Exhibit No.:	
Issues:	General Overview, Pensions Other Postretirement Benefits AmerenUE Combustion Turbines Net Salvage Expense Excess Depreciation Reserve
Witness:	GREG R. MEYER
Sponsoring Party:	MoPSC Staff
Type of Exhibit:	Direct Testimony
Case No.:	EC-2002-1
Date Testimony Prepared:	March 1, 2002

MISSOURI PUBLIC SERVICE COMMISSION

UTILITY SERVICES DIVISION

DIRECT TESTIMONY

OF

GREG R. MEYER

UNION ELECTRIC COMPANY, d/b/a AMERENUE

CASE NO. EC-2002-1

Jefferson City, Missouri
March 2002

****Denotes Proprietary Information****

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GREG R. MEYER

UNION ELECTRIC COMPANY

d/b/a AMERENUE

CASE NO. EC-2002-1

DIRECT TESTIMONY

OF

GREG R. MEYER

UNION ELECTRIC COMPANY

d/b/a AMERENUE

CASE NO. EC-2002-1

Q. Please state your name and business address.

A. Greg R. Meyer, 815 Charter Commons Drive, Suite 100B, Chesterfield, Missouri 63017.

Q. By whom are you employed and in what capacity?

A. I am a Regulatory Auditor V with the Missouri Public Service Commission (Commission).

Q. Please describe your educational background.

A. In May 1979, I graduated from the University of Missouri at Columbia, with a Bachelor of Science degree in Business Administration with an emphasis in Accounting.

Q. What has been the nature of your duties while in the employ of the Commission?

A. I have supervised and assisted in audits and examinations of the books and records of utility companies operating within the State of Missouri.

Q. Have you previously filed testimony before this Commission?

A. Yes. Please refer to Schedule 1, which is attached to this direct testimony, for a list of the major audits on which I have previously filed testimony. I also have been responsible for case coordination regarding Commission cases where I did not file direct testimony. Additionally, I have performed numerous audits of small water and sewer companies for informal rate cases and certificate of convenience and necessity cases.

Q. With reference to Case No. EC-2002-1, have you made an examination of the books and records of Union Electric Company, d/b/a AmerenUE (AmerenUE, UE or Company) relating to the Staff's earnings investigation of AmerenUE's Missouri jurisdictional electric operations?

A. Yes, in conjunction with other members of the Commission Staff (Staff).

Q. Please identify your areas of responsibility in Case No. EC-2002-1.

A. My principal areas of responsibility are listed below:

1) General overview of the Staff's audit;
2) Installation of AmerenUE combustion turbines;
3) Net salvage expense;
4) AmerenUE's excess depreciation reserve amortization; and
5) Post-retirement benefits other than pension expense (OPEB) and pension expense.

Each area will be discussed in separate sections of this testimony.

Q. Did you previously provide direct testimony in this case and what areas did you address?

A. Yes, I did. I previously discussed post-retirement benefits other than pension expense (OPEB) and pension expense.

Q. What adjustments are you sponsoring in this case?

A. I am sponsoring the following adjustments:

Ameren Combustion Turbines	P-30.1, S-6.5, S-27.2 and S-30.3
Net Salvage Expense	S-27.1
Excess Depreciation Reserve Amortization	S-28.1
Pensions & OPEBs	S-17.7, S-17.8, S-17.9, S-17.10, S-17.11 and S-17.12

GENERAL OVERVIEW OF THE STAFF'S AUDIT

Q. What test year has the Staff used in this case?

A. The Staff has used a test year ending June 30, 2001. The test year was updated for certain material items (e.g., plant, depreciation reserve, customer levels, fuel expense, other operating expenses and rate of return/capital structure) through September 30, 2001, based on actual information available during the audit. Updating specific test year items enables the Staff to make its rate recommendation based on more recent auditable information. The test year was ordered by the Commission on December 6, 2001 in its Order Establishing Test Year And Procedural Schedule. The update period through September 30, 2001, was subsequently agreed to by UE and the Staff, and not objected to by the other parties.

Q. What is a test year?

A. A test year is a 12-month period used as the basis for the audit of any rate increase filing or excess earnings/revenues complaint case. This period serves as the starting point for analysis and review of the utility's operations to set the reasonableness and appropriateness of the rate filing or complaint case for the prospective period when the rates will be in effect. The test year forms the basis for any adjustments necessary to remove abnormalities that may have occurred during the period and to appropriately reflect any on-going increase or decrease shown in the financial records of the utility. Adjustments are made to the test year level of revenues, expenses and investment to determine the proper level of those items and earnings. After the recommended rate of return that the utility is permitted the opportunity to earn is determined, a comparison to the results of existing rates is made to see if any additional revenues are necessary for the utility to have the opportunity to earn an appropriate rate of return. If the Commission concludes that the utility's earnings are deficient, it will authorize the Company to increase its rates. Conversely, if existing rates generate earnings in excess of what prospectively should be the authorized levels, the Commission will conclude that the utility's earnings are excessive, and will order the Company to reduce its rates. In summary, the test year, as adjusted, is the vehicle used to evaluate and determine the proper relationship among revenue, expenses and investment. This relationship is essential to determine the appropriate level of prospective earnings for a utility.

Q. Has the Commission ruled in the past on the purpose of a test year?

A. Yes. The purpose of a test year, as set out by the Commission in the past, is:

> ...[T]o create or construct a reasonably expected level of earnings, expenses and investment during the future period during which the rates, to be determined herein, will be in effect. All of the aspects of the test year operations may be adjusted upward or downward (normalized) to exclude unusual or unreasonable items to arrive at a proper allowable level of all the elements of the Company's operations. (Re: Kansas City Power and Light Company, 24 MoPSC (N.S.) 386, 391-392 (1981)

Q. Why is it necessary to establish an appropriate relationship between investment, revenues and expenses in determining rates for a utility on a going-forward basis?

A. In the Missouri retail electric jurisdiction, rates are set so as to allow a utility an opportunity to earn an authorized rate of return on the established level of the utility's net investment in utility assets. The investment base on which a utility is allowed to earn an authorized return is its rate base. Revenue and expense are reflected in net operating income (NOI) which is simply revenues minus expenses. The return on rate base is measured by dividing NOI by the rate base. (NOI should not be confused with revenue requirement. Revenue requirement is NOI multiplied by the current tax multiplier.)

Revenues, expenses and rate base are the key components of the ratemaking process, and each of these components must be measured consistently in time in relation to each other, or the revenue requirement result will be skewed either to the utility's or its customers' detriment.

In the Missouri jurisdiction, the traditional approach has been to measure the largest components of rate base (plant in service net of accumulated depreciation) at the end of the test year used in that particular case, or later. Twelve months of revenue and expense data from the test year established for a particular case, as adjusted, are used to calculate the return on rate base component used to determine the utility's revenue requirement.

Q. What were the results of the Staff's current audit based on the Commission-ordered test year of the 12 months ended June 30, 2001 and updated through September 30, 2001 for known and measurable changes?

A. The Staff has determined that AmerenUE's rates are excessive and should be reduced in the range of approximately $245 million to $285 million on an annual basis.

Q. What were the results of the Staff's previous audit of UE based on a test year ending June 30, 2000 updated through December 31, 2000 for known and measurable changes?

A. For purposes of that audit, the Staff concluded that UE's rates were excessive and should be reduced in the range of $213 million to $250 million annually.

Q. What do the different ranges of rate reductions, as determined by utilizing different test years and update periods, suggest to the Staff?

A. The Staff's audit of AmerenUE based on a test year ending June 30, 2000 and updated through December 31, 2000 lead the Staff to the conclusion that AmerenUE is collecting excessive revenues from Missouri ratepayers.

By again auditing the Company based on a test year ending June 30, 2001 updated through September 30, 2001, the Staff concludes that the earnings of UE have increased, due to increased revenues, decreased costs and a lower Staff recommended return on common equity since the previous Staff audit and the rates continue to be excessive on a scale similar to the Staff's earlier audit.

Q. What conclusions can be drawn from the results of the Staff's audits based on different test years and update periods?

A. The original direct filing of the Staff portrayed an accurate assessment of the level of AmerenUE's overearnings. Contrary to the Company's arguments that the Staff's prior test year was inappropriate and a more current test year would produce different overall results, the Staff's second audit of the Company supports the Staff's original filing.

The Company sought to persuade the Commission to adopt a new test year based on selected isolated adjustments for purported significant expense increases and a new cost of service calculation. However, when all components of cost of service are considered, the result is larger excess earnings/revenues.

The Staff suggests that the appropriate test for determining whether the filing of a party is based on outdated information, is the consideration of all, not selected, relevant factors determining the cost of service. This approach is consistent with the above discussion of test year and consistent with the Commission's traditional position regarding update periods and true-up audits.

Q. Can you identify the major changes that have occurred since the Staff's previous audit?

A. Yes. The Staff has identified the following areas which have significantly changed the Staff's revenue requirement recommendation. At the time of this filing, the areas that have resulted in UE's increased overearnings since the earlier Staff audit are:

1) Depreciation expense;

2) Venice power plant insurance settlements;

3) Rate of return;

4) Customer growth; and

5) Allocation factors.

An offset to the increases identified above, which the Staff included in its current cost of service analysis, is the expense associated with the addition of 500 megawatts of generating capacity to UE's system. These increased costs are discussed later in this testimony.

Q. Were all of the items listed above, the result of the Commission-ordered new test year?

A. No. The most significant expense decrease in the Staff's cost of service for the later test year ordered by the Commission, and the update period agreed to by the Staff and UE, occurred in the area of depreciation. This item could have been addressed within the context of the Staff's original filing, without the necessity of a new test year and update period.

Q. Please explain.

A. In Staff Data Request No. 4702 submitted in the Staff's prior audit, the Staff requested depreciation data through year-end 1998 and beyond. However, the Company declined to provide such data, citing Commission Rule 4 CSR 240-20.030. The Company would not provide the requested data outside of a general rate case or before the due date of its next depreciation study, which would be July 1, 2001, extended to January 29, 2002. On June 22, 2001, the Company filed a Notice of Intent to File Depreciation Study and Data Base and Property Study Unit Catalog prior to January 29, 2002.

If the data had been formatted and supplied to the Staff when originally requested, the major portion of the increase in excess earnings between the Staff's

July 2, 2001, filing and this filing, would have been captured in the Staff's July 2, 2001 filing. The Company relied on the Commission rule to avoid providing this information for the Staff's original filing.

Staff witness Jolie Mathis, Engineering Specialist III with the Commission's Engineering and Management Services Department, was provided the information consistent with her original request approximately three weeks before her deposition by UE in November 2001 regarding this case.

In summary, if the Company had provided the depreciation information in time to be considered during the Staff's initial audit, the significant increase in UE's excess earnings between the Staff's July 2, 2001 filing and this filing would have been reflected in the Staff's July 2, 2001 filing.

AMERENUE COMBUSTION TURBINES

Q. Please describe Staff adjustments P-30.1, S-6.5, S-27.2 and S-30.3.

A. These adjustments reflect the inclusion of 500 megawatts of capacity to the UE system. Please refer to the testimony of Staff witness Dr. Michael S. Proctor for the Staff's position regarding the necessity to add this capacity to UE's generation mix.

Staff adjustment P-30.1 increases the Staff's plant in service to reflect the inclusion of the 500 megawatts in rate base.

Staff adjustment S-6.5 increases the Staff's production expenses to reflect the non-fuel operation and maintenance (O&M) expense necessary to operate these units. The Staff calculated this adjustment using a $2.45 per kilowatt per year non-fuel O&M factor. Please refer to the direct testimony of Staff witness Proctor for further discussion of this item.

Staff adjustment S-27.2 increases the Staff's depreciation expense to reflect the depreciation of the 500 megawatts of capacity using a 40-year life.

Staff adjustment S-30.3 increases property tax expense to reflect the increased property taxes associated with the additional capacity. The Staff developed a ratio to apply to this new investment, by dividing the Staff's annualized property taxes by the amount of UE plant as of January 1, 2001.

NET SALVAGE EXPENSE

Q. Please explain Income Statement adjustment S-27.1.

A. Adjustment S-27.1 includes a 10-year average of net salvage costs in operating expense.

Q. What are net salvage costs?

A. Net salvage costs are the net costs resulting from the retirement of plant in service. These costs include the cost of removing or dismantling retired plant, referred to as cost of removal, less the gross salvage value of the plant.

Q. Why is this adjustment necessary?

A. This adjustment is necessary because the Staff's proposed depreciation rates, for purposes of this case, do not include net salvage costs. Therefore, in order to recognize net salvage in the cost of service, the Staff has calculated and included an amount in operating expense.

Q. Why is a 10-year average of net salvage costs reasonable?

A. A 10-year average reflects a level of net salvage costs that the Company is currently experiencing, rather than an accrual through depreciation rates. The amount of net salvage has fluctuated significantly during the 10-year period. Therefore, an average results in a more reasonable level of net salvage cost. Please refer to the direct testimony of Staff witness Mathis for further information concerning the elimination of net salvage costs from the Staff's proposed depreciation rates.

<u>EXCESS DEPRECIATION RESERVE AMORTIZATION</u>

Q. Please explain Income Statement adjustment S-28.1.

A. Adjustment S-28.1 amortizes the excess accumulated depreciation reserve over a 40-year period. Please refer to the direct testimony of Staff witness Mathis for further information concerning the over-accrued depreciation reserve, and the 40-year amortization period.

<u>OTHER POSTRETIREMENT EMPLOYMENT BENEFITS (OPEBs) EXPENSE FAS 106 AND PENSION EXPENSE FAS 87</u>

Q. Please provide a brief explanation of Statement of Financial Accounting Standards No. 106 (FAS 106).

A. FAS 106, *<u>Employers' Accounting for Postretirement Benefits Other Than Pensions</u>*, provides the accrual accounting method used in determining the annual expense and liability for providing other postretirement employment benefits (OPEBs). This method was developed by the Financial Accounting Standards Board (FASB) and is required under Generally Accepted Accounting Principles (GAAP) for financial reporting purposes.

Q. Is the Commission required under GAAP or Missouri law to adopt FAS 106 for determining pension expense for ratemaking purposes?

A. Yes, the Commission is required by Missouri law (Section 386.315 RSMo), passed in 1994, to allow the recovery of OPEBs expense as calculated under FAS 106. The Commission must adopt the FAS 106 method for ratemaking purposes as long as the assumptions used by the utility are considered reasonable, and the amounts collected in rates are placed in an external fund by the utility. However, for addressing the requirements of GAAP, the Commission is not bound by those requirements.

Q. Please provide a brief description of Statement of Financial Accounting Standards No. 87 (FAS 87).

A. FAS 87, *Employers' Accounting for Pensions*, provides for the accrual accounting method used in determining the annual expense and liability for pensions. This statement was issued by the FASB and is considered GAAP for financial reporting purposes.

Q. Is the Commission required under GAAP or Missouri law to adopt FAS 87 for determining pension expense for ratemaking purposes?

A. No. However, since state law beginning in 1994 has required the adoption of FAS 106, the Staff has taken the position that consistent treatment of retirement costs requires the use of FAS 87 for determining pension expense for ratemaking purposes.

Q. Are the methods used in calculating pension expense under FAS 87 and OPEBs expense under FAS 106 similar?

A. Yes, in many respects. Many of the same actuarial and financial/accounting assumptions are used for both. Some of the assumptions used for both include:

Actuarial Assumptions:

Employee Mortality
Employee Turnover
Retirement Age

Financial/Accounting Assumptions:

Income Earned on Plan Assets
Future Salary Increases
Time Value of Money (Discount Rate)
Amortization Period for Gains and Losses
Use of Corridor Approach for Gain/Loss Recognition

Q. Why have you classified assumptions used in calculating FAS 87 and FAS 106 as either actuarial or financial/accounting?

A. The purpose of FAS 87 and FAS 106 is to provide uniform financial statement recognition of a company's total estimated liability for pensions and OPEBs and to reflect the annual cost of these benefits in the income statement ratably over the service life of the employee.

A qualified actuary must develop the actuarial assumptions required for these calculations, i.e., such as employee mortality. Someone with a financial and/or accounting background on the other hand could develop all of the financial assumptions. For example, a decision as to the number of years to use for gain/loss amortization or use of the "corridor approach" for gain/loss amortization is a judgment made based upon the impact of cash flow on the financial statements and/or impact on utility rates. Under the corridor approach, the amount amortized is the cumulative net gain or loss that exceeds ten percent of the greater of the pension liability or the value of pension plan assets. Use of the corridor approach results in the minimum amount of amortization of gains and losses allowed by the FASB.

Q. What is the basis for the Staff's recommended level of FAS 106 expense in cost of service for this case?

A. The Staff has made three adjustments to AmerenUE's test year level of FAS 106 OPEBs cost for the year ending June 30, 2001:

1) Adjustment No. S-17.12 adjusts the June 30, 2001 test year FAS 106 OPEBs cost to reflect the results of the Towers Perrin (Company actuary) calculation of the cost for the plan year ending December 31, 2001.

2) **

**

3) Adjustment No. S-17.10 restates the gain/loss amortization in the Towers Perrin 2001 FAS 106 calculation to reflect a five-year amortization of an average balance of the unrecognized net gain balance for the five-year period from 1997 through 2001.

Q. What is the basis for the Staff's recommended FAS 87 pension expense level in this case?

A. The Staff has made three adjustments to AmerenUE's test year level of FAS 87 pension cost for the year ending June 30, 2001:

1) Adjustment No. S-17.11 adjusts the June 30, 2001 test year FAS 87 pension cost to reflect the results of the Towers Perrin calculation of the costs for the plan year ending December 31, 2001.

2) **

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3) Adjustment No. S-17.9 restates the gain/loss amortization in the Towers Perrin 2001 FAS 87 calculation to reflect a five-year amortization of an average balance of the unrecognized net gain balance for the five-year period 1997 through 2001.

FIVE-YEAR AVERAGE BALANCE OF UNRECOGNIZED NET GAINS/LOSSES

Q. Please explain the term "Unrecognized Net Gain/Loss" as it applies to calculating (1) pension expense under FAS 87 and (2) other postretirement benefits expense under FAS 106.

A. As explained earlier in my testimony, FAS 87 and FAS 106 are calculated using numerous actuarial and financial/accounting assumptions. When the actuary changes an assumption to reflect more current information based on updated actual experience data, a change in the total projected liability and/or assets under FAS 87 and FAS 106 will result. This change is accounted for as an unrecognized gain or loss depending upon the impact on the projected liability. The impact of these changes are reflected in expense under FAS 87 and FAS 106 by amortizing the Unrecognized Net Gain/Loss Balance over a period not to exceed the remaining service period of active plan participants.

Q. Please explain why the Staff is recommending that the Unrecognized Net Gain Balance, subject to amortization, be calculated based upon a five-year average balance instead of the current year balance.

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A. Gains and losses under FAS 87 and FAS 106 result from changes in assumptions (changing the discount rate, for example) and from differences between estimated assumptions and actual results. In dealing with this issue in cases involving major utility companies in Missouri, differences between the expected return on funded assets and the actual return earned on those assets accounts for the majority of the balance in the Unrecognized Net Gain/Loss Balance. Annual differences between the expected rate of return assumption and the actual return earned are often so significant that the Unrecognized Net Gain/Loss Balance experiences considerable annual fluctuation (volatility).

Since the Unrecognized Net Gain/Loss Balance is amortized in calculating pension and OPEBs cost under FAS 87 and FAS 106, significant volatility in the balance subject to amortization has an undesirable impact on the calculation of annual pension and OPEBs expense for ratemaking purposes.

Using a five-year average balance to determine the Unrecognized Net Gain/Loss Balance subject to amortization mitigates the effect on rates of any significant volatility experienced.

Q. Has the five-year average balance method been used for any other Missouri utility companies to determine the Unrecognized Net Gain/Loss Balance to be amortized in calculating FAS 87 and FAS 106?

A. Yes. This method was stipulated to in settled rate cases respecting Missouri Gas Energy (MGE), Case Nos. GR-98-140 and GR-2001-292; Laclede Gas Company, Case Nos. GR-98-374, GR-99-315 and GR-2001-629; and St. Joseph Light & Power Company, Case No. ER-99-247.

Q. Have any Missouri utilities filed rate cases using the Staff's method of amortizing a five-year average balance of the Unrecognized Net Gain/Loss over five years?

A. Yes. MGE's Case No. GR-2001-292 and Laclede Gas Company's Case No. GR-99-315 were filed using a five-year average of the Unrecognized Net Gain/Loss balance to determine the total amount of unrecognized gains and losses to be amortized in calculating FAS 87 and FAS 106 pension and OPEBs expense.

FIVE-YEAR AMORTIZATION PERIOD FOR GAIN/LOSS RECOGNITION

Q. What is the basis for the Staff's recommendation to amortize all of AmerenUE's unrecognized gains and losses over five years?

A. **

**

Pension and OPEBs expense included in the cost of service should be calculated based upon the most accurate information available. Timely recognition of the actual income earned on fund assets is required to meet this objective. Deferred recognition of actual earned returns on fund assets for a period exceeding five years does not result in accurate pension and OPEBs expense under FAS 87 and FAS 106 for ratemaking purposes.

NP

Q. What flexibility does the Company have in determining the number of years to be used in amortizing the net gain/loss balance under FAS 87 and FAS 106?

A. Paragraph 33 of FAS 87 explains the wide flexibility allowed in choosing the amortization period for gains and losses:

> Any systematic method of amortization of unrecognized gains and losses may be used in lieu of the minimum specified in the previous paragraph provided that (a) the minimum is used in any period in which the minimum amortization is greater (reduces the net balance by more), (b) the method is applied consistently, (c) the method is applied similarly to both gains and losses, and (d) the method used is disclosed.

Q. Please explain why the Staff is not recommending an amortization period less than or greater than five years.

A. The Staff's recommendation of five years for amortizing gains and losses under FAS 87 and FAS 106 is based upon three factors:

1) Timely recognition of actual results and assumption changes is necessary for accurate pension and OPEBs expense for ratemaking purposes. The Staff considers five years to be a reasonable time period to meet this primary objective.

2) The federal government enacted legislation in 1987 that reduced the amortization period for asset gains and losses from 15 years to five years for pension funding requirements. This legislation was the Omnibus Budget Reconciliation Act of 1987. Section 412(b)(2)(B) of the Internal Revenue Code requires that gains and/or losses from pension plan assets be amortized over a five-year period. A five-year amortization would treat asset gains and losses consistently for period expense under FAS 87 and funding requirements under ERISA/Internal Revenue Service (IRS) Regulations.

3) Using a five-year amortization period is consistent with this Commission's long-standing precedent for amortizing abnormal, significant expenses/losses over five years for ratemaking purposes. Attached as Schedule 2 to my direct testimony is a list of cases in which the Commission allowed a five-year amortization period.

Q. Are any other Missouri utility companies using a five-year amortization for unrecognized gains/losses under FAS 87 and FAS 106?

A. Yes. Gains and losses under FAS 87 and FAS 106 are being amortized over five years by St. Louis County Water Company; UtiliCorp United, Inc.-Missouri Divisions, Missouri Public Service and St. Joseph Light & Power; Empire District Electric Company; Missouri Gas Energy; and Laclede Gas Company. All major utility companies in Missouri which have had rate cases since legislation was passed in 1994 requiring the adoption of FAS 106 for ratemaking purposes, are amortizing gains and losses under FAS 87 and FAS 106 over a five-year period.

ELIMINATION OF MARKET RELATED VALUE METHOD

Q. Please define the term "market related value" and explain how it is used in calculating pension cost under FAS 87.

A. The components of Ameren's FAS 87 pension cost for the year 2001 are reflected below:

PENSION COST
FAS 87
2001

COMPONENTS	AMOUNT	EXPLANATION
(1) Service Cost	** **	Present value of pension benefits earned during the year
(2) Interest Cost	** **	Increase in the projected pension liability due to the passage of time.
(3) Expected Return on Assets	** **	Expected annual return earned on pension fund assets
(4) Amortization of Unrecognized Transition Asset and Amortization of Prior Service Cost	** **	Amortization of transition asset as of the adoption date of FAS 87 and impact of plan amendments related to prior service
(5) Amortization of Unrecognized Net (Gain) Loss	** **	** ** of net balance resulting from assumption changes and excess of actual returns over expected returns.
(6) Net Periodic Pension Cost	** **	

Line (3) reflects the expected return on the pension fund assets. Under FAS 87, this amount can be calculated by applying an estimated rate of return of ** ** to either the actual market value of pension fund assets or to the market related value of the assets. Its only purpose is to smooth out annual fluctuations (reduce volatility) in annual gain/loss activity.

Q. **

NP

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2) Recognition of the gain and loss in calculating FAS 87 and FAS 106 is that gains and losses need to be reflected on a timely basis in order to accurately reflect a utility's pension and OPEBs cost.

Q. Does this conclude your direct testimony?

A. Yes, it does.

NP

BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF MISSOURI

The Staff of the Missouri Public Service Commission,	)	
	)	Case No. EC-2002-1
Complainant,	)	
vs.	)	
	)	
Union Electric Company, d/b/a AmerenUE,	)	
	)	
Respondent.	)	

AFFIDAVIT OF GREG R. MEYER

STATE OF MISSOURI	)	
	)	ss.
COUNTY OF COLE	)	

Greg R. Meyer, is, of lawful age, and on his oath states: that he has participated in the preparation of the foregoing Direct Testimony in question and answer form, consisting of 21 pages to be presented in the above case; that the answers in the foregoing Direct 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.

Greg R. Meyer

Greg R. Meyer

Subscribed and sworn to before me this 1st day of March, 2002.

Toni M Charlton

Notary Public

TONI M. CHARLTON
NOTARY PUBLIC STATE OF MISSOURI
COUNTY OF COLE
My Commission Expires December 28, 2004

SUMMARY OF RATE CASE INVOLVEMENT

Greg R. Meyer

COMPANY	CASE NO.
Missouri Utilities Company	GR-79-270
Missouri Public Service Company	GR-80-117
Missouri Public Service Company	ER-80-118
Missouri Utilities Company	ER-80-215
General Telephone Company of the Midwest	TR-81-47
Capital City Water Company	WR-81-193
Missouri Utilities Company	GR-81-244
Missouri Utilities Company	WR-81-248
Missouri Utilities Company	ER-81-346
Associated Natural Gas Company	GR-82-108
Southwestern Bell Telephone Company	TR-82-199
Kansas City Power and Light Company	ER-83-49
Southwestern Bell Telephone Company	TR-83-253
Kansas City Power and Light Company	ER-85-128/ EO-85-185
Arkansas Power and Light Company	ER-85-265
Southwestern Bell Telephone Company	TR-86-84
General Telephone Company of the Midwest	TC-87-57
Union Electric Company	EC-87-114
Southwestern Bell Telephone Company	TC-89-14
GTE North Incorporated	TR-89-182
Arkansas Power and Light Company	EM-90-12
Southwestern Bell Telephone Company	TC-93-224
Laclede Gas Company	GR-94-220
Union Electric Company	EM-96-149
Laclede Gas Company	GR-96-193
Imperial Utility Corporation	SC-96-427

Union Electric Company	GR-97-393
Laclede Gas Company	GR-98-374
Union Electric	GR-2000-512

UNION ELECTRIC COMPANY,
d/b/a AMERENUE
CASE NO. EC-2002-1
PAST COMMISSION ORDERS ALLOWING
A FIVE-YEAR AMORTIZATION OF ABNORMAL EXPENSES

Case No.	Company	Description
ER-78-29	Missouri Public Service Company	3-year average ordered maintenance expense.
ER-83-49	Kansas City Power & Light Company	5-year average ordered for station outages.
WR-83-14	Missouri Cities Water Company	5-year average ordered maintenance expense.
EO-85-185 EO-85-224	Kansas City Power & Light Company	5-year average ordered ice storm.
EC-93-252	St. Joseph Light & Power Company	5-year average ordered for maintenance.
WO-94-195	St. Louis County Water Company	5-year amortization of flood cost.
EO-94-149	Empire District Electric Company	5-year amortization of flood cost.
EO-94-35	St. Joseph Light & Power Company	5-year amortization of flood cost.