DEPOSITIONS OF JOLIE MATHIS

BEFORE THE PUBLIC SERVICE COMMISSION
STATE OF MISSOURI

THE STAFF OF THE MISSOURI PUBLIC SERVICE COMMISSION,	)	
Complainant,	)	Case No. EC-2002-1
vs.	)	
UNION ELECTRIC COMPANY, d/b/a AMERENUE,	)	
Respondent.	)	

DEPOSITION OF JOLIE MATHIS
TAKEN ON BEHALF OF THE RESPONDENT
APRIL 9, 2002

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BEFORE THE PUBLIC SERVICE COMMISSION
STATE OF MISSOURI

THE STAFF OF THE MISSOURI PUBLIC SERVICE COMMISSION, Complainant,	)	Case No. EC-2002-1
vs.	)	
UNION ELECTRIC COMPANY, d/b/a AMERENUE, Respondent.	)	April 9, 2002 Jefferson City, MO

DEPOSITION OF JOLIE MATHIS,

a witness, sworn and examined on the 9th day of April, 2002, between the hours of 8:00 a.m. and 6:00 p.m. of that day at the Missouri Public Service Commission, Room 810, Governor State Office Building, in the City of Jefferson, County of Cole, State of Missouri, before

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Notary Public, within and for the State of Missouri, in the above-entitled cause, on the part of the Respondent, taken pursuant to agreement.

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Marty Lyons, Ameren
Bill Stout, Gannett-Fleming

EXHIBITS INSTRUCTIONS:

Copy and attach to original and copy for Mr. Byrne only.

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EXHIBITS INDEX

(EXHIBIT NO. 1 WAS MARKED FOR IDENTIFICATION BY THE COURT REPORTER.)

JOLIE MATHIS, being duly sworn, testified as follows:

DIRECT EXAMINATION BY MR. BYRNE:

Q. My name is Tom Byrne, and I am an attorney for Union Electric Company, doing business as AmerenUE. Today we are here to take the deposition of Jolie Mathis of the Missouri Public Service Commission Staff in Missouri Public Service Commission Case No. EC-2002-1. This is Ms. Mathis's second deposition in this proceeding.

Present in the room in addition to myself, Ms. Mathis, and the court reporter, for the Commission Staff, Steve Dottheim, Tim Schwarz, Lisa Kremer, Rosella Schad. Representing the Company, in addition to myself, are Bill Stout and Bob Kenney. And representing Laclede Gas Company is Mike Pendergast.

Good morning, Ms. Mathis.

A. Good morning.

Q. First of all, before we get started, I'd like to go over some preliminary matters, and perhaps you remember these same questions from your last deposition.

First of all, if you don't hear one of my questions or completely understand the question, will you ask me to repeat or clarify it?

A. Yes.

Q. Okay. So that if you do give an answer, you'll be saying in effect that you heard and understood the question; is that fair?

A. Yes.

Q. Okay. Are you taking any medication that might affect your ability to understand and answer my questions this morning?

A. No.

Q. Do you know of any other factor that might impair your ability to understand my questions and answer them?

A. No.

Q. Also, similar to last time, if you need to take a break at any time, will you please just let me know and we'll be glad to take a break?

A. Sure.

Q. And, finally, I would like to clarify some terms I might use during the deposition up-front. If I say "UE" or "AmerenUE" or the "Company" in the course of the deposition, I will be referring to Union Electric Company; is that okay?

A. Yes.

Q. And if I say "Ameren," I will be referring to Ameren Corporation, the parent corporation; is that okay?

A. Yes.

Q. Okay. Could you please state your name?

A. Jolie Mathis.

Q. And by whom are you employed?

A. The Missouri Public Service Commission.

Q. And in what capacity are you employed there?

A. I work as a depreciation engineer.

Q. Okay. And are you the same Jolie Mathis that filed Direct Testimony addressing the depreciation issue in Case No. EC-2002-1 in both July of 2001 and March of 2002?

A. Yes, I am.

Q. And does the latest version of your Direct Testimony from March of 2002 consist of 14 pages and three schedules?

A. Yes, it does.

Q. And do you have a copy of that testimony with you today?

A. Yes, I do.

Q. I guess one other clarification I would like to make up-front is, if I refer to your Direct Testimony during the course of the deposition, I'm talking about the latest version, the March 2002 version, unless I make it clear that I'm referring to the earlier version; is that okay?

A. Yes.

Q. All right. Are you also the same Jolie Mathis that I deposed in this proceeding on November 27th, 2001?

A. Yes, I am.

Q. Okay. And the court reporter has marked a copy of that November 27th, 2001 deposition as Exhibit 1. Have you had a chance to take a look at that and verify -- I guess included in Exhibit 1 the court reporter has marked are both your deposition and the errata sheet that you provided; is that correct?

A. Yes.

Q. And have you satisfied yourself that those are -- that's what Exhibit 1 is?

A. Yes.

MR. SCHWARZ: If I might, does the Company as well represent that that's a true and correct copy of the deposition?

MR. BYRNE: Yes.

MR. SCHWARZ: Thank you.

BY MR. BYRNE:

Q. And let me ask you, does your errata sheet that you provided contain corrections of things like typographical errors as well as some substantive corrections to the deposition questions, if you recall?

A. Yes, it does.

Q. Okay. And does your errata sheet contain all of the substantive and nonsubstantive corrections to that deposition that you have?

A. Yes, it does.

Q. Okay. And there is nothing -- no additional corrections you thought of later or need to make at this point?

A. No, not at this time.

Q. Okay. Are there any corrections to the latest version of your Direct Testimony, in other words, the March 2002 Direct Testimony, that you need to make at this time or that you've found?

A. No.

Q. Okay. Okay. I guess what I'd like you to do, if you don't mind, is walk me through step by step exactly what you did to prepare your testimony this -- this time.

First of all, did you start with -- what data did you use?

A. I used end of year 2000 data.

Q. Okay. And my understanding is that was not the data that you had available when you did your July of 2001 Direct Testimony; is that correct?

A. That's correct.

Q. Okay. And what did you do with the data when you -- when you first started working on it?

A. Well, I ran it through our audit program to check for any discrepancies.

Q. And let me stop you there.

Did you find any discrepancies in your audit program?

A. No.

Q. Okay. Then what did you do?

A. Then I proceeded on to start my depreciation analysis by the next program, which would have been -- gosh.

Q. Would it have been the Gannett-Fleming computer model?

A. Yes, it's Gannett-Fleming. I'm trying to remember the steps I took in Gannett-Fleming.

Q. Okay. Take your time.

A. I can't think of the name of the program. Hold on a second.

Q. Well, can you tell me -- if you can't think of the name of the program, can you tell me what the program does?

A. After auditing the program, the next step is retirement rated analysis, ret rate, r-e-t, r-a-t-e, and that provides retirement data activity that will provide life tables in order for me to come up with the appropriate life analysis.
Q. Okay. So in this step you feed the raw data into the -- into the Gannett-Fleming computer model, and then it tells you -- say again what it tells you.
A. Ret rate, is that what you're asking about?
Q. Yeah.
A. It produces life tables so that you can determine the appropriate life for each account.
Q. Okay. Okay. And do those life tables -- previously -- in your previous deposition we looked at graphs. Did those life tables that are produced by this first step of the Gannett-Fleming model, do they permit you to put the Xs on the graph?
A. They produce what the appropriate curves are, and then E Match is the curve fitting software.
Q. Okay. But that's -- that's the next step. Right?
A. Right.
Q. Okay. Okay. Let me ask you this: Did you -- did you feed the raw data for all of the accounts into the Gannett-Fleming model?

A. No. I did the top 26 accounts which represent about 91 percent of plant in service, excluding nuclear.

Q. Okay. And why did you exclude nuclear?

A. Well, it's on a 40-year licensed life.

Q. Okay. And then you said the top 26 accounts?

A. Yes.

Q. And why --

A. Actually, it's the top 19 accounts, and then at the end of that analysis I found that I had time to do seven additional accounts.

Q. Okay. Let me break that down.

When you said the top 19 accounts, do you mean the 19 accounts with the most dollars?

A. According to plant balances.

Q. Okay. So the 19 accounts with the greatest plant balances were the first 19?

A. Yes.

Q. And then you had additional time, so you picked seven more plants of the remaining accounts?

A. Right. And most of those came out of general plant.

Q. And were they the seven accounts with the greatest dollar amounts of plant balances?

A. No, not necessarily.

Q. Why did you choose the particular seven accounts that you did?

A. I just -- progressively, the next step I chose were to take general plant accounts. No particular reason.

My intention was, of course, to analyze all accounts, but I knew with the limited amount of time that I had that I was not going to be able to do that. So once I selected the top 19 and found out that I had time left, then my next step, I just went to general plant.

Q. Okay. So there is no particular reason that that -- that those seven accounts were more appropriate than any others? You just picked them.

A. Right.

Q. Okay. What did you do -- okay. And there is how many total accounts?

A. Fifty, 51.

Q. Okay. So you studied 26. And I think there are 51. Would you accept that?

A. Yes.

Q. Okay. So you plugged the data for 26 accounts into the Gannett-Fleming model. What did you do -- how did you determine the depreciation rate for the other 25 accounts?

A. Could you state that again, please?

Q. Yes. For the 25 accounts that you did not plug the data into the Gannett-Fleming model, how did you determine the depreciation rates for those accounts?

A. I took 100 percent over the average service life.

Q. And how did you determine the average service life for those accounts?

A. It was the prescribed average service life.

Q. Okay. And when was it prescribed?

A. In 1983.

Q. Okay. And that's the same thing you did -- we talked about this in your last deposition; is that true?

A. Correct.

Q. Okay. And did you do any independent analysis of the data underlying those lives from 198-- from the 1983 case?

A. No, I did not.

Q. You didn't review the work papers or anything from 1983?

A. We really didn't have that many work papers from 1983 to review.

Q. Okay. And -- okay. And I guess, since that's -- again, I think I might have asked you this question in your last deposition, but since that was a 1983 case, I guess the data came from before 1983, that underlies those life estimates?

A. You can assume that, but I don't know for sure. It could have been '82, '81.

Q. Okay. Okay. And then the -- and getting back to what the Gannett-Fleming model did with the data from the 26 accounts that you fed into it, it -- the first step allowed you to -- would it be fair to say that it allowed you to plot the retirement data on a graph or --

A. It plots the percent surviving and it matches that against the -- whatever you choose that fits that curve, survivor curve, like an L3 or L2.

Q. Okay. But you're jumping -- I think you're jumping ahead to the next step.

A. Okay.

Q. First -- in the first step doesn't it only plot the actual company data, and then the next step -- and then the second step, it selects potential curves to fit the data, or is it all one step?

A. It gives you a list of -- remember when we talked about residual measure earlier?

Q. Yes.
A. It gives you a different set of residual measures and a different set of associated curves with those residual measures.
Q. Okay.
A. And you choose which residual measure you think is appropriate, or the least residual measure --
Q. Okay. And --
A. -- which mathematically would be the best fit.
Q. As I recall, the lower the number of the residual measure, the more -- the better the mathematical fit between the Iowa curve and the actual company data; is that true?
A. That's correct.
Q. Okay. And so that -- is it all one step in the Gannett-Fleming model where you feed in the data, and at the end of step one, you wind up with a list of curves that it suggests as possible appropriate curves with residual measures? Is that sort of the end of step one of the Gannett-Fleming model?
A. That's one program that does that, ret rate.
Q. Okay. And does that program calculate a theoretical reserve for each account?
A. No.

Q. Okay. So I'll wait on that.

Do you have work papers -- well, do you have any work papers associated with the 25 accounts that you did not feed into the Gannett-Fleming model?

A. Do I have work papers that I did not feed into the Gannett-Fleming model? I guess I don't understand your question.

Q. I think the answer is no, but let me try to ask it in a better way.

For the 25 accounts that you didn't study, did you do anything to those accounts that would have generated a work paper, or are there no work papers at all associated with those accounts?

A. There are no work papers associated with those.

Q. Okay. That's what I thought, but I just wanted to make sure.

Let me ask you this: In 19-- in your 1995 study that, I guess, was incorporated into your March 2000 -- or July 2001 Direct Testimony, did you -- did you study all of the accounts? Did you run all of the accounts through the Gannett-Fleming model, or like you did this time, did some of them you not run through?

A. I ran all of them except for nuclear.

Q. Okay. And so in that case, for that particular study, you would have had work papers for even those that you didn't select -- or decided that it wasn't a curve that adequately fit the data; is that true?

A. That's correct.

Q. And do you know if you provided the work papers associated with those accounts to us?

A. Yes, I did.

Q. Okay. And so one difference in what you did this time from what you did last time is, this time you ran out of time, and that's why you didn't study the 25 accounts. Right?

A. Right.

Q. Whereas last time, for the accounts that you didn't do a new study, the reason you didn't do that new study was because there wasn't a curve that adequately fit it from your -- in your opinion; is that fair?

A. I did the study for those accounts, but, in my opinion, I didn't have a reliable curve fit.

Q. Okay. Okay. My understanding is that -- also, that one fairly big difference between the study you most recently did and the one you did prior to your July 2001 Direct Testimony is that for several accounts and several major dollar accounts, that in July of 2001 you defaulted to the 1983 rates. This time you were able to fit a curve to them; is that true?

A. For some of those accounts, yes.

Q. Okay. And, particularly, I'm talking about steam production plant accounts; is that true?

A. Yes.

Q. Before you were not able to adequately fit -- based on the data that you had before, you were not able to adequately fit a curve for steam production plant accounts, but now, based on the data that you have now, you are able to fit a curve; is that correct?

A. Yes.

Q. Okay. And do you know what -- specifically what account numbers that would apply to?

A. 311 through 315 for all of the steam production plant.

Q. Okay. So there is a separate account 311 balance and 312 balance and 313 and 314 and 315 for each --

A. For each plant.

Q. -- for each plant?

Okay. I think -- is it possible that there isn't a 313?

A. Did I say 313?

Q. I said it, and you agreed.

A. There is not a 313.

Q. Okay. I apologize.

And are there -- is there a relatively large amount of money in those accounts?

A. Very large.

Q. Okay. So the fact that they were treated differently in this set of testimony probably had a pretty large dollar impact on your depreciation adjustment; is that true?

A. That's true.

Q. Do you know how much impact those I guess it's four accounts had on your depreciation recommendation?

A. I can tell you -- I mean, you want me to go through for each account for each plant and tell you the impact?

Q. If you can. Each account in total would be fine, if you can do that.

A. Okay. Let me see if I have that information with me real quick.

I don't have -- I don't have total per account unless you want me to sit here and calculate it, but I do have it by plant.

Q. Okay. If it's easier to say by plant, go ahead and say it that way.

A. Like, for instance, for Meramec, account 312, there is a decrease in accrual of 3.4 million. And 312 for Sioux, there is a decrease in accrual for 3.7 million. For Venice, there is not as much. It's 404,000. For Labadie, 7 million. And I'm giving you approximate numbers.

Q. That's fine.

A. Account 312 for Rush Island, 3.7 million.

Those were some of the big dollars in the boiler plant equipment accounts.

Do you want me to go through 311?

Q. Yes, please.

A. Okay. For 311 for Meramec, there was a decrease in accrual of 361,098; for 311 for Sioux, 311,743; 311 for Venice, 262,105; 311 for Labadie, 836,779; 311 for Rush Island, 649,604.

For account 314, turbo generator units, for Meramec, 716,657; for Sioux, account 314, 726,116; for Venice, 314, 244,952; for Labadie, 1,500,824; for Rush Island, 1,052,000

For account 315, accessory electric equipment, for Meramec, 154,102; for Sioux, 163,347;

for Venice, 78,717; for Labadie, 438,987; and for Rush Island, 196,980.

Q. Okay. So the biggest impacts are in account 312; is that true?

A. That's correct.

Q. And what is that again?

A. Boiler plant equipment.

Q. Okay. And did the changes that you just listed, did those constitute the primary difference between your earlier recommendation and your most current recommendation?

A. I would say those accounts and also the accounts that had a large negative net salvage.

Q. And, just generally, what kind of accounts would those be, if you can generalize?

A. Well, that was poles, account 364, and overhead services, 369.001.

Q. Okay. But didn't -- didn't those -- wouldn't those have had a large negative salvage value the last time you looked at them too?

A. Yes. The order of negative net salvage remains the same.

Q. Yeah. I guess I'm -- I'm not comparing what your recommendation is to the existing rates. I'm asking you to compare your recommendation in March of

2002 to your recommendation in July of 2001.

A. Well, I think in July I did do those -- okay. Are you talking -- which accounts are you talking about? Production plant or --

Q. I guess what I'm trying to do is understand the difference between your July 1, 2001 recommendation and your March of 2002 recommendation. And my understanding is that that's in very large part due to the steam production plant; is that true?

A. Yes, it is.

Q. And those other accounts that you mentioned that have large salvage components, your recommendation would have been very similar? I mean, in other words, you already had excluded the salvage from those accounts in your July 2001 testimony; is that correct?

A. That's correct.

Q. So there is not a big difference in those accounts in your recommendation between July of 2001 and March 2002; is that right?

A. Mostly in production.

Q. Okay. And let me ask you this: When you went through the process of selecting a curve for any of the accounts after you ran the data through the Gannett-Fleming model, did you follow the same procedure to select an appropriate curve that you explained to me in your previous deposition?

A. Yes.

Q. Okay. And so an important fact -- if I recall your previous deposition correctly, an important fact to consider is the -- is it the residual value? Is that the right term?

A. Residual measure.

Q. Residual measure. Okay. So is it fair to say that's an important consideration in deciding what curve to pick?

A. Yes.

Q. Okay. And would it be fair to say that if you departed from the curve with the lowest residual measure, you would -- you would have a reason for doing so?

A. If I departed from it?

Q. Yeah. If you -- maybe that's a poor way of phrasing the question.

If you didn't -- if you didn't select the curve with the lowest residual measure, you would have a reason for not selecting that curve; is that true?

A. Well, you don't always select the curve with the lowest residual measure. It could be the second lowest or the third lowest.

Q. Okay. But wouldn't you have to have -- wouldn't you have a reason for selecting that second lowest or third lowest as opposed to the lowest?

A. Sure.

Q. In other words, if there is no reason to depart from it, you would use the curve with the lowest residual measure; is that fair to say?

A. No, because it's not -- we don't just look at residual measure. We take other factors into consideration.

Q. Okay. And what other factors do you take into consideration?

A. We look at -- well, we go out and talk to plant managers and plant engineers and superintendent engineers. We talk to them about the property in those accounts and what type of life they are seeing, so we take that into consideration also.

Q. Is there anything else that you take into consideration?

A. Is it a good visual fit, because the lowest residual measure might not necessarily be the best fit visually. And it could be the difference between one or two years.

Q. Okay. Is there anything else that you take into consideration?

A. I can't think of anything else at this time.

Q. Okay. And -- last -- after your last deposition, I sent a data request asking you to provide a list of all of the accounts where you didn't use the curve with the lowest residual value and explaining your reason for picking the curve that you picked.

I mean, would you -- could you provide -- I mean, if I asked you a data request, could you provide that same information this time on this study?

A. Sure.

Q. Okay. Okay. Let me ask you this: When did you begin your work to update your 1995 study to incorporate the new data that you had?

A. I want to say in the month of February.

Q. February 2002. Right?

A. Yes.

MR. SCHWARZ: At this point I would like to make clear for the record that it's not a 1995 study. That is a study that was done in 1995. It was a 2001 study based on the most recent data provided by the Company, which was data that ended in 1995. I just want to make that clear.

MR. BYRNE: Yeah, and I agree with that clarification. I apologize for stating it in an unclear fashion.

BY MR. BYRNE:

Q. And my question to you is, when you -- when you did the new study with the updated data, the study where you had access to data through 2000, when did you start doing that study? Is your answer still February of 2002?

A. Yes.

Q. Okay. And when did you complete your work on the new study?

A. In March.

Q. Okay. So did you work on it, do you think, like, about two whole months, or is it more like one whole month?

A. More like one month.

Q. More like one month.

Okay. The -- and were your initial conclusions related to the study reviewed by other people on the Commission Staff?

A. Yes.

Q. Who reviewed your initial conclusions?

A. Paul Adam, Rosella Schad, Lisa Kremer.

Q. And did you make any changes to your initial conclusions as a result of this review process?

A. Yes, I did.

Q. What changes did you make?

A. Just in discussing different lives, I made some changes from my initial lives that I had estimated.

Q. Do you remember what accounts were involved in that?

A. I believe they were in production.

Q. Was account 312 involved in that?

A. Yes.

Q. And do you remember, as a result of those discussions, did the -- did you lengthen or shorten your average service lives for the accounts that were involved?

A. They were shortened.

Q. Do you remember what -- do you remember any specifics about what your lives originally were for those production accounts and then what they were after your discussion with the other Staff members?

A. Yes. Someone -- I remember one being at least 100 years.

Q. Do you remember which one?

A. I think it was structures and improvements.

Q. Do you have any work papers that show your original calculations of those lives?

A. Yes, I do.

Q. Have you -- have you provided those? I'm not sure you necessarily were asked to provide those, but I was just curious. Have you provided those to us?

A. I think I have.

Q. Okay. Just in the general work papers that you submitted with your testimony? Is that where those would be?

A. It should be in general work papers, but I'm not sure I submitted those earlier work papers.

Q. Okay. Would you be willing to provide us with those? Do they exist still?

A. I'd have to check and see. I don't think so, but --

Q. Okay. Well, if they do exist, will you not throw them away?

A. Okay.

Q. Okay. Let me ask you this: What in your opinion is necessary to reliably fit a survivor curve to Company data for a particular account?

A. A good residual measure, a good visual fit, but also, and in some cases more importantly, what my knowledge and experience has taught me about that account.

Q. Okay. I would like to ask you about a couple of specific accounts, and I'll -- I'm going to ask Mr. Stout to get your work papers out.

The first account I would like to talk about is account 393, and -- and, actually, it's shown on -- I guess everything you need is on schedule 2-2 of your July testimony, if you have -- do you have your July testimony?

A. My July testimony?

Q. Yes.

A. Yes.

Q. Can you tell me what account 393 is, what's in that account?

A. Stores equipment.

Q. Do you know what that is?

A. Let's see if I can remember.

I don't remember right now.

Q. Okay. On -- but it looks to me like in July of 2001 you had selected a 36-O3 Iowa curve; is that right?

A. Yes.

Q. But then in your March 2002 study, if you have that, it looks like you did not do an analysis of this account or select a curve; is that right?

A. That's right.

Q. Okay. So then did you default to the 1983 average service life for that account?

A. Yes, I did.

Q. Okay. How come you didn't use the survivor curve that you had done for -- for 1995 data instead of going all of the way back to the 1983 data?

A. I guess with this second depreciation study, I just wanted to include end of year 2000 analysis, and so for any accounts that I did not study, I used the currently prescribed lives.

Q. But wouldn't the use of more recent data let you achieve a better result?

A. When you say "better result," what do you mean?

Q. A more appropriate average service life based on the more recent data.

A. That's true.

Q. Okay. And I guess the same -- really, it's kind of the same question on account 316, which says miscellaneous power plant equipment.

A. Uh-huh.

Q. And it looks like in the July study, you selected a 50-SO Iowa curve; is that right?

A. Yes.

Q. And, again, the same thing in your March 2002 testimony; you did not study that account; is that right?

A. That's right.

Q. And, again, you defaulted to the -- to the 1983 average service life rather than using the 50-SO curve you had selected based on 1995 data?

A. Yes.

Q. Okay. And, again, would it be fair to say that you could -- you could obtain a better curve based on more recent data if you had instead used the 1985 -- or the curve that you had selected in your July 2001 testimony?

A. Sure.

Q. Okay. Okay. And then is there another step to the Gannett-Fleming -- getting back to what you did in your most recent study, after you selected an Iowa curve for the accounts that you studied, then is there another step in the Gannett-Fleming model?

A. Yes. I would then use E Match to match the appropriate Iowa curve to the plotted survivor curve.

Q. Okay. And then what -- what is the output of that? What is Gannett-Fleming tell you after that step is completed?

A. Well, for E Match, Gannett-Fleming doesn't tell you. You pick what you think is appropriate, and then whatever you deem is the best fit, you print that out, and that's your graph for that survivor curve.

Q. Okay. And then is there another step in the Gannett-Fleming model?

A. Then once you have the life, then you go on to determine the depreciation rate.

Q. And does the Gannett-Fleming model help you do that too?

A. Yes, dep rate does that.

Q. And dep rate is one of the programs in the Gannett-Fleming computer model?

A. Yes.

Q. And so what does it tell you?

Well, okay. Let me back up.

What do you feed into dep rate? Do you feed in the life of the account?

A. You feed in the life. You feed in the salvage, if you have a salvage. And it tells you the depreciation rate and the theoretical reserve.

Q. Okay. And in your case you didn't -- you're not including salvage value in your depreciation calculation, so you would have said zero for net salvage. Right?

A. Correct.

Q. And you only did that -- is it fair to say that you only did that second step with -- with the same 26 accounts that you did the first step on?

A. Yes.

Q. So you didn't -- for example, for the other 25 accounts, you did not calculate a theoretical reserve?

A. No.

Q. Okay. And you did not calculate a depreciation rate obviously?

A. Right.

Q. Okay. Okay. Other than what we've talked about so far, did you do any other analysis or study to support your Direct Testimony filed in March of 2002?

A. No.

Q. And, specifically, you didn't look at anything else since -- well, to try to not ask you a million questions, since my last deposition on November 27th, 2001, would it be fair to say you did not do any additional analysis other than what we've talked about; is that true?

A. Correct.

Q. Okay. I have some more questions about a specific account, and I'm specifically looking at account 364, which is poles, towers, and fixtures; is that correct?

A. Yes.

Q. And I've got a work paper that we got from you for that account that shows the -- well, what does that work paper show?

A. It shows an Iowa curve, 41-R2.5.

Q. Okay. And, again, what does -- what does the 41 mean in that numeric identification?

A. Forty-one year life.

Q. Okay. And what does "R2.5" mean?

A. It means a right modal 2.5 curve was selected.

Q. Okay. What, does "2.5" mean anything in particular?

A. It's the degree to which the R curve is. You have an R1, an R2, and it -- the R2.5 is the degree to which the R curve fits.

Q. Okay. And would it be fair to say that embodied in this -- in this estimate that is this curve is a forecast of the future retirements of the poles and towers and fixtures?

A. Yes.

Q. And isn't it true that the curve represents a prediction of how many poles will live for ten years, how many poles will live for 20 years, how many poles will live for 50 years, different -- different lives like that?

A. Yes.

Q. And I guess it shows how many poles are expected to be remaining in service at the end of each period?

A. It shows the percent surviving.

Q. Okay. And would you agree that -- and how far does that curve extend? When does it show the last pole, tower, or fixture will be retired?

A. Eighty-six.

Q. Eighty-six years from --

A. Yes.

Q. Okay. And would you agree that the actual retirements for that account over the next 86 years are not going to conform exactly to the parameters of that 41-R2.5 curve?

A. That's correct.

Q. And despite this fact, though, is it your opinion that the use of that 41-year average service life is reasonable for depreciation purposes?

A. Yes.

Q. Okay. And would you agree that when those retirements occur in that account, AmerenUE will incur removal costs?

A. Yes.

Q. Okay. I'd like to ask you some questions about steam production plant accounts.

First of all, do you agree that AmerenUE's coal-fired power stations consist of large individual units?

A. Yes.

Q. And do you agree that these units experience interim retirements?

A. Yes.

Q. And do you agree that additions or replacements at these stations become an integral part of the unit?

A. Yes.

Q. And do you agree that there is a finite life for each unit?

A. When you say "finite," what do you mean?

Q. Well, I guess what I mean is, whether you can predict it or not, whether you can -- whether you can estimate what that life is or not, would you agree that the life is finite?

A. I agree that you can determine an average service life. But to have a definite ending life or a retirement date, no.

Q. Well, I didn't say a definite retirement date. I said a finite life.

Will the plant's life come to an end some time?

A. Eventually.

Q. So would you agree that the plant has a finite life, even if you cannot predict the definite year or day in which it will be retired?

A. Yes.

Q. Okay. And do you agree that when a plant is retired that all of the related equipment and facilities in that plant will also be retired when you reach the final retirement date?

A. Yes.

Q. Okay. Okay. And I would like you to look at a book I have, and the book is called, **Depreciation Systems**, by Wolf and Fitch. And it looks like the 1994 edition, and it's a passage that's on page 255.

Will you take a look at the book and satisfy yourself that I've identified it correctly?

A. Yes.

Q. And is this the same -- one of the books that in your previous deposition you said was an authoritative book on depreciation?

A. Yes.

Q. Okay. On page 255 of that book, could you please read the second and third sentences of the second paragraph? I think they are marked.

A. "Examples of a unit of property are a hydroelectric dam or the building/housing electrical generating equipment. Examples of a group of property that will be retired as a unit include the turbines, generators, and other equipment used to generate electrical power and housed in either the dam or building."

Q. Okay. And do you agree with those sentences?

A. Yes.

Q. Okay. That's all I had out of that book, but I have another book.

And this other book I'm handing you is **Public Utility Depreciation Practices** published by NARUC. It looks like the August 1996 edition, and I'm -- there is a quote on page 141 that I would like to direct your attention to.

First of all, could you verify that I've adequately identified the book?

MR. SCHWARZ: Where are we?

THE WITNESS: Yes.

BY MR. BYRNE:

Q. And is that also a book that you previously identified in your last deposition as an authoritative text on depreciation?

A. Yes.

MR. SCHWARZ: I would like to make clear that there are -- there is language identified. It is not a quote. It is just part of the text. The text is not quoting another source.

MR. BYRNE: Yes. I agree with that clarification. The word "quote" probably wasn't the best.

BY MR. BYRNE:

Q. But, anyway, could -- could you read the third sentence of the last paragraph on page 141 of that book?

A. "The following classes of utility property may be most appropriately studied under this method taking into consideration the availability of plant accounting data and particularly the number of units of property involved: buildings, electric power plants, major high voltage substation and switching stations, telephone, central office switching equipment, water filtration plants, dams and impoundments and gas compressor stations."

Q. Okay. And when it says "this method" there, my understanding is they are referring to the life span method? Can you -- is that true, or can you tell

from that -- from looking at that text?
A. A life span group, yes.
Q. Okay. And so do you agree with that statement?
A. Yes.
Q. Okay. Are you recommending the life span approach for AmerenUE's power production stations?
A. No.
Q. Okay. And what's the difference between what you're recommending and the life span approach?
A. I'm recommending an average service life for those accounts in production. I'm not recommending an estimated retirement date.
Q. Okay. So would it be fair to say what you're recommending is similar to the life span approach except there is no estimated retirement date?
A. Similar to a life span approach in what manner?
Q. Well, similar to the life span approach in that it's exactly like the life span approach except there is no final retirement date.
A. It's life span property, but I'm giving it average service lives.
Q. Okay. So are you recommending a mass property approach for AmerenUE's steam production

stations?

A. No, in that it's not mass property. Mass property -- not for the production accounts, no.

Q. So if it is not life span and it's not the mass property approach, what is it?

A. It's not the life span method in that you're estimating a final retirement date.

Q. So would it be fair to say -- would it be fair to say that you're recommending the life span approach without probable retirement dates?

A. Eventually, that plant will be retired, but that retirement date is a value that we just don't know, and there has been no -- there has been no supporting evidence for those dates.

Q. Sure. I understand that. But I'm just trying to -- I'm just trying to see if you agree with -- are you recommending a life span approach without estimated final retirement dates for those accounts?

A. For the steam production accounts, I guess, no, I would not be recommending the life span approach.

Q. Okay. What approach are you recommending?

A. I'm just prescribing average service lives for accounts 311 through 315.

Q. Well, do you -- I guess, then, would you say -- would it be fair to say it's a new approach other than the standard named approaches for -- you know, which I guess in my mind are either the life span approach or the mass property approach? Is this a third choice that doesn't have a name?

A. It's been treating it -- it's been treated as mass property. I mean, I'm prescribing average service lives the way you would mass property accounts, but I'm not estimating a final retirement date like you would life span.

Q. Okay.

A. So if you're somewhere in the middle, there is no label you can give that.

Q. Well, maybe it's the mass property approach. Is it the mass property approach?

A. I guess you could say that.

Q. Okay. Is it -- is it your expectation that these plants will be fully accrued at the time of their retirement?

A. That is the hope, but that doesn't always happen.

Q. But not necessarily your expectation?

A. It's not something that you can accurately say, yes, definitely, that it will be fully accrued by the end of its life.

Q. Well, let me ask you this: For these accounts, just how did you determine the average service life?

A. The same way I determined the average service lives for the other accounts, which was, as we discussed earlier, survivor curve analysis.

Q. So for the Callaway plant, for example, did you do a survivor curve analysis to determine the average service life?

A. No, I didn't.

Q. Okay. How did you determine the average service life for --

A. I didn't do an analysis on those accounts because it's a 40-year licensed life.

Q. Okay. How did you do it for Rush Island or Sioux?

A. I uploaded the data in Gannett-Fleming and determined the appropriate average service life by matching an appropriate curve to the produced survivor curve outputs.

Q. Let me ask you this: Would you describe the survivor curves that you estimated for accounts 311 through 315 as interim survivor curves?

A. Yes.

Q. Okay. Okay. Let me just clarify. My understanding is -- again, based on what we discussed before, is that in your previous study that supported your July 2001 testimony, you didn't study those accounts 311 to 315; is that correct?
A. Well, I did study those, but I did not --
Q. Oh, okay. I'm sorry. You're right.
You studied all of the accounts; is that correct?
A. Except for the nuclear accounts, yes.
Q. Okay. And -- but you didn't select -- you ended up not selecting a survivor curve for those accounts, is that correct, and instead defaulted to the 1983 average service life?
A. That's correct.
Q. And -- and the reason -- the reason that you didn't select a curve, and I'm quoting from your earlier testimony, is "the accounts had so few retirements that a resulting curve fit was nonreliable," and I can -- close quote. And I can cite you to where that is in your testimony, if you need me to, but is that generally correct?
A. That's correct.
Q. Okay. And since you have now estimated a survivor curve for these accounts based on your

subsequent study, would it be -- am I correct in saying that in your view there is now ample retirement data to produce a reliable fit for the curves that you've selected?

A. Yes.

Q. Okay. And I started to ask you a little about nuclear production plant which may have been out of order, but my understanding is, for those accounts -- which I think are accounts 321 to 325; is that correct?

A. Yes.

Q. Okay. -- you are recommending a 2.5 percent depreciation rate; is that right?

A. Yes.

Q. And that's based on the 40-year life of the Callaway license; is that correct?

A. Yes.

Q. And one issue is -- would it matter to you if -- well, are you aware if based on the in-service date of the Callaway plant the license actually only extends 39.5 years from the in-service date?

A. No, I was not aware of that.

Q. Would that matter to you in terms of calculating depreciation rates, if that's the case?

A. I would probably still use a 40-year life.

Q. Okay. And why would you still use a 40-year life?

A. Because it's very close to 40 --

Q. Okay.

A. -- 39.5.

Q. In your mind, it's sort of a rounding thing. You would go to 40 to round it?

A. Right. I would have to know the actual license is only 39.5 years, and I guess I would want to know the reasons for that. Why is it thirty-nine-and-a-half? I would have to know.

Q. Yeah. I guess in my example, the in-service date occurred six months after the -- after the license was issued, so the plant, I guess, would only be in service for thirty-nine-and-a-half years although it got a 40-year license. That's my --

MR. SCHWARZ: I'm going to object to the question. I think the witness indicated that she would like to review the documents and the data if -- I don't think it's necessarily appropriate to -- for counsel in this type of proceeding to be appositing those things?

MR. BYRNE: Okay. I'll move on.

MR. SCHWARZ: And -- well, if you wish to continue, I just want it understood that her answer is hypothetical as well until she can look at the documents and materials.

BY MR. BYRNE:

Q. Well, okay. With that caveat, can you give me a hypothetical answer?

A. I would still say 40 years, because it's a 40-year license.

Q. Okay. Do you know the initial year of service for the Callaway plant?

A. I believe it was 1983.

Q. Okay. And if you added 40 years to that initial service -- in-service date, you would get 2023. Right?

A. Right.

Q. And is it your understanding that that's when the license expires? Right?

A. Yes.

Q. And let's take the example of -- in year 1999 -- would you agree that plant was added to Callaway in 1999, or do you know?

A. I don't have that information.

Q. Why don't you assume for me that some plant was added to Callaway in 1999. And -- but is it true that you would -- well, what -- what average service life would you be recommending for the plant that was added in 1999 to Callaway?

A. It would be the 2023 minus that 1999. It would be that life.

Q. Okay. That's the appropriate life for plant that was added in 1999 to the Callaway plant?

A. If the Callaway plant were to be totally demolished in 2023.

Q. Well, I guess that's not what I'm asking.

I'm asking, if you add plant in 1999, based on what you know about the Callaway plant now, what's the appropriate depreciation rate for that plant? What's the appropriate average service life for that plant, I guess is the better question?

A. It would be as I stated earlier.

Q. Which is what?

A. The 2023 minus the 1999, which would be about 23, 24 years.

Q. Okay. Okay. I'd like to talk a little bit about your proposed amortization of the difference between the Company's actual reserve and theoretical reserve.

First of all, can you just briefly explain what the actual reserve is, what the Company's actual reserve is?

A. Sure. The actual reserve -- I can give the actual reserve for the account I studied.

Q. I'm sorry. I just want a definition of generally what is actual reserve.

A. It's the amount of accumulated depreciation that has occurred from the inception of the accounts existing up until now.

Q. Okay. And when -- each year as you accrue the depreciation expense, does the actual reserve increase?

A. Yes.

Q. And then when units of the plant account are retired, does that reduce the actual reserve?

A. When units of the plant --

Q. When there are retirements in the account, does that reduce the actual reserve, or --

A. It doesn't reduce it, but you are -- if the account is fully retired, then you would no longer be accruing anything to the reserve --

Q. Okay.

A. -- unless additional plant was added.

Q. But I'm saying, like, in -- say you have a mass -- and maybe I don't understand this. That's entirely possible.

Say you have a mass property account. You know, say it's poles, and every year you're retiring a certain number of poles. Don't those retirements reduce the accrued depreciation or the actual reserve?

A. Yes.

Q. Okay. And, now, could you tell me -- give me a definition of what the theoretical reserve is?

A. The theoretical reserve is what the reserve would be using my currently recommended lives.

Q. Okay. In other words, there is a --

A. Where I think that the reserve should be.

Q. Okay. In other words, is it how much depreciation would have accrued had your depreciation recommendations been implemented over the life of the -- of the current plant?

A. Yes.

Q. Okay. And my understanding is the amount of the difference between the actual and theoretical reserve has jumped significantly between your July testimony, July of 2001 testimony, and your March of 2002; is that correct?

A. Yes.

Q. Do you remember how much the difference between actual and theoretical reserve was in your July of 2001 testimony?

A. It was approximately 500 million.

Q. Okay.

A. Do you want an exact number?

Q. Yeah, if you can get it easily.

A. 469,204,254.

Q. And you were proposing to amortize that over what period?

A. Twenty years.

Q. Okay. And now what has -- what has that difference jumped to?

A. Now it's 980 million, approximately.

Q. Okay. And now what are you proposing -- what period are you proposing to amortize that difference over?

A. Forty years.

Q. Okay. And will the 40-year -- and I guess the reason -- well, why did you pick the 40 years rather than the 20 years?

A. So that it would be 25 million a year advertised -- advertised -- amortized versus -- it probably would be twice as much as that. It would be less of an impact upon the customer and the Company.

Q. Okay. And would it be fair to characterize the amortization of this difference as a way to repay to the customers the amounts for depreciation that you believe have been improperly collected during past periods?

A. As far as how it relates to customers, I could not testify to that.

Q. Well, would it be fair to say that you're -- you're paying back, or the Company is disgorging amounts of depreciation expense that you believe they improperly collected in the past?

MR. SCHWARZ: I'm going to object, or ask for clarification on the word "improperly."

Your question suggests that the Company has -- has been doing something that wasn't authorized by the Commission, I think that the question is misleading. If it is intended to indicate that the depreciation rates prescribed in earlier periods were too high, which is what I think it's driving at, I would be more comfortable if that was made clear.

MR. BYRNE: Let me take the word out, because I don't want to -- I understand you're saying about it being misleading. So let me ask the question without the word "improperly."

BY MR. BYRNE:

Q. Is it your -- is it fair to say that the amortization -- the amortization of the difference between actual and theoretical reserve is a mechanism whereby the Company refunds amounts that were collected in the past, amounts of depreciation expenses that were collected in past periods?

A. No, I couldn't say that. I don't know if it's a refund mechanism.

Q. Okay. What if I changed the word "refund" to "pay"?

A. I don't know.

Q. Well, maybe -- I don't want to get hung up on that word.

Would it be fair to say that what you're doing is you're -- is you're -- maybe disgorge is a better word.

The Company is disgorging the amounts that were collected in the past as depreciation expense through this amortization; is that true?

A. I would have to say I don't know.

Q. You don't know.

Well, I mean, isn't -- isn't the way -- isn't the way this difference is calculated by comparing what the Company actually collected? Doesn't that actual deprecia-- or actual reserve reflect what the Company has actually collected through depreciation expenses in past periods? Isn't that what that reflects?

A. Sure.

Q. And isn't the theoretical reserve -- doesn't that reflect what they would have collected in those past periods if they had used your -- if the Commission had used your methodology to calculate depreciation expense?

A. Yes.

Q. And so isn't the amortization of the difference the mechanism whereby the Company disgorges that difference, the difference between what they actually collected and what under your methodology they would have collected in those past periods?

A. All I can tell you about the theoretical reserve and the actual reserve is that I recommended a 40-year amortization. What happens with those dollars, maybe Greg Meyer can testify to what happens after that.

Q. I'm not asking what happens after that. I guess -- I guess -- okay. Let's start over.

The actual reserve is what we collected in past periods through our depreciation expense. Right? You already agreed to that. Is that correct still?

A. Yes.

Q. Okay. And you don't think -- and by -- and your amortization suggests that that's not right, that we haven't collected the right amount; is that true?

A. No. My theoretical reserve suggests that.

Q. Okay. It suggests that the Company has not collected the right amount?
A. That the Company has overaccrued.
Q. Okay. Through the collection of depreciation expense in past periods. Right?
A. Yes.
Q. Okay. And so you're trying to correct -- by amortizing the difference, you're trying to correct for that overcollection of depreciation expense in past periods. Right?
A. Yes.
Q. And the way you collect -- I mean, the way you correct for that overcollection in past periods is, the Company effectively disgorges that amount by -- through a 40-year amortization in this case that will benefit customers for the next 40 years; is that right?
A. Yes.
Q. Okay. You know, it struck me that that $980 million is an awfully large number. And I was just wondering how -- how that compares to other -- have you ever sponsored adjustments for other companies where the difference between the actual and theoretical reserve is being amortized?
A. No, I have not.

Q. Okay. This is your first one?

A. Uh-huh.

Q. Okay. Have you ever seen or heard of an amortization of a difference between actual and theoretical reserve of this magnitude?

A. Probably not of this magnitude, no.

Q. Okay. What's the -- well, did you consider in proposing this amortization whether an amortization of this magnitude would adversely affect the Company in any way?

A. No, I did not.

Q. Did you consider at all in proposing this amortization the Company's need to build infrastructure? Was that a factor that came into play at all?

A. No.

Q. Did that factor come into play at all in any of your depreciation analysis or recommendations?

A. No.

Q. Oh, let me -- not to completely leave the theoretical and actual reserve, but a point that Mr. Schwarz made. I just want to make sure you agree with this.

The amount that was collected -- the amounts of depreciation that were collected that comprise the

Company's actual reserve, do you agree those amounts were collected pursuant to depreciation rates approved by the Commission?

A. Yes.

Q. Okay. Let me ask this question: Would it be possible to apply Staff's change in the treatment of net salvage only on a prospective basis to newly acquired assets?

A. Can we take a break?

MR. BYRNE: Sure. Absolutely.

(A RECESS WAS TAKEN.)

BY MR. BYRNE:

Q. On the steam production plant that we were talking about before, my understanding is you didn't -- when you studied it the first time, there weren't enough -- there wasn't enough retirement data to produce reliable curves; is that right?

A. Yes.

Q. And now, I guess, there is since you've selected some curves; is that right?

A. With five years of additional data, I felt more confident in my lives.

Q. Okay. Do you know what happened at all in those five years to those accounts?

A. What happened in those accounts?

Q. Yeah. Did you investigate at all what -- what -- what caused the additional data points between -- or retirements -- what would cause the additional retirements between the 1995 data and the 2000 data?

A. I did not investigate what caused the additional retirements.

Q. Okay. Okay. The question I was asking on a different subject right before we broke was, would it be possible to apply the new treatment of net salvage, meaning excluding it from the depreciation calculation and including it as an expense, would it be possible to apply that only to new assets that the Company acquires or puts into service after the change in policy?

A. Would -- are you asking would it be possible to only apply that to new assets?

Q. Yes. In other words, still -- would it be possible to still continue with the traditional treatment of net salvage for all of the existing assets that are in service but apply this new policy to newly acquired assets?

A. No. It would have to be done across the board.

Q. How come?

A. Because we're recommending a whole-life technique of recovering the original cost. We would want to include all plant, not just new plant.

Q. Yeah, but I guess -- I guess what I'm asking isn't -- obviously, what the Staff wants to do is apply it to existing assets, but I guess what I'm asking is a narrower question or a different question.

Is it possible to do it the other way?

A. I have not looked into that, so I -- I could not say yes or no.

Q. Do you know any reason that it's not possible to do it that way?

A. No.

Q. Okay. I -- the question I asked you in your previous deposition but I'll ask again to see if there is any update is, is the Staff aware of any other jurisdictions in the United States besides Pennsylvania that utilize the Staff's proposed treatment of net salvage costs for electric utilities?

A. No.

Q. How about beyond the United States? Are you aware of any other jurisdictions in the rest of the world that use the Staff's treatment of net salvage costs for electric utilities?

A. No.

Q. How did you check the reasonableness of your depreciation rates for UE, if at all?

A. The reasonableness of the rates?

Q. Yeah. I guess you could look at it as either the rates or the lives that you used that produce the rates.

Did you do any -- after you went through the process of using the Gannett-Fleming model and you had your results, did you do any checks, sanity checks or reasonableness checks --

A. I looked at other electric utility companies in the state of Missouri, at their lives.

Q. Did you look at them again? I know you said last time you had looked at them when you did your analysis of the 1995 data. Did you look at them again after your analysis of the 2000 data?

A. Yes, I did.

Q. Okay. And which utilities did you look at?

A. Empire District Electric, St. Joseph Light & Power.

Q. Missouri Public Service maybe?

A. Not as much as Missouri Public Service, no. I mean, I looked at them again, but they are -- they had some earlier lives at least -- I think they were at least ten years old.

Q. And so that ten-year -- and your theory is the ten-year-old data, the ten-year-old rates are not very valuable in comparing --

A. Well, they are valuable, but I tend to look at the most recent.

Q. Okay.

A. Most recently prescribed.

Q. Didn't MoPub just have a case, or not?

A. Yes.

Q. So -- a rate case?

A. Yes, they did.

Q. Well, so --

A. Those --

Q. Didn't you look at the depreciation rates in the rate case?

A. Yes, I did, but those lives were not changed.

Q. Okay. So when was -- when was their rate case?

A. It just finished in February.

Q. Why didn't you change the lives?

A. Are we talking about what I did in MoPub now?

Q. Yes.

A. I used the currently prescribed rates from a previous date using our new technique 100 percent over the ASL.

Q. In other words, you deleted the net salvage from the depreciation calculation?

A. Right.

Q. By you used the same lives from ten years before?

A. I don't know the exact number of years.

Q. Okay. But from whenever they were previously determined?

A. Right.

Q. Did you run the Gannett-Fleming model or anything, or did you just not study any of the accounts?

A. No, those accounts were not studied.

Q. Okay. What about -- UtiliCorp was the other utility that you said you compared -- last -- I mean in the last deposition you said UtiliCorp was the fourth utility whose rates you compared.

Did you look at UtiliCorp again this time?

A. Isn't MoPub UtiliCorp?

MR. BYRNE: Oh, maybe it is. Yeah, it is. You're right.

MR. SCHWARZ: For the record, so is St. Joe Light & Power at this stage of the game.

MR. BYRNE: Yeah. They are all owned by UtiliCorp. I just -- I guess I wasn't sure if there was a separate entity that's just UtiliCorp that's a --

MR. SCHWARZ: And it may all be called Aquila now.

MR. BYRNE: Well, never mind.

BY MR. BYRNE:

Q. And how about Kansas City Power & Light?

A. Yeah.

Q. You looked at those this time as -- you looked at their lives and rates this time as well?

A. Yes.

Q. Okay. So I guess -- not to put words in your mouth, but what you're saying is -- or is it a fair characterization of what you're saying that you found MoPub's rates reasonable for -- or their lives reasonable for prescribing depreciation rates for them in their recent case, but you didn't consider them reasonable lives for purposes of comparing them to the lives you're recommending for AmerenUE?

A. There was an issue we had with MoPub as far as determining exactly what the appropriate average service lives were for Missouri Public Service, and so I was not able to do a full depreciation study on

Missouri Public Service, so, therefore, we had to go with the -- the most recently prescribed lives.

Q. Okay. Do you remember how -- well, let me ask you this: How did the lives prescribed for those other utilities compare to the lives you're recommending for AmerenUE?

A. In some cases, they were very similar; in some, they were not.

Q. Okay. Do you remember -- well, let's take -- let's take St. Joseph Light & Power Company, for example. I have some testimony that you provided us as part of your work papers that you filed in, it looks like, Case No. HR-99-245.

Can you take a look at that and see if that's what that is?

A. Yes.

Q. And would that case have currently effective depreciation rates for St. Joseph Light & Power?

A. Effective in that there was really no change.

Q. Okay. Well, let's take a look at the steam production accounts that you were recommending in that case for St. Joseph Light & Power and compare them to steam production account rates you are currently recommending for AmerenUE, if you don't mind.

In that -- in the testimony that I gave you, what is the depreciation rate that you're recommending for account 311 for St. Joseph Light & Power?

A. This testimony doesn't -- oh, I didn't see that.

I looked at lives more than I looked at rates, and this just lists rates.

Q. Okay. I understand. But what's the rate?

A. For which account?

Q. 311.

A. 4.4 percent.

Q. Okay. And what's the rate that you're recommending for AmerenUE's account 311?

A. 1.45.

Q. How about account 312? What are you recommending for St. Joseph Light & Power in that case?

A. 1.85.

Q. And what are you recommending for AmerenUE in this case?

I'm sorry. Which -- I think you might have answered incorrectly.

My first question is, what are you recommending for St. Joseph Light & Power for account 312 in that case?

A. 4.0.

Q. Okay. And what are you recommending for AmerenUE for account 312 in this case?

A. 1.85.

Q. Okay. And what are you recommending for St. Joseph Light & Power for account 314 in that case?

A. It's going to be different because I think the lives are different. The lives are shorter for these accounts, so there is going to be a significant difference.

Q. Okay. But what is it for 314 for St. Joseph Light & Power?

A. 314 is not listed on here.

Q. Okay. How about 315?

A. 3.8 percent.

Q. And what is it for AmerenUE in this case?

A. 1.8.

Q. Okay. And I guess the question I have is, what -- what's different about St. Joe Light and Power's steam production plants that would result in rates of depreciation -- I understand it's based on average service lives, but what's different about those plants that would result in average service lives and resulting depreciation rates that are so different?

A. Shorter lives and salvage.

Q. And why would they have shorter lives than the steam production plant of AmerenUE?

A. Because they are from, I don't know the exact date, but probably at least ten years before 1999 or maybe even earlier.

Q. Okay. But if you were using St. Joseph Light & Power as a reasonableness check --

A. When looking at their lives, just lives.

Q. Okay. But their lives are going to be much different than the lives that you're recommending for AmerenUE. Right? They are going to be much shorter.

So if you're using this as a reasonableness check, wouldn't it suggest that maybe your recommendation isn't reasonable?

A. This was one of several electric utility plants that I looked at. I did not say that I primarily focused on St. Joseph. I primarily focused on Empire. St. Joseph -- I just looked at all of the electric -- most of the electric plant in the state of Missouri.

Q. Okay.

A. And St. Joseph was one of them.

Q. But taking St. Joseph in isolation, if you just looked at St. Joseph, and I don't have the other ones here, but if you look at St. Joseph, wouldn't that suggest that the lives you're recommending for AmerenUE might be too long for those steam production plant accounts?

A. Say that again.

Q. If you just looked at St. Joseph for a reasonableness check, wouldn't --

A. But I didn't. I didn't just look at St. Joseph. I looked at Empire. I looked at UtiliCorp.

Q. Okay. I understand that you looked -- that -- that your --

A. It was one of the many considerations I made in estimating the average service life. It wasn't the primary focus in my determining an average service life.

Q. I understand. You looked at a bunch of different things to reach your overall conclusion.

But just looking at this one thing, which was one of the things you looked at. Right?

A. Uh-huh.

Q. Just looking at this one thing, this one thing being the lives of steam production plant for St. Joseph Light & Power, doesn't this one thing suggest in isolation, and I understand you have to view it in conjunction with all of the other things you're looking at, but doesn't this one thing by itself suggest that maybe the lives for the AmerenUE plants -- for the AmerenUE steam production plant accounts are too long?

A. No.

Q. Okay. In your comparison, did you consider the currently prescribed lives for AmerenUE's plant accounts?

A. Did I consider them in my proposal?

Q. In your reasonableness check, was that one of the things that you looked at, was the currently prescribed --

A. Sure.

Q. -- lives for AmerenUE?

A. Yes.

Q. And those currently prescribed lives were much shorter, were they not, than what you're currently recommending?

A. In some cases.

Q. Weren't they a lot more like the St. Joseph Light & Power lives for the steam production plant accounts than they are similar to the lives you're currently recommending?

A. In some cases, they are.

Q. Did you look at -- did you look at the history of AmerenUE? Did you look at historical lives approved by the Commission or recommended by depreciation experts in previous cases for AmerenUE as a reasonableness check?

A. Yes.

Q. And were those historical -- let's talk about just the steam production accounts.

Were those historical lives longer or shorter than the lives that you're currently recommending?

A. Of course they were probably shorter, but I looked at -- for -- like, for instance, Meramec, the first unit was put in in 1953. It is now almost 2003. I mean, I'm prescribing a 70-year life for account 311, so it's very reasonable to me that it could last an additional 20 years and beyond.

Q. And I understand. But I'm just saying, if you were to look at historical lives approved for these accounts for AmerenUE, that would -- those historical lives are much shorter than the ones that you're proposing now; isn't that correct?

A. Well, of course they are going to be shorter because they are closer to when the plant was first installed.

Q. Well, they might -- they might or might not be shorter, but they were shorter, right, and they were significantly shorter?

A. But you had less data, less retirement activity. You weren't able to --

Q. Sure. I understand there may be reasons for it. But do you agree that they were significantly shorter?

A. I can't agree to how significantly shorter they were.

Q. Okay. You don't know whether they were more similar to the lives of -- in the 1999 case that resulted in those rates for St. Joseph Light & Power? You don't know if they were more similar to those lives than they are to your current recommendations?

A. No.

Q. Okay. Did you look at lives for utilities in other states as a reasonableness check?

A. No.

Q. Okay. Is there anything else you looked at as a reasonableness check other than what you've told me?

A. No.

Q. Okay. Let me ask you this: You've talked about the difficulty these plants -- the difficulty applying a life span methodology is the difficulty in estimating a final retirement date; is that true?

A. Yes.

Q. What would it take, in your opinion, what information would you need that would be adequate in your mind for you to assign a final retirement date to our fossil plants?

And let me say this: Maybe there is nothing that -- a legitimate answer would be there isn't a way to -- to provide any adequate information for you to be sufficiently certain to assign a retirement date.

A. I have a good answer written down somewhere.

(A DISCUSSION WAS HELD OFF THE RECORD.)

THE WITNESS: I just can't think of it right now. Just bear with me a second.

BY MR. BYRNE:

Q. Okay.

A. Well, in the case of the nuclear plant, I would have to have failure to renew the license.

Q. Let's talk about the fossil plants.

A. Okay. It may be that some type of economical study to show me that it's no longer feasible to keep that plant on line, and there is no plans in the future to purchase additional power. I would need evidence that the power was not going to be replaced in the near future.

Q. Okay. So the first thing you said -- what was the first thing you said?

A. About it no longer being economical?

Q. Yeah. Now, I guess when you -- I guess that would be immediately before the plant is retired and torn down, I would assume? Isn't that -- wouldn't that have to be very close to the retirement date?

A. Yeah, pretty close.

Q. I mean, you couldn't project ten years into the future or even five years into the future or 20 years into the future what the economics are going to be. Right?

A. That's true.

Q. So under those circumstances, there is no way to provide a retirement date that you're sufficiently certain of until very close before the plant is retired; is that right?

A. That may be true, yes.

Q. Okay. I want to look at a couple more specific accounts, and I guess the first one is account 314 that we've talked about a little bit, but I want to show you one of your work papers.

And that's one of the steam production plant accounts; is that right?

A. Yes.

Q. And what's in that account again?

A. In 314?

Q. Yeah.

A. That's your turbine and your generator.

Q. Okay. Here is one of your work papers with the survivor curve on it for that account. Does that look familiar to you?

A. Yes.

Q. And what -- what Iowa curve did you use for this account?

A. R2.5; 62-year life.

Q. Okay. And on your other -- here is another work paper that, I think, shows the output from the Gannett-Fleming model, and that work paper with the -- it shows a bunch of options for Iowa curves for this account. And --

A. Yes.

Q. -- among those options, the one option for an R2.5 curve on the goodness of fit schedule is a 69.3-year life; is that correct?

A. Yes.

Q. And my understanding is this fit was based on data through age 58; is that right? Can you tell?

A. The age was up to 70.

Q. What was the range of fit for the matching of that Iowa curve to the data?
A. Zero to 58.
Q. Okay. And do you know why the computer, the Gannett-Fleming computer model, only fit that curve through age 58?
A. Probably because beyond 58 that data did not fit the curve.
Q. No. But, I mean, then they would have picked another curve.
Why did they -- why did the curve that they selected only utilize data up through age 58? There is data beyond age 58, isn't there?
A. Yes.
Q. Why didn't -- why didn't -- why didn't the computer model consider that data in selecting the appropriate R2.5 curve?
A. I don't know.
Q. Well, let me ask you this: You decided to -- I guess you decided that -- okay. Let's take a look at account 315, which, I guess, is another steam production plant account.
Can you tell me what's in that account again? You may already have.
A. Accessory electric equipment.

Q. Do you know what that is?
A. Electric equipment that's associated with your turbo generator units or your boiler plant equipment.
Q. Okay. And, here again, I have your work paper with the curve that you selected. Do you recognize that?
A. Yes.
Q. And is it correct that you used the 55-R3 curve for this account?
A. Yes.
Q. And -- and, again, here is another work paper that shows the output from the Gannett-Fleming model; is that correct?
A. Yes.
Q. And is it true that that work paper shows that the best fit for the R3 curve is through age 60; it's a 66.3-year average service life?
A. Yes, it does.
Q. So what considerations led you to replace the 66.3-year R3 curve with the 55-year R3 curve that you selected?
A. I wanted to catch the data that was coming down at -- is that 45 percent surviving, and I wanted to catch the top of that percent surviving, because,

you know, the curves that I used that were similar to the 66 I don't think were representative of what the plant activity was doing for that account.

Q. So was it sort of a visual fit? You mentioned that as one of the -- was it to get a curve with a better visual fit?

A. Not even that as much as what I thought would be the best life after going out and seeing some of the plant and talking to plant personnel.

Q. Okay. What specifically -- well, I have your notes from your plant visits, and if you want, you can refer to them, but what -- and -- but what specifically in your plant visits led you to make that change?

A. Adding 25 -- 20 years to a 35-year life?

Q. Right.

A. Well, for instance, Meramec's first unit was put in in '53. I mean, it's gone past the 35-year life, and it'll probably last another 20 years or more.

Q. But, I mean, you just said it was information that you got on a plant visit. What specifically --

A. Well, no. It's information that I collected about all of the plant while I'm out there, and, of course, accessory electric equipment is part of the plant, so --

Q. Okay. But it's not, like, based on a specific conversation you had with a specific person; is that correct?

A. No. I mean, one person did not say, That piece of accessory electric equipment is going to last 55 years, no. But it's from what I know -- what I've learned about the plant in going on the site visits.

Q. Okay. Let's talk about residual value -- or residual measures for that account for a moment.

The 66.3-year R3 that the Gannett-Fleming model kicked out, what's the residual measure for that?

A. 5.36.

Q. Okay. And if you picked a different R3 curve to use -- and you did in this case. Right? You picked a 55-R3?

A. Yes.

Q. Isn't it true that that's going to have a higher residual measure than the 66.3-R3?

A. Yes. But in this case I really wasn't -- that wasn't high on what I considered the residual measure in this particular account.

Q. Okay. Well, let me ask you this: Do you consider a residual measure -- well, would you anticipate the residual measure of the 55-R3 would be in excess of six, if you know?

A. It could be, but I don't know.

Q. Okay. Would you agree that a modification of the life of this account -- the average service life of this account of over 11 years is more than a variation of a little bit?

A. What do you mean, a modification of this account?

Q. Well, a modification of the life -- in other words, the model suggested an R3 curve with a 66.3-year average service life. Right?

A. Yes.

Q. And you selected an R3 curve with a 55-year average service life. Right?

A. Yes.

Q. So the difference is 11.3 years --

A. Okay.

Q. -- is that right?

A. Yes.

Q. Now, would you consider that difference more than a little bit of a difference?

A. It's eleven years. I mean, I guess depending on the amount that's in the plant -- are you talking dollar-wise or just years?

Q. I mean, for that account. I understand there could be an absolute -- I'm not considering for the moment the absolute value of the dollars in the account. But just in terms of -- you know, relative to that account, is that -- whatever the dollar amount is, relative to that account, is that more than a little bit of a change?

A. Sure.

Q. Okay. Okay. I'm giving you another -- another work paper of yours, and it's related to account 315.

And if you don't mind, what's 315 again?

A. It's accessory electric equipment.

Q. Okay. And my understanding is that shows -- is it an original life table?

A. Yes.

Q. Is that what that shows?

And that's an output of the Gannett-Fleming model. Right?

A. Yes.

Q. Okay. And I believe the second column on that sheet -- what does that say?

A. "Exposures at beginning of age interval."

Q. Okay. And the Gannett-Fleming model has calculated that column, is that right, based on the data of the Company's that's been input?

A. Yes.

Q. Okay. How is that calculation made?

A. I don't recall at this time.

Q. Do you know how that calculation is made? Do you know the formula for that calculation?

A. I don't -- I don't recall at this time.

Q. Well, that's not exactly what I'm asking.

I guess I'm asking, did you -- did you ever know exactly how this calculation is made, or do you rely on the Gannett-Fleming model to provide this as an output?

A. Yes, I took courses in this.

Q. Okay. But you've forgotten in the years since your courses; is that right? I mean --

A. I haven't forgotten it, but I can't remember exactly right now.

Q. Okay. Fair enough.

Could you remember exactly how that column was calculated when you filed your Direct Testimony in this case, or were you relying on the Gannett-Fleming model to give you the results?

A. I used Gannett-Fleming.

Q. Okay. I know you used Gannett-Fleming, but did you -- did you -- you know, when you filed your Direct Testimony, did you know how that column 2, which is -- what's the name of the title again?

A. Exposures at beginning of an interval.

Q. Okay. Did you know how the Gannett-Fleming model calculated exposures at the beginning of an interval for account 315 or any of the other accounts when you filed your Direct Testimony in March 2002, which is not that long ago? Did you know how that was calculated, or is that something that you didn't remember and -- from years ago when you took the classes and, instead, relied on the Gannett-Fleming model to do whatever it did to properly calculate those numbers?

A. I have to say I relied on the Gannett-Fleming. That's my answer.

Q. Okay. At the time you filed your testimony, you didn't know how those numbers were calculated; is that true?

A. Yeah, I guess you could say that.

Q. Okay. Okay. Another work paper, and, again, it's a 315 account work paper, and, again, it's an output from the Gannett-Fleming model.

And on this work paper, I believe the far right column is showing the theoretical reserve; is that right?

A. Yes.

Q. Okay. And, again, the same kind of a question: Do you know how the Gannett-Fleming model calculates that theoretical reserve?

A. I mean, yes, I know in theory what it does. But to be able to describe it to you today, no.

Q. Okay. What -- please, can you describe in theory what it does today?

A. It calculates from the beginning of installation until the end of installation what -- using my depreciation rate, what the accumulated depreciation would be according to the original cost at the beginning of that year and adds all of those years up.

Q. Okay. Okay. And when you get -- but you don't know -- and I understand. That's a -- that's the theory.

But when it comes to exactly calculating how that right-hand column -- you know, exactly calculating the numbers that appear in that right-hand column, are you able to do that? Are you able to calculate those numbers without Gannett-Fleming model?

A. I think by multiplying the accrued depreciation factor by the original cost --

Q. Okay.
A. -- you get the accrued depreciation amount.
Q. That gets you the number in the far right column?
A. Yes.
Q. And how is the accrued depreciation factor calculated?
A. That -- I don't recall how that's calculated.
Q. And did you recall how that is calculated at the time that you filed your Direct Testimony in March 2002, or were you relying on the Gannett-Fleming model?
A. It would be my same answer as before, relying on the Gannett-Fleming.
Q. Okay. And you didn't know how that was calculated at the time you filed your testimony; is that correct?
A. How the accrued factor was determined, no.
Q. Okay. You didn't -- just to be clear, you did not know how the accrued factor was determined at the time you filed your testimony. Correct?
A. That's correct.
Q. Okay. Okay. I think I'm winding down here, but I have some -- these are some generic questions

that aren't -- that aren't directly related to depreciation, okay, so you may or may not know the answer to these questions.

Do you know -- okay. Some items in the Staff's case Staff has treated as normal items, unreasonable items, unusual items, non-recurring items, extraordinary expenses, and I don't think -- these do not occur in your testimony, but in other accounting testimony, they did.

Do you have an opinion as to what the appropriate rate-making treatment of such expenses are?

A. No, I don't.

Q. Do you think it would be -- do you have an opinion as to whether it would be appropriate to eliminate them or amortize them?

A. Well, if it's an extraordinary circumstance, like a flood, you would eliminate something like that.

Q. Might you also amortize it?

A. You may.

MR. BYRNE: You know, I don't -- I think I'm going to stop. Is there any -- I don't have any further questions.

MR. SCHWARZ: If I might, I just want to make clear that the work papers that Ms. Mathis was questioned on with respect to account 315, those were work papers with -- in reference to her March testimony.

MR. BYRNE: Yeah. Perhaps -- would it be okay if we bundled those account 315 work papers together and made them Exhibit 2?

MR. SCHWARZ: That would be fine. We can run copies of them. I notice we don't want --

THE WITNESS: Okay. Just account 315 or --

MR. BYRNE: Why don't we do it with all of the work papers you were looking at just so there is no confusion, if that's okay with you.

MR. SCHWARZ: That would be the original life table, the calculated and accrued depreciation, summary of curve fitting results, and then we have an account 314 and an account 364.

MR. BYRNE: Why don't we go off the record for a second?

MR. SCHWARZ: Yeah.

(A DISCUSSION WAS HELD OFF THE RECORD; EXHIBIT NO. 2 WAS MARKED FOR IDENTIFICATION BY THE COURT REPORTER.)

BY MR. BYRNE:

Q. Okay. We're back on the record.

We've marked the stack of work papers that

I've used in the deposition as Exhibit No. 2, and, Ms. Mathis, if you could just go through that and identify each work paper, I would appreciate it.

A. Okay. The first work paper is a survivor curve graph for account 364. The second work paper is the survivor curve graph for account 314. The third work paper is a summary of curve fitting results for account 314. The next work paper is a survivor curve graph for account 315.

The next work paper is a summary of curve fitting results for account 315. The next work paper is an original life table for account 315. And the final work paper -- yes, the final work paper is for account 315.50, calculated annual and accrued depreciation table.

MR. BYRNE: Okay. Thank you, Ms. Mathis. I don't have any other questions.

We're done.

MR. PENDERGAST: No questions.

MR. DANDINO: No questions.

CROSS-EXAMINATION BY MR. SCHWARZ:

Q. I just have a couple of questions if I might, Ms. Mathis.

If you recall, you had some questions on the St. Joseph Light & Power plant?

A. Yes.

Q. Is the -- does the St. Joseph property serve both electric generation purposes and steam --

A. Yes.

Q. -- purposes; that is, they have six or eight customers who take steam generated by the plant?

A. Yes.

Q. Is the size of the plant different perhaps than that of some of the Union Electric generating plants?

A. Yes, it is.

Q. Do you know if the age of the plant is different?

A. I don't know an exact age, but I know it is different.

Q. You had some questions about what would you look for if you were going to assign a final retirement date to fossil plants. Do you recall?

A. Yes.

Q. And one of the criteria you gave was that it was -- you would expect the plant not to be operating economically, and the other was no plans to purchase additional power.

Could you explain that second one? Do you mean that they have -- was your answer in reference to -- that Union Electric has no -- or -- strike all of that. Strike all of that.

A. Okay.

Q. If you were looking for a final retirement date for a particular plant, you would expect the Company to have plans to replace that power?

A. Yes.

Q. Does the Public Service Commission license the Gannett-Fleming software that you use?

A. Does it license it?

Q. From Gannett-Fleming.

A. Yes.

Q. Has Gannett-Fleming notified you that there were any problems with the program not performing as it should?

A. No.

Q. Do you know, does Union Electric use the Gannett-Fleming software?

A. Yes.

Q. Has the Company suggested that there are any problems that they have encountered with the software operating as it should?

A. No.

MR. SCHWARZ: I think that's all I have.

MR. BYRNE: I might have one follow-up based on your question. Can I do that?

REDIRECT EXAMINATION BY MR. BYRNE:

Q. Mr. Schwarz was just asking you about when a plant is going to be retired, and I think you were saying you would have to know it's going to be retired and not be replaced. Do you remember that?

A. Right.

Q. And the only question I have is, at what point in the plant's life would you expect to gain that kind of knowledge?

A. I would hope at least a year before the date of retirement, or more.

Q. But -- but, I mean, wouldn't it be -- in terms of the entire plant's life, wouldn't it be relatively late in the plant's life that you would know it's going to be retired and not replaced?

If you say yes, I'm done.

A. I'm going to say yes.

Could you ask it one more time?

Q. In terms of the plant's life --

A. Right.

Q. -- in terms of the plant's whole life, wouldn't it be relatively late in the whole life that you would know that it's going to be retired and not replaced?

A. It could be considered late.

MR. BYRNE: Okay. I have one more question. No, actually, I don't. I have no more questions.

THE WITNESS: All right.

MR. SCHWARZ: We're done.

(PRESENTMENT WAIVED; SIGNATURE REQUESTED.)

____
JOLIE MATHIS

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

____
Notary Public in and
for County,
State of Missouri

C E R T I F I C A T E

STATE OF MISSOURI)
) ss.
COUNTY OF COLE)

I, KRISTAL R. MURPHY, CSR, RPR, CCR, with the firm of Associated Court Reporters, do hereby certify that pursuant to agreement, there came before me,

JOLIE MATHIS,

at the Missouri Public Service Commission, Room 810, Governor State Office Building, in the City of Jefferson, County of Cole, State of Missouri, on the 9th day of April, 2002, who was first duly sworn to testify to the whole truth of her knowledge concerning the matter in controversy aforesaid; that she was examined and her examination was then and there written in machine shorthand by me and afterwards typed under my supervision, and is fully and correctly set forth in the foregoing 91 pages; and the witness and counsel waived presentment of this deposition to the witness, by me, and that the signature may be acknowledged by another notary public, and the deposition is now herewith returned.

I further certify that I am neither attorney or counsel for, nor related to, nor employed by, any of the parties to this action in which this deposition is taken; and further, that I am not a relative or employee of any attorney or counsel employed by the parties hereto, or financially interested in this action.

Given at my office in the City of Jefferson, State of Missouri, this 12th day of April, 2002.

____
KRISTAL R. MURPHY, CSR, RPR, CCR

COSTS: (Computation of court costs based on payment within 30 days.)

ERRATA SHEET

Deposition of: Jolie Mathis

Case Caption: EC-2002-1

Date Taken: November 27, 2001

Page	Line	Correction	Reason
7	4	"532" instead of "032"	Typo
8	18	"changes in the schedule I named" should be inserted between the words "Yes" and "that"	Unclear answer
11	7	"principles" instead of "principals"	Typo
13	18	Insert the word "annual" so the words should be: "decrease in annual accrual"	Type of accrual clarification
19	7, 14	"inter-generational" instead of "inner-generational"	Typo
28	20	"Iowa State" instead of just "Iowa"	To distinguish the school
53	4	"has applied" instead of "is applied"	Typo
53	6	"than previously" instead of "that previously"	Typo
55	4	"Yes" instead of "I don't know."	Correction
69	22	Change to: "I know that's what I did, look at 3 year and 5 year averages."	Correction
70	24	Change to: "I discussed the 3 year and 5 year averages."	Correction
72	12	"Black and Veatch" instead of "Blacken Veatch"	Typo
72	20	"Kalamazoo" instead of "Kalamazoon"	Typo

Jolie Mathis

Signature

ERRATA SHEET

Deposition of: Jolie Mathis

Case Caption: EC-2002-1

Date Taken: November 27, 2001

Page	Line	Correction	Reason
81	19	"Penn Sheraton" instead of "Penn Sheridan"	Typo
82	2	"Penn Sheraton" instead of "Penn Sheridan"	Typo
82	5	"Penn Sheraton" instead of "Penn Sheridan"	Typo
113	14	"in service" instead of "end service"	Typo
123	18	"look" instead of "looking"	Typo
129	19	"Penn Sheraton" instead of "Penn Sheridan"	Typo

Jolie Mathis

Signature

(This is the signature page to the deposition of Jolie Mathis taken on November 27, 2001.)

STATE OF MISSOURI)
) **ss.**
COUNTY OF COLE)

I, Jolie Mathis, do hereby certify:

That I have read the foregoing deposition;

That I have made such changes in form and/or substance on the attached errata sheet(s), as might be necessary to render the same true and correct;

That having made such changes thereon, I hereby subscribe my name to the deposition.

Executed this 28th day of March, 2002,

at Jefferson City, Cole County, Missouri

Jolie Mathis
(Name)

SHARON S WILES
NOTARY PUBLIC STATE OF MISSOURI
COLE COUNTY
MY COMMISSION EXP. AUG. 23,2002

My Commission Expires: ______

Notary Public: Sharon S. Wiles

STAFF OF THE MISSOURI PUBLIC SERVICE COMMISSION vs. UNION ELECTRIC CO., d/b/a AmerenUE, CASE NO. EC-2002-1