EXHIBIT

Exhibit No.:	
Issue(s):	Allocation of Joint Dispatch Benefits/
Witness:	James R. Dittmer
Type of Exhibit:	Cross-Surrebuttal
Sponsoring Party:	Public Counsel
Case No.:	EC-2002-1
Date Testimony Prepared:	June 24, 2002

CROSS-SURREBUTTAL TESTIMONY

OF

JAMES R. DITTMER

Submitted on Behalf of
the Office of the Public Counsel

UNION ELECTRIC COMPANY

Case No. EC-2002-1

Exhibit No. 92
Date 7/10/02 Case No. EC-2002-1
Reporter KM

June 24, 2002

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

The Staff of the Missouri Public Service Commission, Complainant	)	
vs	)	Case No. ER-2002-1
Union Electric Company, d/b/a AmerenUE;	)	

AFFIDAVIT OF JAMES R. DITTMER

STATE OF Missouri)
) SS
COUNTY OF JACKSON)

James R. Dittmer, of lawful age and being first duly sworn, deposes and states:

1) My name is James R. Dittmer. I am a Senior Regulatory Consultant working for the firm of Utilitech, Inc. This testimony I am presenting herein is offered on behalf of the Missouri Office of the Public Counsel
2) Attached hereto and made a part hereof for all purposes is my Cross Sur rebuttal testimony consisting of pages 1 through 17.
3) I hereby swear and affirm that my statements contained in the attached testimony are true and correct to the best of my knowledge and belief.

James R. Dittmer

Subscribed and sworn to be this 24 th day of June 2002

Notary Public J.R. Huff

My commission expires 03/18/2004

JR HUFF
NOTARY PUBLIC STATE OF MISSOURI
BATES COUNTY
MY COMMISSION EXP. MAR. 18,2004

CROSS SURREBUTTAL TESTIMONY
OF
JAMES R. DITTMER
UNION ELECTRIC COMPANY
d/b/a AMERENUE
CASE NO. EC-2002-1

Q. PLEASE STATE YOUR NAME AND ADDRESS.

A. My name is James R. Dittmer. My business address is 740 Northwest Blue Parkway, Suite 204, Lee's Summit, Missouri 64086.

Q. HAVE YOU PREVIOUSLY SUBMITTED TESTIMONY IN THIS CASE?

A. Yes. I filed rebuttal testimony in this case on May 10, 2002 on behalf of the Office of the Public Counsel for the State of Missouri (hereinafter "OPC" or "Public Counsel").

Q. WERE YOUR QUALIFICATIONS DISCUSSED IN YOUR REBUTTAL TESTIMONY FILED IN THIS CASE?

A. Yes.

Q. ON WHOSE BEHALF IS YOUR CROSS SURREBUTTAL TESTIMONY BEING PRESENTED?

A. Like my rebuttal testimony filed in this case, this cross surrebuttal testimony is also being presented on behalf of the Office of the Public Counsel.

Q. WHAT TOPICS WILL YOU BE ADDRESSING IN YOUR CROSS SURREBUTTAL TESTIMONY?

A. Dr. Michael Proctor proposed within testimony filed on behalf of the Missouri Public Service Commission ("MPSC" or "Commission") Staff on March 1, 2002 that profits from off-system sales be allocated between AmerenUE and Ameren Electric Generating Company ("AEG") in a manner that differs from that set forth within the current Joint Dispatch Agreement ("JDA") between AmerenUE, AEG and CIPS. Mr. Craig D. Nelson filed rebuttal testimony on behalf of AmerenUE opposing Dr. Proctor's proposed allocation of off-system sales margins. Mr. Nelson's primary arguments are that Dr. Proctor's allocation methodology is inconsistent with the current JDA, that Dr. Proctor's adjustment is in conflict with conclusions drawn by the MPSC Staff in previous AmerenUE dockets, and that Dr. Proctor's adjustment represents a "hindsight attack" on the JDA. Mr. Nelson therefore concludes that Dr. Proctor's proposal to not use the JDA as the basis for ratemaking treatment to be afforded in this case is unfair, harmful to the Company, and should be rejected "as a matter of policy and fairness."

Beyond the passionate "procedural" argument made for rejecting Staff's proposal for allocating off-system sales, Mr. Nelson offers brief testimony that suggests that the JDA has been beneficial to AmerenUE Missouri retail ratepayers, and accordingly, no changes to the agreement or rate making adjustments are warranted.

The purpose of my cross-surrebuttal testimony being offered herein is to demonstrate that there is no requirement that a change to the JDA be approved by various regulatory commissions before a ratemaking adjustment, such as that proposed by Dr. Proctor, can be reflected within the development of AmerenUE's Missouri retail rates.

Q. WHY IS THE "PROCEDURAL" ISSUE SURROUNDING THE JDA OF INTEREST TO YOU AND THE PUBLIC COUNSEL?

A. In my rebuttal testimony filed in this case on May 10, 2002 on behalf of the OPC, I also propose an allocation of costs and benefits that differs from that established within the current JDA. Obviously, adoption of my proposed adjustment is also dependent upon a determination by this Commission that it is not legally, or "as a matter of policy and fairness," prohibited from imposing rate making adjustments that differ from that calculated pursuant to the JDA.

Q. DOES MR. NELSON EVER CLAIM THAT THIS COMMISSION LACKS THE JURISDICTION TO IMPOSE A RATEMAKING ADJUSTMENT THAT DIFFERS FROM THAT WHICH WOULD BE CALCULATED PURSUANT TO THE JDA?

A. No, Mr. Nelson never claims that this Commission lacks the jurisdiction to impose the ratemaking adjustment proposed by Dr. Proctor. Further, Mr. Nelson and the Company cannot credibly make such a claim.

Q. MR. NELSON PROVIDES CONSIDERABLE HISTORY OF THE JDA. HE DISCUSSES THE STAFF'S ANALYSIS OF THE CURRENT AND PREVIOUS JDA IN CASE NOS. EA-2000-37 AND EM-96-149. FURTHER, MR. NELSON DISCUSSES THE STAFF'S PREVIOUS CONCERNS AND THE PURPORTED ULTIMATE ACCEPTANCE AND SUPPORT FOR THE TERMS OF THE CURRENT JDA. FINALLY, MR. NELSON QUOTES EXTENSIVELY FROM ORDERS AND STIPULATION AND AGREEMENTS FROM THE TWO NOTED CASES. NOTWITHSTANDING SUCH EXTENSIVE TESTIMONY AND QUOTATIONS FROM PREVIOUS AGREEMENTS, IS THERE ANY IMPLICIT, IF NOT EXPLICIT REQUIREMENT THAT THE MPSC STAFF OR THIS COMMISSION ABIDE BY THE TERMS OF THE CURRENT JDA WHEN IT PROPOSES "RATEMAKING ADJUSTMENTS" OR "RATEMAKING TREATMENTS" IN THIS RATE SETTING PROCEEDING?

A. No. Mr. Nelson provides considerable history and argument for why the current JDA should be followed in this complaint case proceeding. Indeed, I do not believe it would be an exaggeration to characterize his testimony as nearly passionate on the topic. However, a close review of his testimony as well as the orders, stipulations and agreements which Mr. Nelson attaches to his testimony reveals that through selective quotation from such documents that Mr. Nelson is simply making the "best case" he can for his impassioned argument. A full and complete reading of the stipulations and orders attached to his testimony from

each noted case clearly reveals that neither the MPSC Staff, the OPC or the Commission are bound by the terms of the JDA for ratemaking purposes. In fact, each agreement cited reserves for the Commission to make explicit ratemaking determinations that differ from the JDA.

Q. WHAT LANGUAGE FROM THE NOTED DOCUMENTS ARE YOU RELYING UPON TO REACH THE CONCLUSION THAT NEITHER THE STAFF, THE OPC OR THE COMMISSION ARE BOUND FOR RATEMAKING PURPOSES BY THE TERMS OF THE CURRENT JDA?

A. Taking the documents in the sequential order in which they were developed, in the merger docket between Union Electric Company and Central Illinois Public Service Company established before this Commission as Case No. EM-96-149, the Company, the MPSC Staff, the OPC as well as a number of other Intervenors entered into a Stipulation and Agreement on or about July 12, 1996. That document, along with the MPSC's order approving such stipulation, have been attached in their entirety to Mr. Nelson's rebuttal testimony as Schedule 1. Paragraph 8 of the noted UE merger case stipulation was entitled "State Jurisdictional Issues." For convenience and continuity, subparagraph (e) of the section entitled "State Jurisdictional Issues" is provided in its entirety below:

> e. 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 section in 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. (Emphasis added)

The upshot and impact of the above quoted language from the first stipulation entered into between the Company, Staff, OPC and other Intervenors is that the Company could not appeal any Missouri rate decisions on the grounds that a contract or agreement was filed with, or approved by, the FERC. It is clear that the parties were agreeing that the Company would not be allowed to challenge ratemaking decisions on the grounds that it differed from a JDA approved by the FERC.

Q. IS THERE ANY OTHER LANGUAGE INCLUDED WITHIN THE MERGER STIPULATION WHICH ALSO SUPPORTS A CONCLUSION THAT RATE TREATMENT TO BE AFFORDED AFFILIATED TRANSACTIONS WAS TO REMAIN AN MPSC JURISDICTIONAL MATTER?

A. Yes. Subparagraph (g) of the same section of the Case No. EM-96-149 Stipulation and Agreement entitled "State Jurisdictional Issues" further solidify

the MPSC ratemaking authority surrounding affiliate transactions by stating the following:

> g. 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 afforded these transactions in a later ratemaking proceeding or a proceeding respecting any alternative regulation plan. (Emphasis added)***

In my opinion, the earlier quoted language from subparagraph (e) of the Case No. EM-96-149 Stipulation should leave no doubt that the parties intended for this Commission to retain complete ratemaking jurisdiction over affiliate transactions notwithstanding the fact that a JDA would be filed with and approved by the FERC. However, the just quoted subparagraph (g) leaves absolutely no doubt that this Commission was retaining the jurisdiction to "make its determination regarding the ***ratemaking treatment*** to be afforded these transactions in a later proceeding" even if a change to the JDA had been filed with the Securities and Exchange Commission or the FERC.

Q. IN APPROVING THE STIPULATION FROM CASE NO. EM-96-149, DID THIS COMMISSION IN ANYWAY, SHAPE OR FORM ACQUIESCE ITS JURISDICTIONAL AUTHORITY TO IMPOSE RATEMAKING ADJUSTMENTS OR TREATMENT WHEN IT APPROVED THE QUOTED STIPULATION?

A. No. To the contrary, in its Report and Order approving the UE/CIPS merger in Case No. EM-96-149, this Commission repeated nearly word-for-word the language that I quoted from the related Stipulation, stating as follows:

> ***UE, Ameren and each of its affiliates and subsidiaries will not seek to overturn, reverse, set aside, change or enjoin 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 contract, agreement, arrangement or transaction with any affiliate, associate, holding, mutual service or subsidiary company on the basis that such expense, charge, cost or allocation has itself f been filed with or approved by*** the Securities and Exchange Commission (SEC) or was incurred pursuant to a contract, arrangement, agreement or allocation method which was filed with or approved by the SEC. This provision is also applied to both gas and electric contracts filed with ***the Federal Energy Regulatory Commission (FERC).***
>
> No preapproval 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 determinations regarding the ratemaking treatment to be accorded these transactions in a later ratemaking proceeding*** or a proceeding respecting any alternative regulation plan. (pp 9 – 10 Case No. EM-96-149 Report and Order, ***Emphasis Added***)

Thus, it is abundantly clear that this Commission recognized the importance of the issue first raised in the Case EM-96-149 Stipulation when it undertook the effort to completely repeat such language within its Report and Order approving the UE/CIPS merger and the Stipulation that set forth conditions to the merger.

Q. YOU HAVE THUS FAR ADDRESSED THE STIPULATION AS WELL AS THE REPORT AND ORDER FROM THE UE MERGER PROCEEDING – CASE NO. EM-96-149. MR. NELSON ALSO ADDRESSES EVENTS

FROM THE COMPANY'S RESTRUCTURING CASE WHICH WAS FILED IN 1999 IN ORDER THAT THE COMPANY COULD ESTABLISH, AND TRANSFER AMERENCIPS GENERATING ASSETS TO, AN ELECTRIC WHOLESALE GENERATOR SUBSIDIARY. DID ANY EVENTS, AGREEMENTS OR ORDERS FROM THAT PROCEEDING "UNDO" ANY OF THE ISSUES REGARDING RATEMAKING AUTHORITY OF THE MPSC ESTABLISHED IN THE MERGER DOCKET – CASE NO. EM-96-149?

A. No. First, I note and emphasize that the Company specifically continued to forfeit any rights to a "jurisdictional" appeal of any MPSC ratemaking treatment that may be afforded an affiliate transaction by agreeing to the following language included within the Stipulation from that case:

> **6. Additional Conditions:**
>
> b. AmerenUE agrees that a Commission Order containing the findings required by PUHCA with respect to Genco shall in no way be binding on the Commission or preclude any party to a future rate case, earnings complaint case or second alternative regulation plan sharing credit calculation proceeding from contesting the ratemaking treatment to be afforded transactions relating to AmerenCIPS, Genco, Marketing Company, AmerenUE marketing company, Ameren Energy, or any affiliate, associate, mutual service, subsidiary or holding company.
>
> c. ***AmerenUE agrees that it 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 AmerenUE in or as a result of the JDA on the basis that such expense, charge, cost or allocation has itself been filed with or approved by the FERC, or was incurred as a result of the Commission making findings pursuant to 15 U.S.C.A § 79z-5a) (Section 32©) of PUHCA*) *(Emphasis Added)***

I also note and emphasize that the Stipulation which AmerenUE agreed to in Case No. EA-2000-37 also specifically preserved all the ratemaking authority issues agreed to in Case No. EM-96-149 by not only repeating such provisions word-for-word in the body of the Stipulation, but additionally, including the following language:

> (nothing in the conditions agreed to by AmerenUE in the instant proceeding, Case No. EA-2000-37, reduces the requirements contained in the Stipulation and agreement in Case No. EM-96-149)

Thus, it is abundantly clear that at the time of the 1999 Restructuring Case that once again the Company was acquiescing any right to raise any issue regarding ratemaking treatments surrounding the JDA or any other affiliate transaction.

Q. DID THE COMMISSION'S ORDER APPROVING THE STIPULATION FROM RESTRUCTURING CASE NO. EA-2000-37 IN ANY WAY, SHAPE OR FORM CONCEDE ANY OF THE RATEMAKING AUTHORITY ISSUES AGREED TO IN THE STIPULATION FROM THAT CASE, OR WHICH THE COMMISSION HAD SOLIDIFIED WITHIN ITS REPORT AND ORDER ISSUED IN MERGER CASE NO. EM-96-149?

A. No. Once again, to the contrary, the Commission's Order Approving the Case No. EA-2000-37 Stipulation reasserted its authority to impose ratemaking determinations regarding affiliate transaction. Specifically, in addition to approving the AmerenUE proposed transaction subject to conditions which AmerenUE and other parties agreed to in the noted Stipulation, the Commission additionally ordered:

That the Commission reserves the right to consider any ratemaking treatment to be afforded the properties and transactions herein involved in a later proceeding. (Conclusions of Law; Ordered Finding No. 5 from Case No. EA-2000-37)

Q. YOU HAVE THUS FAR PROVIDED CONSIDERABLE SUPPORT AS TO WHY YOU BELIEVE THERE IS NO LEGAL REQUIREMENT TO BE CONCERNED THAT ANY RATEMAKING TREATMENT ORDERED WITHIN THIS CASE NEEDS TO COMPLY WITH THE CURRENTLY FILED AND FERC-APPROVED JDA. NOTWITHSTANDING THE FACT THAT THERE IS NO LEGAL REQUIREMENT TO CHANGE THE JDA PRIOR TO IMPOSING A RATEMAKING TREATMENT, IS THERE NONETHELESS A "FAIRNESS" ISSUE THAT SUGGESTS THE COMMISSION SHOULD NOT CONSIDER IMPOSING A GIVEN RATE TREATMENT PRIOR TO MODIFYING THE JDA?

A. Certainly "fairness" should be an issue of concern to this Commission. Specifically, the Commission should be concerned that the outcome of any Joint Dispatch Agreement is "fair" in a rate setting proceeding such as this. Indeed, the purpose for all the noted and quoted Stipulations and MPSC Orders previously discussed was to ensure that this Commission could impose a "fair" ratemaking outcome without the fear of a party – notably the Company – asserting that this Commission could not impose what it determined to be "fair" ratemaking treatment without getting approval from other regulatory commissions (i.e., FERC).

Q. BUT WHAT OF MR. NELSON'S ARGUMENT THAT IT IS NOT "FAIR" THAT PARTIES DISREGARD AN "APPROVED CONTRACT" PRIOR TO THEIR TERMINATION OR UNTIL THEY ARE CHANGED AFTER ALL REGULATORY APPROVALS ARE OBTAINED? IS IT FAIR TO THE COMPANY TO IMPOSE A RATEMAKING OUTCOME THAT IS DIFFERENT THAN WHAT WOULD BE CALCULATED VIS-À-VIS ADHERENCE TO THE JDA?

A. Yes. Very much so. The Stipulations noted and quoted from the merger case and the restructuring case which the Company voluntarily entered into represent agreements wherein each signatory negotiated and compromised to achieve items that were of particular importance to them. Undoubtedly, the final Stipulations did not contain all the provisions that each signatory would have liked to have achieved if each party could have had it "his way." If it were extremely important to AmerenUE that this Commission *not* be able to order a ratemaking outcome that could be construed as inconsistent with a currently filed and approved JDA, then it should have insisted upon such provision prior to agreeing to and signing each Stipulation. In other words, if this condition was important to AmerenUE, it should not have signed the agreement, and instead, fully litigated the issue in an attempt to persuade the Commission of the merits of the position it was putting forth.

It is illogical for a company of the size and sophistication of AmerenUE – with its significant Missouri regulatory experience and the considerable legal resources at

its disposal at the time each noted Stipulation was entered into – to now feign surprise, shock or disappointment that parties such as the MPSC Staff or the OPC would invoke their legal right bargained for within each noted Stipulation to propose ratemaking adjustments that are inconsistent with a currently filed and approved JDA. AmerenUE should not now complain or otherwise object to an event that it voluntarily agreed to when signing stipulations in the CIPS/UE merger case as well as the restructuring case.

Q. DOES MR. NELSON OR ANYONE FROM AMERENUE OFFER ANY EQUITY ARGUMENTS AS TO WHY STAFF'S OFF-SYSTEM SALES ADJUSTMENT SHOULD NOT BE ADOPTED?

A. Mr. Nelson offers two arguments that I would characterize as "equity" reasons as to why the Staff's off-system sales allocation should not be adopted. First, Mr. Nelson argues at page 16 of his rebuttal testimony that AmerenUE and its customers have benefited from the current JDA by virtue of the fact that during certain hours and days of the year, AmerenUE is able to purchase energy from AEG at AEG's incremental cost of generation. At times, AEG's incremental generating costs can be less than AmerenUE's incremental generating costs or the market rates for purchased power that AmerenUE might otherwise be forced to pay.

I do not disagree with Mr. Nelson that, during certain hours of the year, buying at incremental cost from AEG can be beneficial to AmerenUE. However, as stated

in Dr. Proctor's testimony, AmerenUE provides or transfers more energy to AEG at its incremental cost of generation than AEG provides or transfers to AmerenUE. Thus, pursuant to the JDA AmerenUE currently foregoes more opportunities to sell energy at market prices than does AEG. Dr. Proctor explains this "foregone opportunity" argument quite extensively in his direct testimony. I submit that it is AEG that is the primary beneficiary of being able to buy energy at "incremental costs" rather than "market prices." Further, I submit that it is likely that on balance, if AmerenUE were able to sell more energy at market prices rather than selling such available energy at "incremental costs" to AEG, that the incremental margins derived from additional off-system sales would exceed the amount by which it would have to pay market prices in excess of AEG's incremental costs in those hours and days when AmerenUE would be expected to purchase energy from AEG pursuant to the JDA.

Q. MR. NELSON STATES AT PAGE 16 OF HIS REBUTTAL THAT DR. PROCTOR ACKNOWLEDGED IN DEPOSITION THAT THE JDA HAS BENEFITED AMERENUE BY PRODUCING FUEL SAVINGS OF $3-4 MILLION PER YEAR. DO YOU HAVE ANY RESPONSE TO SUCH CLAIM?

A. I have reviewed the transcript of Dr. Proctor's deposition that Mr. Nelson relies upon to conclude that the Staff calculates the JDA has provided $3-4 million of savings. Dr. Proctor was asked whether he believed UE had benefited from the JDA. Dr. Proctor responded "yes" and went on to explain that according to the

Staff's production cost simulation runs that UE was incurring approximately $3-4 million per year less in fuel and purchased power costs pursuant to the JDA than what it would incur to generate energy on a stand alone basis to meet native load.

In my rebuttal testimony filed in this case I consider and, in fact, rely extensively upon the Staff's production cost models – the very models that Dr. Proctor was addressing in deposition which Mr. Nelson relies upon to conclude that the JDA has been beneficial to AmerenUE. I will not repeat the various points made within my rebuttal testimony herein, but simply summarize by emphasizing that while the Staff's most recently prepared production cost models reflect that AmerenUE is saving approximately $4.9 million per year from joint dispatch over stand-alone generation, unregulated AEG – the smaller of the two participants to the JDA – is achieving over $32 million of savings from joint dispatch over stand-alone generation. This disparity in savings highlights the inequities in the current JDA.

Second, the $3-4 million of fuel cost savings cited by Mr. Nelson should be considered with respect to the "opportunity cost" that AmerenUE incurs when, pursuant to the JDA, it must sell excess energy above its native load requirements "at cost" to AEG rather than sell such significant blocks of energy off-system at market prices. To my knowledge, such "opportunity cost" has not been calculated by Staff. Given the volume of energy which AmerenUE transfers or sells to AEG at incremental cost, one can quickly observe that it would not take a market price

much above AmerenUE's incremental costs of transfers to AEG to arrive at a conclusion that there is no benefit to AmerenUE from participation in the JDA. It is for these reasons that it is appropriate and equitable to adopt the ratemaking adjustments proposed by Dr. Proctor and myself regarding allocation of off-system sales as well as allocation of joint dispatch savings, respectively.

Q. DOES MR. NELSON CITE ANY OTHER EQUITY ARGUMENTS OR BENEFITS OF AMERENUE PARTICIPATING IN THE JDA?

A. Mr. Nelson also notes that the JDA has allowed Ameren to have only one trading organization instead of two separate trading organizations. Thus, Mr. Nelson argues that AmerenUE has further benefited by the avoidance of redundantly staffing such department. Mr. Nelson offers no quantification of savings derived from such organization structure. Further, Mr. Nelson fails to mention or acknowledge that AEG also benefits from such avoidance of redundantly staffing a separate trading organization.

In short and in sum on the topic of "equity arguments" supporting adherence to the terms of the JDA for ratemaking purposes, Mr. Nelson quantifies very little savings related to participation in the current JDA – under the present terms for allocating costs and benefits. What claimed savings that is suggested is flawed and/or incomplete in that it fails to address all costs and benefits incurred by way of participation in the JDA by AmerenUE as well as AEG. A review of additional elements of the JDA – such as I provided within my rebuttal testimony – reveal

that the current JDA is far more advantageous to AEG than it is to AmerenUE. Accordingly, the adjustments proposed by Dr. Proctor and myself should be adopted in this case – without regard to, or fear of, jurisdictional concerns or the "fairness" or "policy" concerns noted extensively in Mr. Nelson's rebuttal testimony.

Q. DOES THAT CONCLUDE YOUR CROSS SURREBUTTAL TESTIMONY?

A. Yes, it does.