

Exhibit No.:
Issues: Updated Off-System Sales
Witness: Shawn E. Schukar
Sponsoring Party: Union Electric Company
Type of Exhibit: Supplemental Direct Testimony
Case No.: ER-2008-0318
Date Testimony Prepared: June 16, 2008

MISSOURI PUBLIC SERVICE COMMISSION

CASE NO. ER-2008-0318

SUPPLEMENTAL DIRECT TESTIMONY

OF

SHAWN E. SCHUKAR

ON

BEHALF OF

**UNION ELECTRIC COMPANY
d/b/a AmerenUE**

**St. Louis, Missouri
June, 2008**

TABLE OF CONTENTS

I. INTRODUCTION 1

II. PURPOSE OF TESTIMONY 1

III. TEST YEAR OFF-SYSTEM SALES – UPDATED DATA..... 2

IV. CONCLUSION..... 4

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23

SUPPLEMENTAL DIRECT TESTIMONY

OF

SHAWN E. SCHUKAR

CASE NO. ER-2008-0318

I. INTRODUCTION

Q. Please state your name and business address.

A. My name is Shawn E. Schukar. My business address is One Ameren Plaza, 1901 Chouteau Avenue, St. Louis, Missouri 63103.

Q. Are you the same Shawn E. Schukar who previously filed testimony in this case?

A. Yes.

II. PURPOSE OF TESTIMONY

Q. What is the purpose of your supplemental direct testimony?

A. AmerenUE filed this case based upon a test year consisting of the 12 months ending March 31, 2008, using nine months of actual data and three months of budgeted data (for the months of January, February, and March 2008). As provided for in the Commission’s Order Adopting Procedural Schedule and Test Year issued on May 29, 2008, I am updating the recommended level of off-system sales revenues to include in the Company’s revenue requirement. These off-system sales revenues are based upon AmerenUE witness Timothy D. Finnell’s updated PROSYM model run which includes updated data as discussed in Mr. Finnell’s supplemental direct testimony. These updated off-system sales revenues also take into account capacity sales information, which has been updated to reflect actual data for the entire test year period

1 and certain pro forma adjustments to reflect known capacity sales through the end of the
2 true-up period. These updates result in off-system sales revenues of \$449.7 million. I
3 provided a breakdown of this \$449.7 million between energy sales, capacity sales, and
4 ancillary service sales later in this testimony.

5 **III. TEST YEAR OFF-SYSTEM SALES – UPDATED DATA**

6 **Q. Did using actual data for the months of January to March 2008 with**
7 **certain pro forma adjustments change the level of off-system sales revenues**
8 **associated with energy you recommend for inclusion in the Company’s revenue**
9 **requirement?**

10 A. Yes. As Mr. Finnell explains in his supplemental direct testimony, the
11 megawatt hours (MWh) available for off-system sales as determined by the PROSYM
12 model, using the updated normalized load based upon actual data for the test year,
13 decreased slightly. This resulted in modeled off-system sales revenues associated with
14 energy of \$434.9 million versus the model results used when my direct testimony was
15 filed -- \$443.2 million.

16 **Q. Did using actual data for the months of January to March 2008 with**
17 **certain pro forma adjustments change the level of off-system sales revenues**
18 **associated with capacity you recommend for inclusion in the Company’s revenue**
19 **requirement?**

20 A. Yes. I have now included the actual known capacity sales through the end
21 of the true-up period, which results in recommended changes to the known level of
22 capacity sales and the lost opportunity associated with capacity sales that might have
23 been made from the Taum Sauk generation facility had it been available. The amount of

1 off-system sales associated with capacity based upon actual data with adjustments for
2 known sales through September 2008 results in off-system sales revenue associated with
3 capacity of \$11.3 million versus the \$7.6 million used when my direct testimony was
4 filed.

5 **Q. Please explain the adjustment to the level of off-system sales revenue**
6 **associated with capacity.**

7 A. The amount of off-system sales revenue associated with capacity reflects
8 both the known capacity sales through September 2008 and the potential opportunity for
9 capacity sales associated with the Taum Sauk Plant. The actual capacity sales through
10 September 2008 increased the off-system sales revenue associated with actual capacity
11 sales from the \$5.2 million known when my direct testimony was filed to the level known
12 as of the filing of this testimony, or \$6.4 million. These additional capacity sales mean
13 that AmerenUE has effectively sold all of its excess capacity for the period June 2008
14 through September 2008. This suggests that AmerenUE may have been able to sell
15 additional capacity from the Taum Sauk plant if the plant had been available. While it is
16 not certain that AmerenUE could have sold all of the additional 440 MW of capacity that
17 would have been available had the Taum Sauk Plant been in service, I have erred on the
18 side of assuming higher capacity sales and estimated the value of capacity sales for
19 AmerenUE as if AmerenUE was able to sell the full amount of the Taum Sauk capacity.
20 In pricing the Taum Sauk capacity that I am assuming could have been sold, I have used
21 the average prices received by the Illinois operating subsidiaries owned by Ameren
22 Corporation in response to their March 31, 2008, Capacity Request for Proposal. These
23 results in an estimate for the amount of off-system sales associated with capacity that

1 may have been sold if the Taum Sauk Plant was available of \$4.9 million, versus the \$2.4
2 million that was utilized when my direct testimony was filed.

3 **Q. Has anything else changed in relation to your direct testimony?**

4 **A.** Yes. The level of off-system sales revenues associated with the actual
5 capacity sales included in my direct testimony was calculated inaccurately due to a
6 computational error. The correct number should have been \$5.4 million versus the \$5.2
7 million that was in my direct testimony. I have corrected this error.

8 **IV. CONCLUSION**

9 **Q. Please summarize the changes to the off-system sales revenues as a**
10 **result of updated information.**

11 **A.** The net effect of using the updated information discussed in this testimony
12 is that my recommended level of off-system sales revenues has decreased by \$4.6 million
13 to \$449.7 million from the \$454.3 million reflected in my direct testimony. This \$449.7
14 million is comprised of \$434.9 million related to energy sales, \$11.3 million associated
15 with capacity sales, and \$3.5 million associated with ancillary services sales. This
16 decrease is due to higher normalized loads for AmerenUE, based upon the actual data for
17 the first quarter of 2008, resulting in lower off-system sales of energy (down
18 approximately \$8.1 million), which is offset by higher capacity sales (including assumed
19 sales from the Taum Sauk Plant [up approximately \$3.7 million]).

20 **Q. Does this conclude your supplemental direct testimony?**

21 **A.** Yes, it does.

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

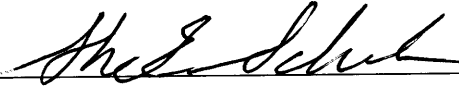
In the Matter of Union Electric Company)
d/b/a AmerenUE Tariff Filing to Increase)
Rates for Electric Service Provided to)
Customers in the Company's Missouri)
Service Area.)
Case No. ER-2008-0318

AFFIDAVIT OF SHAWN SCHUKAR

STATE OF MISSOURI)
) ss
CITY OF ST. LOUIS)

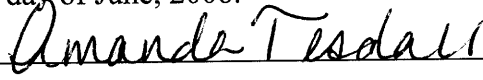
Shawn Schukar, being first duly sworn on his oath, states:

1. My name is Shawn Schukar. I work in the City of St. Louis, Missouri, and I am employed by Ameren Services Company as Vice President, Strategic Initiatives.
2. Attached hereto and made a part hereof for all purposes is my Supplemental Direct Testimony on behalf of Union Electric Company d/b/a AmerenUE consisting of 4 pages, all of which have been prepared in written form for introduction into evidence in the above-referenced docket.
3. I hereby swear and affirm that my answers contained in the attached testimony to the questions therein propounded are true and correct.



Shawn E. Schukar

Subscribed and sworn to before me this 16th day of June, 2008.



Notary Public

My commission expires:

