Exhibit No.:	
Issue:	Joint Dispatch Agreement
Witness:	Daniel I. Beck
Sponsoring Party:	MoPSC 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

DANIEL I. BECK

UNION ELECTRIC COMPANY
d/b/a AMERENUE

CASE NO. EC-2002-1

Jefferson City, Missouri
June 2002

Exhibit No. 27
Date 7/10/02 Case No. EC-2002-1
Reporter Klm

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 DANIEL I. BECK

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

Daniel I. Beck, 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 7 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.

Daniel I Beck

Daniel I. Beck

Subscribed and sworn to before me this 24th day of June, 2002.

Dawn L Hake

Notary Public

DAWN L. HAKE
Notary Public – State of Missouri
County of Cole

My commission expires 9, 2005

SURREBUTTAL TESTIMONY

OF

DANIEL I. BECK

UNIION ELECTRIC COMPANY

d/b/a AMERENUE

CASE NO. EC-2002-1

Q. Please state your name and business address.

A. My name is Daniel I. Beck and my business address is P. O. Box 360, Jefferson City, Missouri 65102.

Q. By whom are you employed and in what capacity?

A. I am employed by the Missouri Public Service Commission (MOPSC or Commission) as a Utility Regulatory Engineer in the Utility Operations Division.

Q. Would you please review your educational background and work experience?

A. I graduated with a Bachelor of Science Degree in Industrial Engineering from the University of Missouri at Columbia in 1983. Upon graduation, I was employed by the Navy Plant Representative Office in St. Louis, Missouri, as an Industrial Engineer. I began my employment at the Commission in November 1987, in the Research and Planning Department of the Utility Division (later renamed the Economic Analysis Department of the Policy and Planning Division) where my duties consisted of weather normalization, load forecasting, integrated resource planning, cost-of-service and rate design. In December 1997, I was transferred to the Rate Design/Tariff Section of the Commission's Gas Department where my duties included weather normalization, annualization, tariff review, cost-of-service and rate design. Since June 2001, I have continued with the same duties in the Engineering Analysis Section of the Energy Department, which was created by combining the Gas and Electric Departments. I am a Registered Professional Engineer in the State of Missouri. My registration number is EN 026953.

Q. Have you previously filed testimony before this Commission?

A. Yes, I have. Schedule 1 is a list of cases in which I have filed testimony.

Q. What is the purpose of your surrebuttal testimony?

A. I will address the rebuttal testimony of AmerenUE witness Craig D. Nelson regarding the Joint Dispatch Agreement (JDA) and my involvement in Case No. EM-96-149 (the Merger Case), the Union Electric Company (UE) merger with Central Illinois Public Service Company. I will show that Mr. Nelson in his rebuttal testimony mischaracterized my testimony in Case No. EM-96-149. Finally, I will show that neither my testimony, the Stipulation And Agreement, nor the Report And Order in Case No. EM-96-149 "approved" or "accepted" the JDA but instead protected the Commission's right to determine ratemaking treatment for JDA related costs.

Q. Are you the only Staff witness that will address the JDA in surrebuttal testimony?

A. No. Dr. Michael S. Proctor is also addressing the JDA in his surrebuttal testimony. Dr. Proctor's testimony addresses Mr. Nelson's JDA rebuttal testimony that not only refers to Case No. EM-96-149 but also refers to Case No. EA-2000-37.

Q. Were you a witness in Case No. EA-2000-37?

A. No. As my testimony indicated earlier, I was transferred to the Gas Department in December 1997, and have devoted most of my time to gas issues since that time.

Q. Briefly describe the JDA.

A. On pages 17 and 18 of my rebuttal testimony in Case No. EM-96-149, I described the JDA as follows:

> A joint dispatch agreement is a contract between at least two parties, in this case UE and CIPS, to dispatch their combined generating resources in the most efficient manner possible. ...The cornerstone of this effort [the JDA] is the After-the-Fact Resource Allocation that is applied to energy related costs. ... the goal of this After-the-Fact Resource Allocation process is to determine the revenue adjustments associated with the terms System Energy Transfer and Off-System Sales Margin.

It should be pointed out that the JDA was modified several years after my testimony in Case No. EM-96-149 but the parties remain UE and UE affiliates.

Q. What is Mr. Nelson's position on the JDA?

A. Mr. Nelson's position is that the cost of service in this case should not reflect Dr. Proctor's recommendation for an additional $3.7 million [now revised to $3.1 million] in profit margin to be allocated to AmerenUE from Ameren's off-system wholesale sales of electricity from the test year.

Q. How is this issue related to your involvement in Case No. EM-96-149 approximately six years ago?

A. Mr. Nelson discusses my rebuttal testimony in Case No.EM-96-149 and concludes that when the Commission approved the Stipulation And Agreement, the JDA was also approved. However, the Stipulation And Agreement was carefully crafted to protect the Staff's ability to make future ratemaking recommendations and the Commission's right to make "its determination regarding the ratemaking treatment" in later ratemaking proceedings. Although the Stipulation And Agreement and the Commission's Report And Order clearly do not approve the JDA, I wish to address several instances where Mr. Nelson misrepresents my testimony while reaching this conclusion.

Q. Could you give a specific example where you believe your testimony was misrepresented?

A. Yes. On page 9 of his rebuttal testimony, Mr. Nelson generally discusses my recommended JDA conditions from page 25 of my rebuttal testimony and then concludes, "None of these conditions related to the System Energy Transfer or to the Off-System Sales Margin." [Nelson Rebuttal, p. 9]

However, one of the conditions that can be found on page 25 of my rebuttal testimony is:

> 4) The Commission will be allowed to determine prudence and allocation issues related to the JDA in rate proceedings involving UE.

Clearly this condition relates directly to the System Energy Transfer and Off-System Sales Margin that are key components of the JDA. My rebuttal testimony unmistakably recognized the relationship between the JDA and Off-System Sales Margin when I quoted the JDA definition of Off-System Sales Margin on page 19 of my rebuttal testimony. In addition, seven of the ten pages of my JDA rebuttal testimony in the Merger Case referred to Off-System Sales Margin or Off-System Sales. To then claim that my proposed conditions on the JDA do not apply to Off-System Sales Margin is at a minimum incorrect.

Q. Is there another example where you maintain your testimony was misrepresented by Mr. Nelson?

A. Yes. On pages 9 and 10 of his rebuttal testimony, Mr. Nelson discussed the Stipulation And Agreement in the Merger Case dated July 12, 1996 and states that, "Later, through negotiations UE and Staff were able to address Mr. Beck's recommendations and reflect them, with some modifications, in a Unanimous Stipulation and Agreement (Merger Stipulation) dated July 12, 1996." What Mr. Nelson failed to convey is how the Stipulation And Agreement addressed my concerns, specifically the concern number "4)" on page 25 of my testimony. The answer is that the Stipulation And Agreement included three sections; sections 8, 9 and 13, in which are found the provisions that would allow the Commission to address all of the elements of prudence and allocations related to the JDA in future rate cases. The relevant text of these sections is as follows:

> Electric Contracts Required to be Filed with the FERC. All wholesale electric energy or transmission service contracts, tariffs, agreements or arrangements, including any amendments thereto, of any kind, including the Joint Dispatch Agreement, between UE and any Ameren subsidiary or affiliate required to be filed with and/or approved by the Federal Energy Regulatory Commission ("FERC"), pursuant to the Federal Power Act ("FPA"), as subsequently amended, shall be conditioned upon the following without modification or alteration: UE and Ameren and each of its affiliates and subsidiaries will not seek to overturn, reverse, set aside, change or enjoin, whether through appeal or the initiation or maintenance of any action in any forum, a decision or order of the Commission which pertains to recovery, disallowance, deferral or ratemaking treatment of any expense, charge, cost or allocation incurred or accrued by UE in or as a result of a wholesale electric energy or transmission service contract, agreement, arrangement or transaction on the basis that such expense, charge, cost or allocation has itself been filed with or approved by the FERC, or was incurred pursuant to a contract, arrangement, agreement or allocation method which was filed with or approved by the FERC. [Stipulation And Agreement, Case No. EM-96-149, Section 8: State Jurisdiction Issues, Item e, pages 25-26] [Craig Nelson Rebuttal, Schedule 1-50 and 1-51]

> No Pre-Approval of Affiliated Transactions. No pre-approval of affiliated transactions will be required, but all filings with the SEC or FERC for affiliated transactions will be provided to the Commission and the OPC. The Commission may make its determination regarding the ratemaking treatment to be accorded these transactions in a later ratemaking proceeding or a proceeding respecting any alternative regulation plan. [Stipulation And Agreement, Case No. EM-96-149, Section 8: State Jurisdiction Issue, Item g, page 27] [Craig Nelson Rebuttal, Schedule 1-52]

> The data associated with the hour-by-hour After-The-Fact Resource Allocation, which will be performed pursuant to the Joint Dispatch Agreement will be archived in an electronic format and submitted to the Staff annually. [Stipulation And Agreement, Case No. EM-96-149, Section 9: Staff Conditions To Which UE Has Agreed, Item d, page 31] [Craig Nelson Rebuttal, Schedule 1-56]

> None of the signatories to this Stipulation And Agreement shall be deemed to have approved or acquiesced in any question of Commission authority, accounting authority order principle, cost of capital methodology, capital structure, decommissioning methodology, ratemaking principle, valuation

> methodology, cost of service methodology or determination, depreciation principle or method, rate design methodology, cost allocation, cost recovery, or prudence, that may underlie this Stipulation And Agreement, or for which provision is made in this Stipulation And Agreement. [Stipulation And Agreement, Case No. EM-96-149, Section 13: No Acquiescence, page 36] [Craig Nelson Rebuttal, Schedule 1-61]

It should be noted that several of my concerns, which are related to access to personnel and information, were addressed in other sections of the Stipulation And Agreement but the three sections listed above best addressed the issues raised by Mr. Nelson.

Q. The next reference to your testimony occurs on pages 14 and 15 of Mr. Nelson's rebuttal testimony. Do you believe that your testimony was misrepresented here also?

A. Yes. Mr. Nelson discusses a portion of my rebuttal testimony in the Merger Case from pages 18 through 21. Mr. Nelson quotes me as stating, "no utility is dispatched simply on an incremental cost basis," and from this statement Mr. Nelson asserts, "Thus, the Staff concluded in the merger proceeding that the allocation of the Off-System Sales Margin in the JDA was reasonable." Nowhere in my testimony on the JDA did I conclude that the JDA allocation of Off-System Sales Margin was reasonable. The quotes used by Mr. Nelson should not be used to reach this conclusion. In fact, my argument was that because "no utility is dispatched simply on an incremental cost basis," the "incorrect allocation of generating costs" could result. However, since no data existed to verify the reasonableness of the allocation process at the time of the merger, the concerns that I raised, particularly with regard to concern number "4)" which addresses the Commission's right "to determine prudence and allocation issues related to the JDA in rate proceedings", were addressed by the Stipulation And Agreement sections quoted in relevant part above. Since my concluding recommendation at page 25 of my Merger Case rebuttal testimony expresses the need for the Commission to determine prudence and allocation issues related to the JDA in future rate proceedings involving UE, it is unreasonable and inappropriate to take an earlier quote and try to make an obtuse interpretation that is clearly contradictory to a main recommendation of my testimony. I have attached, as Schedule 2 to this testimony, the portions of my Merger Case rebuttal testimony regarding the JDA. Schedule 2 also includes a more detailed description of my proposed conditions, which were Schedule 1 to my Merger rebuttal testimony.

Q. Does this complete your surrebuttal testimony?

A. Yes, it does

Union Electric Company d/b/a AmerenUE
Case No. EC-2002-1

List of Cases in which prepared testimony was presented by:
DANIEL I. BECK

Company Name	Case No.
Union Electric Company	EO-87-175
The Empire District Electric Company	EO-91-74
Missouri Public Service	ER-93-37
St. Joseph Power & Light Company	ER-93-41
The Empire District Electric Company	ER-94-174
Union Electric Company	EM-96-149
Laclede Gas Company	GR-96-193
Missouri Gas Energy	GR-96-285
Kansas City Power & Light Company	ET-97-113
Associated Natural Gas Company	GR-97-272
Union Electric Company	GR-97-393
Missouri Gas Energy	GR-98-140
Missouri Gas Energy	GT-98-237
Ozark Natural Gas Company, Inc.	GA-98-227
Laclede Gas Company	GR-98-374
St. Joseph Power & Light Company	GR-99-246
Laclede Gas Company	GR-99-315
Utilicorp United Inc. & St. Joseph Light & Power Co.	EM-2000-292
Union Electric Company d/b/a AmerenUE	GR-2000-512
Missouri Gas Energy	GR-2001-292
Laclede Gas Company	GR-2001-629
Union Electric Company d/b/a AmerenUE	GT-2002-70
Laclede Gas Company	GR-2002-356

REBUTTAL TESTIMONY

OF

DANIEL I. BECK

UNION ELECTRIC COMPANY

CASE NO. EM-96-149

Q. Please state your name and business address.

A. My name is Daniel I. Beck and my business address is Missouri Public Service Commission, P. O. Box 360, Jefferson City, Missouri 65102.

Q. What is your present position with the Missouri Public Service Commission (Commission)?

A. I am a Utility Regulatory Engineer in the Economic Analysis Department of the Policy and Planning Division.

Q. Would you please review your educational background and work experience.

A. I have a Bachelor of Science Degree in Industrial Engineering from the University of Missouri at Columbia. Prior to joining the Commission in November, 1987, I was employed by the Navy Plant Representative Office in St. Louis, Missouri as an Industrial Engineer. I am a registered professional engineer in the state of Missouri.

Q. What is the purpose of your rebuttal testimony?

A. The purpose of my testimony is to address the System Support Agreement (SSA) and the Joint Dispatch Agreement which were both included in Union Electric's (UE) merger application before the Commission.

not consider a significant portion of that market, namely new generation which has to be built and is therefore not immediately available, the resulting market price might not result in a truly least-cost option for the Illinois customers.

JOINT DISPATCH AGREEMENT

Q. What is a joint dispatch agreement (JDA)?

A. A joint dispatch agreement is a contract between at least two parties, in this case UE and CIPS, to dispatch their combined generating resources in the most efficient manner possible. To accomplish this efficiency, a single agent (in this case Ameren Services Company) will control the dispatching functions that are currently performed separately by each company. These functions include:

1. Coordinating system dispatch
2. Maintain reliability
3. Arranging and scheduling Off-System Purchases and Off-System Sales
4. Coordinating transmission services
5. Provide billing services
6. Operate and maintain a central control center
7. Other activities and duties as assigned

Q. Other than the dispatching agent and the two parties, does this agreement identify any other specific entities that will help carry out this agreement?

A. Yes. The Operating Committee is to be the administrative organization overseeing the proper execution of the JDA. It will consist of 4 members with 2 members designated by each party.

Q. Other than defining the duties and obligations of the various entities that are identified in this agreement, what other subjects are addressed in this agreement?

A. The majority of the remaining document is devoted to the assignment and billing of costs, benefits and revenues primarily between the two parties, UE and CIPS. The cornerstone of this effort is the After-the-Fact Resource Allocation that is applied to energy related costs

Q. How is the term "After-the-Fact Resource Allocation " defined in the JDA?

A. The term "After-the-Fact Resource Allocation" is defined in the JDA as follows:

> 1.01 After-the-Fact Resource Allocation shall mean a methodology used to assign the Combined System's Generating Resources and Off-System Power Purchases to each Party's Load Requirements and to the Combined System's Off System Sales. After-the-Fact Resource Allocation shall be run for each calendar day after the calendar day has transpired.

A. Are there any other terms that are defined in this JDA that would aid in the understanding of "After-the-Fact Resource Allocation"?

Q. Nineteen different terms are defined in Article I of the JDA. Although the principles of the After-the-Fact Resource Allocation involve many of the other terms, it is important to understand that the goal of this After-the-Fact Resource Allocation process is to determine the revenue adjustments associated with the terms System Energy Transfer and Off-System Sales Margin. These two terms are defined as follows:

> 1.19 <u>System Energy Transfer</u> shall mean the transfer of electric energy from one Party's Generating Resources to the other Party to serve the Other Party's Load Requirements.
>
> 1.14 <u>Off-System Sales Margin</u> shall mean the difference between the energy revenue collected from Off-System Sales and the energy cost of providing such sales, as assigned by the After-the-Fact Resource Allocation.

Q. Is an After-the-Fact Resource Allocation preferable to an average cost allocation for this JDA?

A. Yes. An average cost methodology would assume that the average cost to serve the Ameren total system load is the same as the average cost to serve each party, regardless of the existing generation owned by each party. However, the average cost of UE's existing generation is currently significantly less than the CIPS average cost for two major reasons:

1. The fuel cost of the Callaway nuclear power plant is lower than the fuel cost of coal-fired generation; and
2. The primary fuel choice for coal-fired generation: lower cost western coal of UE vs. higher cost eastern coal of CIPS.

To ensure that neither the ratepayers nor the shareholders are harmed by the cost allocation method, the average cost methodology must not be used for the JDA.

Q. If all generation were simply dispatched based on incremental costs, would After-the-Fact Resource Allocation as outlined in the JDA provide a reasonable allocation to each utility?

A. Yes, assuming that all costs were incurred in a prudent manner and all calculations met the principles of the After-the-Fact Resource Allocation.

Q. What do you mean by the phrase "principles of the After-the-Fact Resource Allocation"?

A. In Article 6.07 of the JDA, 7 principles that the After-the-Fact Resource Allocation should be consistent with are specified. Unlike the SSA, the JDA does not specify the exact rate or rate formula. Instead the general principles by which future calculations are to be made are outlined in the JDA. It should also be noted that further guidance regarding the After-the-Fact Resource Allocation is given in the following sections of the JDA

Article 6.08	Distribution of the Off-System Sales Margin
Service Schedule A	System Energy Transfer
Service Schedule B	Distribution of Off-System Sales Margin
Service Schedule C	Recovery of Incremental Costs Relating to Emission Allowances

Q. Have you worked through the calculations to simulate the After-the-Fact Resource Allocation for one month? One day? One hour?

A. No. The data from a truly joint dispatched Ameren system is not available since this proceeding is just one of the regulatory hurdles that this merger must clear before joint dispatch operations can begin. Although the principles that would guide this calculation are provided in the JDA, it is my understanding that the computer program that would ultimately perform this hour by hour calculation is not yet written.

Q. Is UE or CIPS dispatched simply on an incremental fuel cost basis?

A. No. I'm not aware of any utility that is truly dispatched solely on an incremental fuel cost basis. If incremental fuel costs were the only criteria used, the result would most surely be uneconomic because other constraints such as transmission voltage support and generating constraints (minimum loading requirements, unit startup costs, spinning reserves or must run status) have significant economic implications.

Q. What are the implications of these additional constraints on the After-the-Fact Resource Allocation methodology?

A. The most obvious effect in this case is that Article 6.07 c) of the JDA attempts to address this issue. However, the allocation procedure will always allocate the generating unit to the owning party unless the other party is "clearly identified as the reason for the generation." I am concerned that (1) the burden of showing that the non-owning party is the reason for the generation appears to be rather stringent and that (2) no provision is made for gathering the data that would be required to make this showing.

Q. Could you give a specific example that would result in the incorrect allocation of generating costs?

Q. Yes. During the production cost modeling runs performed by Staff witness Tom Y. Lin, several units from both UE and CIPS were made "must run" units. The fact that this constraint is placed on generation does not by itself ensure that the incorrect allocation of generating costs will occur. However, if, for example, CIPS "must run" generation provides more energy than CIPS loads would require, the output of UE units with lower incremental costs might be reduced and the higher cost CIPS generation might be transferred to UE.

Q. Would the data be available to make the determination of After-the-Fact Resource Allocation?

A. Although the JDA specifies that the agent will do the After-the-Fact Resource Allocation, the JDA does not detail how the data that would be required to perform this allocation will be collected. The JDA also does not require that the data and the calculations involved in the After-the-Fact Resource Allocation be kept. Maintaining the data and calculations would ensure that the resulting allocation could be audited by the Commission at a later date.

Q. Are any other costs or allocation of costs included in the JDA?

A. Yes. Article VI of the JDA titled Assignment of Costs and Benefits of Coordinated Operations contains eight general categories of costs and benefits:

1) Fixed Costs of Existing Generating Resources,
2) Environmental Costs of Existing Generating Resources,
3) Demand Charges from Existing Off-System Purchases,
4) Demand Charges from New Off-System Purchases,
5) Demand Charges from Existing Off-System Sales,
6) Demand Charges from New Off-System Sales,
7) Assignment of Energy and Costs from System, and
8) Distribution of Off-System Sales Margin.

Categories 7 and 8 deal with the After-the-Fact Resource Allocation and have been discussed in the above testimony. The remaining categories deal with existing generating resources (category 1 and 2) and demand charges for off-system sales/purchases (categories 3,4,5 and 6).

In addition Article VII of the JDA titled Assignment of Transmission Service Revenues outlines the method for assigning transmission service revenues. Under this methodology, existing firm transmission service agreements will remain with the party contracting for the service. Revenues from other transmission services such as

Combined System Network and Point-to-Point Transmission Service would be distributed based on the following hierarchy:

1) Cost for any direct assignment facilities,

2) Incremental costs incurred to provide the transmission service,

3) The remaining revenue distributed based on each party's transmission plant investment.

The three service schedules that are attached to the JDA also deal with cost and cost allocation. Service Schedules A and B relate to System Energy Transfer and Off-System Sales Margin but do not appear to provide any additional clarifications that are not already in the JDA. Schedule C provides more definition to the costs associated with emissions allowances. Although the JDA simply includes emissions allowances in the list of items to be included in the incremental cost, Service Schedule C defines a method for calculating the value of emissions allowances and gives each party the option of buying or providing emissions allowances by December of each year.

Q. Would the JDA also be under FERC jurisdiction?

A. Yes. As Staff counsel has explained the FPA to me and based upon my own knowledge, the JDA, like the SSA, would result in the argument that there is some loss of jurisdiction for the Commission.

Q. Would the FERC regulatory process preserve the Commission's ability to challenge the allocation?

A. Staff counsel has advised me that the Commission's status at FERC is that of a party as a matter of right but that the Commission Staff has no recognized status. The Staff is concerned about the Commission's ability to address at the FERC level issues relating to the substantive JDA terms and the application of those terms by UE, CIPS and Ameren Services Company. The Staff is also concerned with the ability of the Commission, and the Staff in its audit function, to data and company personnel.

Q. Do you have concerns about the JDA regarding future changes to that document?

A. Yes. Article 13.02 has provisions for making changes which are similar to the provisions for making changes which appear in Article 10.2 in the SSA, which the Staff is also concerned about.

Q. Do you expect the JDA to significantly impact UE's integrated resource planning?

A. No. Although the JDA seeks to provide joint dispatching for a single control area made up of UE and CIPS service territories, it does not address joint planning between UE and CIPS. It is my understanding that Ameren Services will provide resource planning services to both UE and CIPS but UE's resource planning will still focus on UE's needs only.

Q. Would you provide a brief summary regarding the JDA?

A. Yes. The JDA is an agreement between UE and CIPS to operate as a single control area, to joint dispatch generation and to economically utilize power and energy in transactions with other entities. Much of this JDA is devoted to defining the principles by which the costs and benefits of existing generation will remain with the current owners, the cost and benefits of any new off-system sales/purchases will be allocated based on each party's contribution/use of that resource, and costs and benefits of transactions between UE, and CIPS will be related to the capacity or energy supplied. These cost principles are intended to ensure that neither party is harmed by the JDA. Through the JDA, UE expects significant savings in production costs over the next 10 years.

Although Staff agrees with many of the principles that are contained in the JDA, Staff is concerned with the fact that these are only principles and ultimately do not guarantee prudence or fairness for UE's customers.

Q. Based on the concerns you have regarding the JDA, do you have any recommendations concerning the conditions which the Commission should require for approval of the JDA?

A. Yes, I do. These conditions are set out in Schedule 1 attached to my direct testimony which were developed with the assistance of Staff counsel. There are five conditions included on Schedule 1 that I have summarized below:

1) Access to all data, records, calculations and personnel that are associated with carrying out the terms of this JDA. This would include information and personnel from UE, CIPS, Ameren, and the Operating Committee.

2) Answers and appearances of personnel may be required by the Commission regarding the JDA and the tasks associated with carrying out the JDA.

3) All future changes in the JDA would be approved by the Commission.

4) The Commission will be allowed to determine prudence and allocation issues related to the JDA in rate proceedings involving UE.

5) The data and calculations associated with the hour by hour After-the-Fact Resource Allocation will be archived in an electronic format and submitted to Staff annually.

Q. Does this conclude your rebuttal testimony?

A. Yes, it does.

BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF MISSOURI

In the matter of the Application of Union Electric Company for an order authorizing: (1) certain merger transactions involving Union Electric Company; (2) the transfer of certain assets, real estate, leased property, easements and contractual agreements to Central Illinois Public Service Company; and (3) in connection therewith, certain other related transactions.	) CASE NO. EM-96-149

AFFIDAVIT OF DANIEL I. BECK

STATE OF MISSOURI)
) ss
COUNTY OF COLE)

Daniel I. Beck, of lawful age, on his oath states: that he has participated in the preparation of the foregoing written testimony in question and answer form, consisting of 26 pages of testimony to be presented in the above case, that the answers in the attached written 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.

Daniel I. Beck

Daniel I. Beck

Subscribed and sworn to before me this 6th day of May, 1996.

Joyce C. Neuner

Notary Public

My commission expires JOYCE C NEUNER NOTARY PUBLIC STATE OF MISSOURI ~~OSAGE COUNTY~~ MY COMMISSION EXP JUNE 18,1997

1. Acknowledgment and agreement that the Commission may access and require without subpoena the production of all accounts, books, contracts, records, documents, memoranda, papers, officers and employees of Ameren Corporation and any affiliate or subsidiary of Ameren Corporation.

2. Acknowledgment and agreement that the Commission may require answers and/or the appearance of officers or employees of Ameren Corporation and any affiliate or subsidiary of Ameren Corporation without subpoena to provide answers to questions upon which the Commission may need information respecting Ameren Corporation and any affiliate or subsidiary of Ameren Corporation.

3. Article 13.02 of the JDA and Article 10.2 of the SSA must be changed to include the following:

   UE and Ameren Corporation agree to provide a copy of any proposed change, amendment, modification or supplement to the Missouri Public Service Commission for approval. UE and Ameren Corporation will not seek to overturn, reverse, set aside, change or enjoin, whether through appeal or the initiation or maintenance of any action in any forum, a decision or order of the Missouri Public Service Commission which pertains to any proposed change, amendment, modification or supplement, on the basis that such change, amendment, modification or supplement has itself been filed with or approved by the FERC.

4. All wholesale electric energy or transmission service contracts, agreements, or arrangements of any kind, including the Joint Dispatch Agreement, respecting Union Electric Company (UE)and any Ameren Corporation subsidiary or affiliate required to be filed with and/or approved by the Federal Energy Regulatory Commission (FERC) shall contain and be conditioned upon the following without modification or alteration: UE and Ameren Corporation will not seek to overturn, reverse, set aside, change or enjoin, whether through appeal or the initiation or maintenance of any action in any forum, a decision or order of the Missouri Public Service Commission which pertains to recovery, disallowance, deferral, or ratemaking treatment of any expense, charge, cost, or allocation incurred or accrued by UE in or as a result of a wholesale electric energy or transmission service contract, agreement, arrangement, or transaction, on the basis that such expense, charge, cost, or allocation has itself been filed with or approved by the FERC, or was incurred pursuant to a contract, arrangement, agreement, or allocation method which was filed with or approved by the FERC. Failure to include the above language in any such contract, agreement, or arrangement shall render the same voidable at the sole discretion of the MoPSC. Should the above language be altered or invalidated by any Court or government agency, such contract, agreement, or arrangement shall be voidable at the sole discretion of MoPSC.

5. The data and calculations associated with the hour by hour After-the-Fact Resource Allocation will be archived in an electronic format and submitted to Staff annually.