereby swear and affirm that my answers contained in the attached testimony 3. to the questions therein propounded are true and correct.

Timothy D. Finils Timothy D. Finnels

Subscribed and sworn to before me this 29<sup>th</sup> day of September, 2006.

arolyn

My commission expires: May 19,2008

CAROLYN J. WOODSTOCK Notary Public - Notary Seal STATE OF MISSOURI Franklin County My Commission Expires: May 19, 2008