

BEFORE THE PUBLIC SERVICE COMMISSION

STATE OF MISSOURI

Filed
May 19, 2011
Data Center
Missouri Public
Service Commission

In the Matter of Union Electric Company)
d/b/a AmerenUE for Authority to File)
Tariffs Increasing Rates for Electric) Case No. ER-2011-0028
Service Provided to Customers in the)
Company's Missouri Service Area.)

AFFIDAVIT OF MICHAEL WALTER

STATE OF MISSOURI)

) ss

COUNTY OF ST. LOUIS)

Michael Walter, of lawful age, on his oath states: that he has participated in the preparation of the following Surrebuttal Testimony in question and answer form, consisting of 3 pages of Surrebuttal Testimony and attached exhibits to be presented in the above case, that the answers in the following Surrebuttal 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.

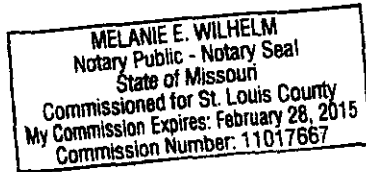
Michael D. Walter

Michael Walter

Subscribed and sworn to before me this 15th day of April, 2011.

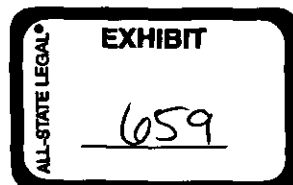
Melanie E. Wilhelm

Notary Public



Unions Exhibit No. 659
Date 5/10/11 Reporter SM
File No. 22 2011 0028

My commission expires 4/15/11



Surrebuttal Testimony of Michael Walter
Submitted on Behalf of IBEW Local 1439
Ameren
Case No. ER-2011-0028

1 Please identify yourself and your job title.

2

3 My name is Michael Walter. I am the Business Manager of the International Brotherhood of
4 Electrical Workers Local 1439, AFL-CIO (IBEW Local 1439.) I presented testimony in this
5 matter earlier.

6

7 What is the purpose of this testimony?

8

9 I am responding to the rebuttal testimony of David Wakeman concerning the union issues.

10

11 Mr. Wakeman cynically dismisses my testimony as a thinly veiled attempt to increase the
12 number of employees in my union's bargaining unit at Ameren/Mo. Using the same reasoning,
13 Mr. Wakeman's testimony disparaging my concerns for safe and reliable power given the aged
14 infrastructure, aged workforce and some untrained subcontractors must be viewed as the
15 desperate attempt of an Ameren manager to re-focus the Commission's attention so that
16 Ameren/Mo can obtain the greatest amount of revenue increase with the least amount of
17 accountability, oversight and other restrictions. My sworn testimony is the product of my honest
18 observations and experience as an Ameren/Mo employee and as Business Manager of one of the
19 unions representing its employees. It is also consistent with the prior testimony of Business
20 Managers for various other unions representing employees of Ameren/Mo.

21

22 Mr. Wakeman did not refute my factual statements, but rather misrepresented them and the
23 context in which they arise. For example, he said that I have "no concern for the use of
24 subcontractors for seasonal and weather-related work." (Wakeman Rebuttal at 4, ll. 12-13)
25 What I actually said was that my testimony on the issue of an efficient internal workforce was
26 not directed at that "use" of outside contractors. (Walter at 5, ll. 23-24) This is because there
27 will always be seasonal and weather-related needs for staffing that exceed the staffing needs for
28 the sustained workload. It is reasonable and efficient to resort to subcontractors for those extra
29 services, at least where those subcontractors are well-trained and capable, as is true for the
30 subcontractors represented by IBEW Local 2. As Dave Desmond, Business Manager for IBEW
31 Local 2, stated in his 2008 testimony before this Commission, a copy of which is attached and
32 incorporated here as Exhibit 1, some of the subcontractors used by the Company for sustained
33 work, such as the directional boring subcontracted to ADD, perform poor quality work.
34 (Desmond at 3, ll. 9-11) ADD ✓

35

36 Mr. Wakeman further exaggerated my testimony when he stated at p. 4, ll. 14-15, "Mr. Walter
37 admits that the Union has no evidence to support his claims regarding outside contractors." My
38 actual testimony was that we cannot "fully support" with "exhibits" our position that an internal
39 workforce is most efficient, because we have been unsuccessful in obtaining the documentation
40 we have requested from the Company. (Walter at 6, ll. 23-24) This difficulty obtaining

1 documentation is why we are asking the Commission to set up additional trackers. Indeed, it is
2 not at all clear that the Company currently performs any meaningful comparison of the cost and
3 quality of retaining work in-house versus subcontracting it. As the Commission well knows
4 from the effectiveness of prior trackers, the incremental cost of these discovery devices greatly
5 benefits the customers by ultimately improving the efficiency and reliability of service.
6

7 Mr. Wakeman disputes my assertion that the Company needs to engage in more hiring and
8 training of the internal workforce, specifically citing the situation with overhead lineman. Mr.
9 Wakeman's testimony is once again misleading. He stated that there are 65 overhead lineman
10 apprentices, which is more than the expected retirements. But Mr. Wakeman did not indicate
11 what period of time that covers. Training of overhead lineman is a lengthy process — requiring
12 30 months to journeyman — and usually the employees have already worked for the Company
13 for several years first. Moreover, we must consider not only the number of linemen necessary to
14 replace retiring linemen, but also the increasing workload in this area. Therefore, we must
15 consider the Company's future need for overhead lineman going out 5 years.
16

17 It is also unclear where Mr. Wakeman obtained his numbers for the apprentice program. There
18 are actually only 56 linemen in the overhead program. Of those, 11 are scheduled to graduate in
19 July 2011, and 38 more are scheduled to graduate at the end of 2012, leaving a final optimal
20 graduating class of 7. Of those 56 apprentices, it is likely that 6 will not complete the program.
21

22 It should also be noted that my concerns about the aging and shrinking workforce are not limited
23 to overhead lineman. This is a consistent problem across the Company's hourly workforce,
24 across bargaining units represented by IBEW Locals 2, 702, 1455 and Operating Engineers
25 Local 148, as well as the bargaining unit represented by my local. Many of the areas with
26 current or impending shortages are not within Mr. Wakeman's purview.
27

28 Mr. Wakeman also takes issue with my concerns about the residency of various subcontractors.
29 It is important to note here that I raised this issue in the context of requesting the Commission
30 initiate a Rulemaking proceeding. I do not want to dilute the focus of this rate proceeding by
31 delving into this issue in detail here. In the appropriate proceeding, we will present evidence that
32 many of the very contractors cited by Mr. Wakeman as being St. Louis-based predominantly
33 employ out-of-state residents and, in the case of Utilimap, Spanish-speaking persons. Mr.
34 Wakeman is well aware of these facts, which is likely why he did not attempt to directly refute
35 my point about the residency of the *workers*, but only discussed where the *contractors* are
36 headquartered.
37

38 I am not suggesting that the Commission engage in wasteful spending. My concerns about the
39 aging workforce, aging infrastructure and the ongoing impact of those factors on the staffing
40 needs of Ameren/Mo are sincere and legitimate.
41

42 You mentioned in your prior testimony that you would make a specific proposal on the
43 union issues for this case. Are you prepared to do that today?
44

45 Yes, I have drafted a specific proposal which I am attaching here as Exhibit 1
46

1 Does that conclude your testimony?

2

3 Yes.