

**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-2011-0028
Service Provided to Customers in the)		
Company's Missouri Service Area.)		

UNIONS' POST-HEARING REPLY BRIEF

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 respectfully submit their Post-Hearing Reply Brief in the above referenced case in response to Ameren Missouri’s brief.

DISCUSSION

Ameren Missouri (“AmerenMo” or “Company”) raised two red herrings in the portion of its brief directed at the union issues. The Unions submit this brief to debunk both.

The Unions’ Request for Relief Is Ripe.

First, AmerenMo complains that the relief requested by the Unions is “premature, and possibly imprudent” because it comes before the Company has completed the assessment of the incremental value to customers of the training revenue ordered by the Commission in the last rate case. *See*, AmerenMo Initial Post-Hearing Brief at 132. AmerenMo’s complaint is highly disingenuous, however, because AmerenMo has complete control of the timing over this matter, both of when the assessment is completed and when requests for relief – including the Unions’ – are likely to come before the Commission for action.

AmerenMo filed a Notice of Rate Case Filing on July 30, 2010 indicating its intention to initiate a rate case within 60 days. The Unions filed application to intervene in this rate case on October 4, 2010. AmerenMo and the Unions jointly participated in discussions concerning the procedural schedule for this rate case in October 2010, which culminated in the parties filing a proposed procedural schedule on or about November 12, 2010. That proposed procedural schedule clearly contemplated that this matter would be before the Commission for decision by July 2011. Moreover, AmerenMo had every reason to believe *at the time of filing this rate case* that the Commission would be deciding this case within 9-11 months of its filing. Thus, in Ameren's prior rate case, Case No. ER-2010-0036, it initiated the case in July 2009 and the Commission's Report and Order issued approximately 11 months later. Similarly, in the Ameren rate case before that, Case No. ER-2008-0318, Ameren initiated the rate case in early April 2008 and the Commission issued its Report and Order at the end of January 2009, approximately 9 months later.

No one compelled AmerenMo to file this rate case in July 2010 or to file it at any time before April 2011. The latter date would have made it highly likely that the Commission would have before it the completed assessment of the value to customers of the training revenue *before* it ruled on AmerenMo's request for a rate increase. No one but AmerenMo controlled when it initiated this rate proceeding.

Moreover, the Commission's Report and Order requiring the Company to assess the value to customers of training revenue did not prohibit AmerenMo from completing the assessment before December 31, 2011, but merely set a deadline for completion of the assessment. AmerenMo could have conducted and completed an abbreviated

assessment and presented it to the Commission before the Commission starts deliberations for this rate proceeding. Again, AmerenMo was and is in complete control of the timing of completion of that assessment.

The Unions' Request for Relief Is Not Cynically Motivated.

Second, AmerenMo complains that the Unions' request for relief is motivated solely by their "desire to further the interests of [their] members." *See*, AmerenMo Initial Post-Hearing Brief at 129. This is an utterly cynical characterization of the Unions' motivation for involvement in this rate proceeding, and one that is not supported by the facts of this or prior rate cases involving this Company and these Unions. The Unions clearly indicated in their application to intervene in this proceeding that they "are additionally concerned with the impact the proposed general rate increase could have on jobs, pensions, and other terms and conditions of employment." They are concerned about these employment issues *in addition* to their stated concern for "the safe and dependable delivery of electricity at a reasonable cost." *See* Verified Application of IBEW and Operating Engineers Unions to Intervene at 3, para. 9. In his initial testimony in this matter, Michael Walter, Business Manager for IBEW Local 1439, voluntarily "acknowledge[d] that the performance of the normal and sustained workload of Ameren now requires fewer employees than it did twenty years ago."¹ Walter Direct at 5, ll. 30-31. This is not the self-interested testimony of someone motivated solely by a "desire to further the interests of [his] members"!

¹ Mr. Walter further testified, "Nevertheless, the internal workforce is currently inadequate in numbers to keep up with the current normal and sustained workload of Ameren and with anticipated attrition." Walter Direct at 5, ll. 32-33.

Moreover, as pointed out at the hearing on May 10, 2011, the Unions have never requested money be directed toward them or their members, and none of the money the Commission has awarded in response to the Unions' requests in the last two rate proceedings has gone to any of the Unions or directly to union members. Conversely, the Unions have consistently requested *money for AmerenMo!* And, as indicated by Company witness David Wakeman's testimony in response to Commissioner Davis' questioning on May 10, 2011, training costs for union members includes salary for non-union members, such as the trainer and supervisor Mr. Wakeman identified would be necessary for training of underground workers. Mr. Wakeman also testified that in the past cases the funding for training has included costs for building or refurbishing a suitable facility and/or for training supplies.

Moreover, the Unions have consistently included investment in the physical infrastructure as part of their requested relief. Nothing about their requests for replacing or repairing aging equipment and adding equipment to handle the increased demand can be linked to a "desire to further the interests of [union] members." AmerenMo Initial Post-Hearing Brief at 129. Conversely, the only possible motivation the Unions could have for seeking updated, repaired or additional equipment is an earnest desire to ensure the continued provision of safe and adequate service to customers.

CONCLUSION

Despite AmerenMo's attempts to discredit them, the Unions continue to support AmerenMo's requested rate increase, because AmerenMo needs additional revenue to maintain existing services in light of rising costs generally. Nevertheless, the Unions have expressed concerns about AmerenMo's ability to continue to provide safe and

adequate service unless it begins to comprehensively address the issues of aging physical infrastructure and internal workforce and the increasing demands placed on the existing physical infrastructure and workforce that will cause both to become inadequate without increased capacity and upgrading of equipment/training. Accordingly, the Unions renew their request for relief in both respects.

Respectfully submitted,

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Certificate of Service

The undersigned certifies that a true and correct copy of the foregoing was served on June 10, 2011, by United States mail, hand-deliver, email, or facsimile upon all parties by their attorneys of record as disclosed by the pleadings and orders herein.

/s/ Sherrie A. Schroder