

Exhibit No.:
Issues: Alternative Regulation Plan
Witness: James L. Ketter
Sponsoring Party: MO PSC Staff
Type of Exhibit: Surrebuttal Testimony
Case No.: EC-2002-1
Date Testimony Prepared: June 24, 2002

MISSOURI PUBLIC SERVICE COMMISSION

UTILITY OPERATIONS DIVISION

SURREBUTTAL TESTIMONY

OF

JAMES L. KETTER

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

CASE NO. EC-2002-1

**Jefferson City, Missouri
June 2002**

Exhibit No. 82
Date 7/10/02 Case No. EC-2002-1
Reporter Kem

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BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

The Staff of the Missouri Public Service)
Commission,)

Complainant,)

vs.)

Case No. EC-2002-1

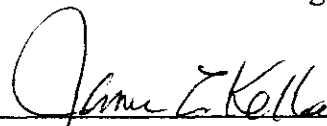
Union Electric Company, d/b/a)
AmerenUE,)

Respondent.)

AFFIDAVIT OF JAMES L. KETTER

STATE OF MISSOURI)
) ss
COUNTY OF COLE)

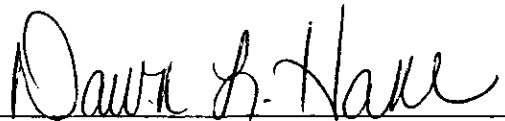
James L. Ketter, of lawful age, on his oath states: that he has participated in the preparation of the following written Surrebuttal Testimony in question and answer form, consisting of 4 pages of testimony to be presented in the above case, that the answers in the attached written Surrebuttal Testimony 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.


James L. Ketter

Subscribed and sworn to before me this 21st day of June, 2002.

My commission expires

DAWN L. HAKE
Notary Public - State of Missouri
County of Cole
My Commission Expires Jan 9, 2005


Notary Public

1 **SURREBUTTAL TESTIMONY**

2 **OF**

3 **JAMES L. KETTER**

4 **UNION ELECTRIC COMPANY d/b/a AMERENUE**

5 **CASE NO. EC-2002-1**

6
7 Q. Please state your name and give your business address.

8 A. James L. Ketter, P.O. Box 360, Jefferson City, Missouri 65102.

9 Q. Mr. Ketter, by whom are you employed and in what capacity?

10 A. I am employed by the Missouri Public Service Commission (MPSC or
11 Commission) as Utility Regulatory Engineer II in the Engineering Analysis section of the
12 Energy Department.

13 Q. Please summarize your educational background and professional experience.

14 A. I received a Bachelor of Science degree in Electrical Engineering from the
15 University of Missouri-Columbia in 1970. I served for 4 1/2 years as an officer in the United
16 States Navy and returned to the University of Missouri-Columbia campus to pursue an
17 advanced degree. In December 1977 I received a Masters degree in Business Administration
18 from the University of Missouri-Columbia.

19 I have been employed by the Commission since 1976. As an engineer on the Staff, I
20 have testified before the Commission on certificates for service areas, electric transmission
21 and power plant certification cases, and territorial agreements. I have also presented
22 testimony on rate design in electric, steam, and gas rate cases. I am a registered Professional
23 Engineer in the state of Missouri; my registration number is E-20056. I am a member of the

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1 National Society of Professional Engineers and I am a member of the Jefferson City Chapter
2 of the Missouri Society of Professional Engineers.

3 Q. What is the purpose of your testimony in this case?

4 A. I will address the reliability reporting proposed in the rebuttal testimony of
5 Warner L. Baxter on behalf of AmerenUE (Company). On page 75 of his filed rebuttal
6 testimony and pages 15 and 16 of Schedule 1, Mr. Baxter offers, as part of the AmerenUE
7 proposed Alternative Regulation Plan (Alt Reg Plan), to report call center statistics and
8 distribution reliability indices.

9 Q. Which of these reporting measures will you address?

10 A. I will address the distribution reliability indices.

11 Q. Who will address the call center reporting?

12 A. Staff Witness, Deborah Ann Bernsen, will address call center reporting and
13 recommendations with regard to service reliability impacts on annual credit sharing of
14 AmerenUE.

15 Q. What reliability indices did Mr. Baxter refer to in his rebuttal testimony?

16 A. With the approval of an Alt Reg Plan, the Company offered to report
17 AmerenUE's Distribution System Average Interruption Frequency Index (SAIFI),
18 Distribution System Average Interruption Duration Index (SAIDI) and the Customer
19 Average Interruption Duration Index (CAIDI), both unadjusted indices and adjusted indices
20 to exclude major storms.

21 Q. What are these indices and how do they measure reliability?

22 A. SAIFI (number of occurrences) reflects the average frequency of interruptions
23 per customer and is defined as the total number of customer interruptions divided by the total

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James L. Ketter

1 number of customers served. SAIDI (hours or minutes) reflects the average interruption
2 duration and is defined as the sum of all customer interruption durations divided by the total
3 number of customers served. CAIDI (hours or minutes) reflects the average interruption
4 duration and is defined as the sum of all customer interruption durations divided by the total
5 number of customer interruptions.

6 These reliability indices reflect overall system performance by the average number of
7 outages for all customers, the system average duration of outages, and the customer average
8 duration of outages. These measures can help in accessing the performance of the utility in
9 the delivery of electric service, by providing a quantitative measure to help define the quality
10 of service. Typically, these indices are adjusted to eliminate the effects of adverse weather
11 conditions. This is done to allow the outage information to reflect the average condition of
12 system reliability, excluding major storm outages.

13 Q. One component of an Alt Reg Plan proposed by Mr. Baxter is the reporting of
14 service reliability indices (SAIDI, SAIFI and CAIDI). Are there additional parameters that
15 the Commission should include in its order if an Alt Reg Plan is approved?

16 A. Yes. First, the Commission should require in its order that AmerenUE
17 establish annual objectives for each of the service reliability indices. Objectives should be
18 set to encourage improvement in the service quality.

19 Second, I recommend that reporting requirements include submitting monthly data
20 for SAIFI, SAIDI and CAIDI in an electronic format, both unadjusted and adjusted indices to
21 exclude major storm events, to the Staff within thirty (30) days after the end of each month.
22 Reporting this information monthly will provide an ongoing summary of the system

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James L. Ketter

1 performance as measured by these reliability indices. The Staff will monitor this information
2 to help determine the level of service that customers receive.

3 Third, I recommend that the Commission require the filing of an annual report within
4 forty-five (45) days after the end of each twelve-month period to include the actual
5 performance of these indicators for twelve (12) months. The report should include an
6 explanation of any significant deviations from the objectives previously set and any
7 modifications if necessary to improve service quality, estimated costs to complete these
8 actions and the estimated completion dates. In addition to these formal procedures, it is
9 recommended that the Staff and Company meet informally to discuss significant changes in
10 either the performance of or the measurement techniques for the indicators whenever they
11 might occur.

12 Q. What benefit is there to the filing of an annual report on the reliability
13 statistics and a review of the objectives with the Commission?

14 A. This report would provide ongoing information on these performance
15 measures. If a three-year Alt Reg Plan is approved, it is appropriate to effect changes within
16 the plan period, if necessary, to improve the quality of service.

17 Q. What kind of response mechanism may the Commission employ to help
18 ensure that customer service is maintained under an Alt Reg Plan?

19 A. Staff witness, Deborah Ann Bernsen addresses response mechanisms in her
20 surrebuttal testimony.

21 Q. Does this conclude your surrebuttal testimony?

22 A. Yes it does.