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File No.: EO-2022-0190

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MISSOURI PUBLIC SERVICE COMMISSION

FILE NO. EO-2022-0190

REBUTTAL TESTIMONY

OF

RALPH ("CHIP") WEBB

 \mathbf{ON}

BEHALF OF

UNION ELECTRIC COMPANY

D/B/A AMEREN MISSOURI

St. Louis, Missouri **April**, 2022

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REBUTTAL TESTIMONY

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1	I. INTRODUCTION					
2	Q. Please state your name and business address.					
3	A. My name is Ralph ("Chip") Webb. My business address is One Amerer					
4	Plaza, 1901 Chouteau Ave., St. Louis, Missouri.					
5	Q. What is your position with Ameren Missouri?					
6	A. My position is Director, Central Missouri Division.					
7	Q. Please describe your educational background and employmen					
8	experience.					
9	A. I have an Associates Degree in Electronics Technology from the University o					
10	Central Missouri and a Bachelor of Science in Business Administration Degree from					
11	Columbia College. I have worked for Ameren Missouri for over 41 years holding severa					
12	positions in that timeframe. A list of those roles include: meter reader, substation mechanic					
13	apprentice, Rad/Chem Helper and Equipment Operator at Callaway Energy Center					
14	lineman, construction supervisor, superintendent of emergency planning, division					
15	superintendent, and division director.					
16	Q. To what testimony or issues are you responding?					
17	A. My testimony will respond to Co-Mo Electric Cooperative, Inc.'s ("Co-Mo"					
18	CEO Aaron Bradshaw's direct testimony. Specifically, I will address: (a) Ameren Missouri's					
19	participation in the negotiations contemplated by the statute under which this case was filed					

- 1 (b) facts related to the reliability with which we can serve the subdivision at issue; and (c) Co-
- 2 Mo's statements relating to its apparent plans to have its affiliate provde internet service to the
- 3 subdivision.

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II. STATUTORY NEGOTIATIONS

- 5 Q. Mr. Bradshaw devotes a few pages of his direct testimony recounting his 6 perspective regarding dealings with the subdivision developer over the past couple of 7 years, as well as regarding discussions between Ameren Missouri and Co-Mo once the 8 developer sent the notice contemplated by section 386.800.2. Do you have any comments 9 on Mr. Bradshaw's characterization of those events?
 - Yes. My comments focus on providing the Commission the information that it A. needs to apply the statutory requirements the legislature prescribed to the Commission when addressing applications like the one Co-Mo filed in this case. As Mr. Bradshaw indicates, the first contact we had from Co-Mo where the claim was made that Co-Mo could, from its perspective, lawfully serve this subdivision if the Commission allowed it to do so, was immediately after the developer, Troy Thurman, sent the letter attached to Mr. Bradshaw's testimony as Schedule AB-02. Specifically, Mr. Bradshaw reached out expressing a desire to "discuss a territorial agreement around the Fox Hollow subdivision." After consulting with counsel regarding Co-Mo's contention that the statute at issue in this case had been "triggered," we then met with Mr. Bradshaw and Co-Mo witness Jon Schulte a week later.
- 20 Q. When you met with Messrs. Bradshaw and Schulte, what was your understanding of the purpose of the discussion?
- 22 A. Assuming the statute applied, which as the Commission knows is a legal issue 23 in this case that I'll leave to the Company's attorneys, my understanding was that the statute

1 contemplated that the two potential suppliers should discuss the possibility of reaching an

2 agreement on a territorial agreement with the goal being, in the words of the statute, "to

determine which electric service supplier is best suited to serve all or portions of" the

4 subdivision.

Q. Was there a discussion about which of Ameren Missouri or Co-Mo was

best suited to provide service to the Fox Hollow subdivision?

A. No. Mr. Bradshaw made clear from the outset of our discussions that Co-Mo intended to serve the subdivision and that Co-Mo was not open to giving any consideration regarding whether Ameren Missouri should serve it, in whole or in part. Co-Mo confirmed that it did not and would not consider any discussion of which of the two providers was appropriate in its response to Ameren Missouri Data Request No. 39, in which Co-Mo indicated, in response to a question asking "did Co-Mo ever suggest a scenario that would allow Ameren to serve Fox Hollow":

No as the landowner wasn't willing to consider a scenario in which Ameren Missouri served Fox Hollow. Due to landowner request, the only appropriate scenarios to contemplate under new Section 386.800 for territorial agreement negotiations purposes required that Co-Mo be the provider of choice to Fox Hollow. Ameren Missouri would entertain no such condition precedent.

When it became clear in our first meeting that this was Co-Mo's stance, and because I thought the purpose of the discussions was to focus on Fox Hollow, I told Mr. Bradshaw that I'd need to consult with legal counsel in terms of how to proceed regarding Co-Mo's obvious desire to simply assume Co-Mo was the only possible provider for the subdivision. I did so and e-mailed Mr. Bradshaw a few days later, indicating that the two companies should meet again and that those discussions should include addressing which company was best suited to serve

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¹ RSMo Section 386.800.2.

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- 1 the subdivision. Mr. Bradshaw responded and agreed to meet, although he continued to make
- 2 clear that "Co-Mo intends to serve the [Fox Hollow] property." He asked for specific times to
- 3 meet and I suggested we meet again after the holidays, specifically, on January 7 of this year.

Q. Did you meet on January 7, 2022?

A. Yes, I along with the Company's Central Missouri Division Supervising
Engineer Jason Haynam, met with Messrs. Bradshaw and Schulte, as we had done in midDecember of 2021. I once again attempted to have a discussion about resolving the question of
service to the subdivision, but the discussions never focused on the subdivision but rather
focused only on other possible territorial swaps under a territorial agreement. While we were
unable to make any meaningful progress toward some kind of agreement, we did agree to meet

Q. Did you meet on February 2, 2022?

on February 2, 2022 to continue discussions.

A. We had intended to, but Co-Mo filed the application that started this case on exactly the 45th day after Mr. Thurman first sent his notice (on January 18, 2022). From my perspective, that filing confirmed what had already been relatively clear, that is, that Co-Mo was not interested in discussing any scenario where Ameren Missouri would serve the subdivision, either in whole or in part. Instead, Co-Mo's focus was on a broader territorial agreement that would not involve the subdivision at all. Mr. Bradshaw acknowledged that it would take longer than the short, 45-day period provided for by the statute to work though such a possible agreement.

1	Q.	Why do you think it was important to discuss the question of which				
2	Company sh	ould serve the subdivision instead of simply assuming the provider should be				
3	Со-Мо?					
4	A.	While this statute is a new one, it looks pretty clear to me that what the general				
5	assembly was trying to do was to get parties to sit down and discuss which of them should serve					
6	some or all of the annexed area, and why, based on the considerations embodied in the sever					
7	factors listed in section 386.800.3. But those discussions have simply not happened and it was					
8	clear to me they were not going to happen.					
9	Q.	Why not?				
10	A.	As I noted earlier, because Co-Mo was not open to discussing any of those				
11	factors other than the one that clearly supports it, that is, Mr. Thurman's expressed desire that					
12	Co-Mo serve the subdivision. As discussed below and by other Ameren Missouri witnesses					
13	that desire is but one factor that is relevant to the question of which company should serve given					
14	the larger public interest considerations with which the Commission should be, and I am sure					
15	is, concerned	•				
16	Q.	Mr. Bradshaw characterizes your decision not to go ahead and meet again				
17	after Co-Mo	filed its application in this case as a "termination" of negotiations. Is that a				
18	fair characte	erization?				
19	A.	No it is not, as I addressed earlier. What I said, as my email included as Schedule				
20	AB-03 to Mr	Bradshaw's testimony indicates, is that I believed in light of Co-Mo's filing at the				
21	Commission that further territorial discussions should be "postponed" until "this issue [who					
22	should serve Fox Hollow] is resolved with the PSC." Ameren Missouri was and remains					
23	interested in	seeking agreement, longer-term, on some kind of territorial agreement with Co-				

- 1 Mo across the areas where we both have facilties and provide service, but in terms of the "good
- 2 faith negotiations" Co-Mo initiated with us right after Mr. Thurman sent his letter in early
- 3 December, 2021, there was candidly nothing more to discuss given that Co-Mo would not
- 4 entertain any scenario where it was not the sole provider to the subdivision. And this was
- 5 especially evident once Co-Mo placed that issue in the Commission's hands barely 30 days after
- 6 we had first met.

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III. **RELIABLE SERVICE**

- 8 Q. Mr. Bradshaw provides some testimony at pages 11 and 12 of his direct 9 testimony about Co-Mo's ability to provide "reliable" service to the subdivision. Do you 10 have any observations about his testimony in this regard?
- He essentially makes three points. First, he suggests Co-Mo's reliability, as A. measured by common industry metrics like SAIDI,² is good. Second, he suggests that 13 because Co-Mo and its cooperative affilitates are not in a regional transmission 14 organization that this perhaps somehow means that cooperatives have better reliability 15 (citing issues in the Southwest Power Pool from Winter Storm Uri). Third, he claims Co-16 Mo can provide service to the subdivision that is "affordable."
 - Q. Please address his reliability contentions.
 - To be clear, I am not contending that Co-Mo is in general an unreliable A. provider of residential electric service. However, if one wishes to discuss reliability as it pertains to service to the area at issue in this case, the facts are that Ameren Missouri's metrics are better than Co-Mo's. Specifically, while Co-Mo's average SAIDI for the past five years as reported by Mr. Bradshaw was 82.9, Ameren Missouri's was 75.65, or nearly

² "SAIDI" is the acronym for "System Average Interruption Duration Index," which is a measure of the duration of outages.

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1 10 percent better than Co-Mo's over the same period.³ With respect to Mr. Bradshaw's

2 mention of Winter Storm Uri and despite the extreme conditions it imposed on electric

utilities in Missouri and the Midwest generally, Ameren Missouri's system performed very

well, experiencing no forced outages and no restrictions on any of our customers. Any

suggestion that the cooperative's system is somehow more robust or reliable than Ameren

Missouri's, or that Ameren Missouri's membership in MISO creates reliability issues the

cooperatives do not have, is simply not supported by the facts.

Q. What about the claim that Co-Mo can provide "affordable" service?

A. I would refer the Commission primarily to the rebuttal testimony filed by Ameren Missouri witness Steve Wills, which reflects the results of an analysis of the impact on the roughly 450 homeowners in the subdivision by either Co-Mo or Ameren Missouri, depending on the Commission's decision in this case. In summary, while I am unable to view those results specifically due to a protective order in place in this case, I am told that customers will pay more if Co-Mo is their provider, as compared to what they will pay if Ameren Missouri is their provider. This makes Ameren Missouri's service more affordable than Co-Mo's.

IV. FIBER OPTIC ISSUES

Q. Mr. Bradshaw discussed the plans of a Co-Mo affiliate to provide fiber broadband service to subdivision homeowners. Mr. Thurman mentions this service as well, and a fair reading of his testimony seems to suggest that if Co-Mo were not

³ While Mr. Bradshaw did not define what he meant by "controllable" SAIDI, it is reasonable to assume that Co-Mo, like Ameren Missouri and many utilities, excludes Major Event Days as defined by the Institute of Electrical and Electronic Engineers ("IEEE") from its reported SAIDI metrics since those days are impacted by storm impacts, which are largely beyond the utilities' control.

- 1 the electric service provider the homeowners would not have access to the Co-Mo
- 2 affiliate's fiber optic service. Please address these "fiber service" issues.
- 3 A. In short, there is no issue. Fox Hollow is, today, a vacant piece of ground
- 4 on which a subdivision will be built. Part of that construction will involve trenching and
- 5 laying electric and communication lines under or along streets/sidewalks. If Co-Mo were
- 6 the provider, then its electric line will lay in that trench and its affiliate's (Co-Mo Connects)
- 7 fiber optic line will lay in that trench. If Ameren Missouri were the provider, Ameren
- 8 Missouri's electric line will lay in that trench and presumably Co-Mo Connect's fiber optic
- 9 cable will lay in that trench. Put another way, Co-Mo Connect can install its fiber at the
- same cost regardless of whether the trench holds a Co-Mo or Ameren Missouri electric
- cable, and Co-Mo Connects can provide the fiber optic service to homeowners at the same
- price, also regardless of from whom they receive electric service.
- Q. Doesn't Mr. Bradshaw claim Co-Mo or its fiber affiliate has had
- 14 "difficulties" with Ameren Missouri in terms of fiber deployment?⁴
- 15 A. He does, but at best his testimony is incomplete and, for this particular
- situation, it is completely irrelevant.
- Q. Why do you contend that his testimony in this regard is incomplete and
- 18 irrelevant.
- 19 A. Because the "difficulties" to which Mr. Bradshaw refers and to be clear I
- 20 do not agree with his characterization arise from past situations where Co-Mo desired to
- 21 attach Co-Mo Connect's fiber optic cable overhead on existing Ameren Missouri poles but
- 22 where Co-Mo did not want to comply with Ameren Missouri's make-ready requirements

⁴ EO-2022-0190, Aaron Bradshaw Direct Testimony, p. 15, 1l. 296-298.

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and/or pay the non-discriminatory pole attachment fees assessed under the Federal 2 Communications Commission ("FCC") pole attachment rules. With respect to the new, 3 underground electric infrastructure that will be installed in this subdivision, there are no 4 make-ready requirements nor are there any fees. As I noted earlier, Co-Mo Connect can, if 5 it desires, lay its fiber in the trench that will hold Ameren Missouri's electric cable in the 6 same way and at the same cost it can do so if that trench holds Co-Mo's electric cable. To 7 use Mr. Bradshaw's language, Co-Mo Connect will be able to "[i]nstall . . . fiber along with 8 the underground electric at the same time [and thus] reduce . . . costs and disruptions, with 9 less [actually, the same] environmental impacts for all involved.". And, if Ameren Missouri 10 is the electric provider "[f]iber facilities to Fox Hollow will be deployed in conjunction with the development of underground electric facilities," assuming Co-Mo and its affiliate wants them to be.⁵ I have no reason to believe Co-Mo Connects would not want to gain 12 13 roughly 450 new fiber customers, regardless of whether Co-Mo provides them electric 14 service.

Q. It is my understanding that from a construction standpoint there is a difference between what the developer may do if Co-Mo is the electric provider versus if Ameren Missouri is the electric provider. Is there a difference and, if there is, does it have any impact on Co-Mo Connect's ability to provide internet service to the subdivision homeowners?

A. Yes, as I understand it there is a difference, but it has no effect at all on whether these homeowners can receive internet service from Co-Mo Connects nor on the cost. Under Ameren Missouri's tariff, the subdivision developer does the trenching and lays

⁵ EO-2022-0190, Aaron Bradshaw Direct Testimony, p. 16, ll. 301-304

- 1 in that trench conduit provided by Ameren Missouri. Ameren Missouri then pulls its
- 2 electric line through that conduit. I believe cooperatives do the trenching and pull their
- 3 electric line. But as far as the fiber optic cable, whether the developer digs the trench or
- 4 Ameren Missouri does, the fiber optic cable, as I explained earlier, can go into that trench
- 5 without additional cost to the fiber provider, and the same internet service can be provided
- 6 to the homeowners.

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- 7 Q. While irrelevant to the issues before the Commission in this case, since
- 8 Mr. Bradshaw brought up the issue regarding pole attachments, is there any
 - information you believe the Commission should have on that issue?
 - A. Yes. The Commission may be aware of some of this since all of its regulated electric utilities are and have been subject to these requirements for some time, but to be clear, investor-owned utilities like Ameren Missouri must comply with federally-mandated pole attachment requirements and must do so on a non-discriminatory basis. To that end, investor-owned utilities implement the FCC's pole attachment requirements and fee structures, and then investor owned utilities are required to apply uniformly the requirements and fee structures to those entities wishing to attach, like cable television companies, or telecommunication providers, or, in the case of Co-Mo Connects, internet service providers. One of the issues that arises when others want to attach to our poles is that sometimes the existing poles cannot handle the added load caused by, for example, a new fiber optic cable, or other times there is not room on the pole (while also safely accommodating the electric conductors) for the new cable. In either case, "make-ready" work (often replacing the existing poles with stronger and/or taller poles) must be completed. Because of our primary obligation to make sure we are safely delivering

- 1 reliable electric service to our regulated electric customers, we perform this work
- 2 ourselves, using our own personnel, or we use contractors trained on our standards that
- 3 work for us on an ongoing basis. We ensure the construction is completed to our standards
- 4 (like the rest of our 33,000 miles of distribution line), and we charge the attaching party (at
- 5 cost) for this make-ready work pursuant to our standard pole attachment requirements, that
- 6 we impose on everyone alike, per our federally-mandated pole attachment requirements.
- 7 Ameren Missouri charges the attaching party fees in accordance with the FTC pole
- 8 attachment requirements.

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Q. Do you consider this process to be a fair and necessary one?

A. Absolutely. Unlike the cooperatives, who I understand are not subject to the FCC pole attachment requirements, we must allow them to attach. That is fine, as far as it goes, but our electric customers should not subsidize the attaching parties by paying for make-ready work that would not be needed to provide electric service alone, nor should we give away for free the value of being able to attach to our poles, where the cost of those poles are reflected in the rates of our electric customers. Nor should we essentially delegate construction of our electric infrastructure (e.g., replacing poles to accomodiate the attachment) to Co-Mo or Charter Cablevsion, or whomever. What Co-Mo wants is to perform the make-ready work themselves at what they might contend is a lower cost (probably from use of non-union labor). We simply do not want to get in the business of having various third parties replace our poles to accommodate the attachment, nor should we, and most importantly, the pole attachment requirements certainly don't require that we do so. In addition, as for the pole attachment fees, those fees are reflected in our electric revenue requirement and thus reduce rates for all of our electric customers. In effect, our

Rebuttal Testimony of Ralph ("Chip") Webb

- 1 customers are paying rates to cover the cost of the infrastructure and then getting back
- 2 some rent when others use it.
- **Q.** Please summarize your testimony.
- 4 A. Co-Mo's position that they and only they should be considered to serve the
- 5 subdivision effectively prevented any negotiations or discussions about which company
- 6 was in the best position, from a public interest standpoint, to serve some or all of it. Ameren
- 7 Missouri's reliability performance is better than Co-Mo's, and its membership in MISO
- 8 does not in any way create a reliability concern; to the contrary, it provides access to
- 9 additional resources. Ameren Missouri will also provide more affordable service than Co-
- 10 Mo, benefitting the homeowners in the subdivision. Co-Mo Connects' desire to provide
- internet service to the homeowners in the subdivision is unaffected regardless of which
- 12 electric provider provides electric service. Whatever complaints Co-Mo may have in other
- contexts about pole attachments are irrelevant to this case.
- Q. Does this conclude your rebuttal testimony?
- 15 A. Yes, it does.

BEFORE THE PUBLIC SERVICE COMMISSION OF THE STATE OF MISSOURI

In the Matter of the Applica Electric Cooperative for Ap Designated Service Bounda Portions of Cooper County,	proval of ries Within))	Case No. EO-2022-0190					
AFFIDAVIT OF RALPH ("CHIP") WEBB								
STATE OF MISSOURI)								
) ss							
CITY OF ST. LOUIS)							
Ralph ("Chip") Webb, being first duly sworn states:								

My name is Ralph ("Chip") Webb, and on my oath declare that I am of sound mind and lawful age; that I have prepared the foregoing *Rebuttal Testimony*; and further, under the penalty of perjury, that the same is true and correct to the best of my knowledge and belief.

/s/ Ralph ("Chip") Webb
Ralph ("Chip") Webb

Sworn to me this 27th day of April, 2022.