

Exhibit No.: 851
Issues: Unreasonable current street lighting tariffs and actions of Ameren and unreasonable proposed increases
Witness: Steve Bender
Sponsoring Party: City of O'Fallon, Missouri
Type of Exhibit: Direct Testimony – Cost of Service and Rate Design
File No.: ER-2014-0258
Date Testimony Prepared: February 5, 2014

Filed
March 24, 2015
Data Center
Missouri Public
Service Commission

MISSOURI PUBLIC SERVICE COMMISSION

SURREBUTTAL TESTIMONY
OF
STEVE BENDER
ON
BEHALF OF
CITY OF O'FALLON, MISSOURI

*St. Louis, Missouri
February, 2015*

O'Fallon Exhibit No. 851
Date 3-05-15 Reporter XF
File No. ER-2014-0258

BEFORE THE MISSOURI PUBLIC SERVICE COMMISSION

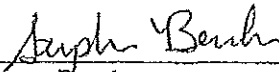
IN THE MATTER OF THE UNION ELECTRIC)
COMPANY, d/b/a AMEREN MISSOURI'S)
TARIFFS TO INCREASE ITS REVENUES)
FOR ELECTRIC SERVICE)

File No: ER-2014-0258

AFFIDAVIT OF STEVE BENDER

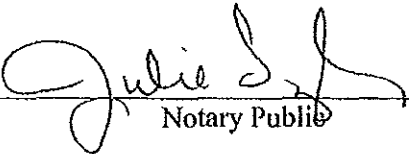
STATE OF MISSOURI)
) ss
COUNTY OF ST. CHARLES)

Steve Bender, 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 2 pages of Surrebuttal Testimony 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.



Steve Bender

Subscribed and sworn to before me this 5th day of February, 2015.



Notary Public

JULIE TAYLOR
Notary Public - Notary Seal
St. Charles County
STATE OF MISSOURI

My Commission Expires April 28, 2016
#12546073

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33

SURREBUTTAL TESTIMONY

OF

STEVE BENDER

FILE NO. ER-2014-0258

Q. Please state your name and business address.

A. My name is Steve Bender and my office address is 100 North Main Street, O'Fallon, Missouri 63366.

Q. Have you provided direct testimony in this case?

A. Yes.

Q. What is the purpose of your surrebuttal testimony?

A. I have read David Wakeman's and William Davis' rebuttal testimony on behalf of Ameren. The purpose of my surrebuttal testimony is to: (1) Respond to Mr. Wakeman's discussion of the Cities of Ballwin and O'Fallon's Complaint filed before the Commission in File No. EC-2014-0316; (2) Respond to Mr. Wakeman's testimony relative to the issue of maintenance of fixtures if the Cities owned the street lighting fixtures; (3) Respond to Mr. Wakeman's apparent assertion that there would be no benefit to Ameren for selling its fixtures to the Cities; (4) Comment with respect to Mr. Davis' admission that the 5(M) Tariff rates are too high; and (5) Comment on Mr. Davis' assertion that the City of Ballwin will benefit from an increase in gross receipt tax revenues.

I have read the surrebuttal testimony of Robert Kuntz on behalf of Ballwin, and concur with his opinions regarding this matter, although I do not personally have knowledge of the matters discussed by Mr. Kuntz that are unique to the City of Ballwin. I fully adopt Mr. Kuntz's surrebuttal testimony with respect to sections I, III, IV and V of Mr. Kuntz's testimony, and offer no additional discussion on those topics.

II. Maintenance of the Fixtures if the City owned the fixtures.

Q. Do you concur with Mr. Kuntz's surrebuttal testimony relative to Section II of his testimony?

A. Yes. I also however wanted to offer some additional surrebuttal testimony relative to O'Fallon's experiences with Ameren on the issue as to whether the concerns regarding

1 maintenance discussed by Mr. Wakeman, would prohibit Ameren from selling fixtures to
2 O'Fallon.

3 **Q. What has been your experience with Ameren?**

4 A. In 2009, Ameren and O'Fallon did discuss the sale of street lighting facilities for
5 three subdivisions located within O'Fallon, namely: Willow Run, Ridge Top and Berkshire
6 Downs. Attached to my testimony as Schedule SB-S1 is an email I received from Robert
7 Schnell with Ameren. In his email, Mr. Schnell sets forth the terms and conditions for a
8 proposed sale of facilities which included 77 lights at a total cost for the lights of \$72,582.99.
9 The proposal included several provisions, one of which was "The City of O'Fallon agrees that
10 they will continue to own, operate and maintain the lighting system in the future." Accordingly,
11 at that time, Ameren seemed satisfied that O'Fallon agreeing to maintain the lighting facilities
12 provided adequate assurances with respect to maintenance, something they now assert as
13 prohibitive with respect to the sale of street lighting facilities to O'Fallon.

14 My recollection is that after receiving this offer, the City decided to wait due to a pending
15 rate case. In 2012, the City wished to revisit acquiring street lighting facilities from Ameren, at
16 which time Ameren indicated they had no interest in negotiating to sell any street lighting
17 facilities.

18 **Q. Does this conclude your surrebuttal testimony?**

19 A. Yes.

From: Schnell, Robert J <RSchnell@ameren.com>
Sent: Wednesday, September 09, 2009 11:51 AM
To: Steve Bender
Cc: Schnell, Robert J; Schmidt, Bob W; Kramer, Gary S; Feast, Julie E; Hagan, David (Wentzville District); Clark, John G; Dolde, Tara M
Subject: Potential sale of City of O'Fallon Street lights

Steve:

Below are the prices per street light in the three subdivisions that were submitted. The Costs represent the Total Installed Reproduction Cost with Overhead Depreciation and include gross up for taxes and sales tax.

<u>Subdivision Name</u>	<u>Year of Installation</u>	<u># of lights</u>	<u>Price per light</u>
Willow Run	1986	21	\$743.09
Ridge top	1994	37	\$990.52
Berkshire Downs	1998	19	\$1,069.94

The Sale of these lights is contingent on the following:

- (A) Approval by the Missouri Public Service Commission to sell these facilities, which includes a public notice and a hearing at the Missouri PSC;
- (B) The City of O'Fallon agrees that they will continue to own, operate and maintain the lighting system in the future;
- (C) Disposition of attaches: Both Cell Net and Network One have facilities attached to the street light poles and use electric. Cell Net provides meter reading for AmerenUE and Network One provides wireless services to customers, including the City of O'Fallon police department. There are both operating and financial considerations that must be discussed and resolved prior to the City acquiring the street lights. Costs for a relocation of those attaches or other possible resolutions are not included in the above costs.
- (D) Should the City desire to proceed with the purchase of the street lights, it may be beneficial for both the City and AmerenUE if the sale was staggered over a multi- year period.

Let me know what questions you have after reviewing.

Thanks

Robert J. Schnell, PE
 Supervising Engineer
 Wentzville District
 Boone Trails Division
 636-639-8310