

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

In the Matter of Union Electric Company     )  
d/b/a AmerenUE for Authority to File        )  
Tariffs Increasing Rates for Electric        )     Case No.     ER-2008-0318  
Service Provided to Customers in the        )  
Company's Missouri Service Area.            )

**POST-HEARING BRIEF OF UNIONS**

COME NOW International Brotherhood of Electrical Workers Locals 2, 309, 649, 702, 1439, 1455, AFL-CIO and International Union of Operating Engineers Local 148, AFL-CIO (“Unions”), by counsel, and submits its Post-Hearing Brief in the above referenced case.

**ISSUE**

The Unions are in support of AmerenUE's proposed rate increase but raise the following issues:

- a. Should AmerenUE be required to expend a substantial portion of the rate increase investing in its employee infrastructure, in general, including recruitment and training;
- b. Should AmerenUE be required to fully and permanently staff itself within 3 years for its normal and sustained workload, thereby reducing the need for subcontracting and overtime;
- c. Should AmerenUE be liable for and insure the training and certification of its subcontractors; and
- d. Should AmerenUE be required to make good faith efforts to hire locally, both its internal and external workforces?

**DISCUSSION**

The Commission has the authority and responsibility to evaluate whether AmerenUE is likely to provide safe and adequate service and whether it can do so while charging the customer a lesser rate than requested. Four union witnesses testified directly on the issues of quality, reliability, safety and efficiency of service.

The evidence reflects that, as in the case of utility companies across the country, AmerenUE responded to the deregulation of the 1990s by substantially reducing its internal workforce through attrition across the board. This eventually resulted in a workforce that is inadequate in number to maintain the normal and customary workload of the power plants that control generation, of the outside physical operations that control transmission and distribution, and of the administrative needs that impact generation, transmission and distribution of power. AmerenUE has therefore turned more and more to outside contractors to handle not only unusual or seasonal surges in workforce requirements, but also day to day operations of the utility.

The evidence reflects serious disadvantages to using a permanent outside contractor workforce for daily operations, including lesser training and certification standards and controls, less familiarity with AmerenUE's system, less commitment to the community, and premium pay costs. Thus, the use of a permanent outside contractor workforce reduces efficiency, quality, reliability and safety of power generation, transmission and distribution.

Perhaps most significantly, the overuse of outside contractors by utility companies nationwide has created a dangerous shortage in trained personnel who can fill the labor needs, even though the need for electric power is steadily increasing with increasing integration of technology into general residential and corporate consumption

patterns. As the existing workforce ages without adequate replacements being trained, the net loss of skilled workers is increasing exponentially. We are just beginning to see the impact of a nationwide shortfall of skilled utility workers through the poor maintenance of equipment and external facilities (such as trees and dams) that have led to power blackouts and the longer response times in alleviating those blackouts.

The evidence further reflects that, in order to reverse the trend and stop the hemorrhaging of skilled utility workers AmerenUE needs to invest much more significantly in its workforce infrastructure, recruiting and training multitudes of employees across all production, service and administrative areas. Time is of the essence here, as the remaining skilled workers are nearing retirement. AmerenUE has recently recognized this labor need, but its current initiatives to increase hiring and training, while a good start, are simply inadequate. These efforts must be re-doubled and maintained for years in order to address the forecasted labor needs.

### **CONCLUSION**

The Unions recommend that Ameren be required to provide its service more efficiently through the means outlined above (and in more detail through their testimony), and that those same means be employed to ensure that the service provided is safer and more reliable. The Unions commend the Commission's apparent recognition at the hearing of the need to invest in the internal workforce of the power stations. However, to the extent the Commission is solely focused on the training and recruitment needs for generation of power, the Unions believe the Commission is viewing this issue too narrowly. Recent events both locally and nationally — such as ice storms, tree-related power outages, and the East Coast brown-outs — have spot-lighted the need for reliable

*transmission and distribution.* Reliable transmission and distribution requires investment in the internal workforce of outside physical workers, including linemen, and of office workers who, for example, route service calls, issue emergency notices, and draft plans through computer-aided design. It requires training existing employees on the technology of the future, a goal that cannot be reached without adequate staffing that allows time away from time-sensitive necessary duties in order to train.

Accordingly, the Unions strongly encourage the Commission to earmark a substantial sum of the rate proceeds for the training and recruitment of AmerenUE's internal workforce on a wall-to-wall basis. Substantial investment in the employee infrastructure at this juncture will reap even greater long-term benefits.

Respectfully submitted,

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### **Certificate of Service**

The undersigned certifies that a true and correct copy of the foregoing was served on January 8, 2009, by United States mail, hand-delivery, email, or facsimile upon all parties by their attorneys of record as disclosed by the pleadings and orders herein.

/s/ Sherrie A. Schroder