

Exhibit No.:
Issues: Impact of Staff's
Proposed Rate Reduction on
Union Employees
Witness: Leo A. Beishir
Local Union No. 1439,
International Brotherhood of
Electrical Workers
Sponsoring Party: Union Electric Company
Type of Exhibit: Rebuttal Testimony
Case No.: EC-2002-1
Date Testimony Prepared: May 10, 2002

MISSOURI PUBLIC SERVICE COMMISSION

CASE NO. EC-2002-1

REBUTTAL TESTIMONY

OF

LEO A. BEISHIR

ON

BEHALF OF

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

Exhibit No. 157
Date 7/10/02 Case No. EC-2002-1
Reporter Kem

St. Louis, Missouri
May, 2002

1 **REBUTTAL TESTIMONY**

2 **OF**

3 **LEO A. BEISHIR**

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

5 **Q. Please state your name and business address.**

6 A. My name is Leo A. Beishir. My business address is 2121 – 59th Street, St.
7 Louis, Missouri 63110.

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

9 A. I am employed by Local Union No. 1439, International Brotherhood of
10 Electrical Workers (“Local 1439”) as its Business Manager.

11 **Q. Please describe Local 1439 and the employees that it represents.**

12 A. Local 1439 represents outside physical workers in the St. Louis
13 metropolitan area, as well as employees in the Company’s Potosi and Hayti Districts in
14 central and southern Missouri. Local 1439 also represents members in Iowa and
15 Arkansas.

16 **Q. How many AmerenUE employees does Local 1439 represent?**

17 A. Local 1439 represents approximately 860 employees at AmerenUE.

18 **Q. What roles do the employees represented by Local 1439 play in the**
19 **operations of AmerenUE?**

20 A. Those employees range from the people you may see restoring your
21 service during a storm to all of the support groups that are necessary to get that job done.

22 **Q. Please describe your duties on behalf of Local 1439.**

1 A. As Business Manager, I have responsibility for representation of
2 employees of several utility and municipal employers in Missouri, Iowa, and Arkansas.
3 My duties include contract negotiation and administration along with organizing the un-
4 organized workers in these industries.

5 **Q. Please describe your employment history and involvement with**
6 **AmerenUE and Local 1439.**

7 A. I am currently on leave of absence from AmerenUE, where I have been
8 employed since 1970. Over those thirty plus years, I have been deeply involved in the
9 activities of our local union, including the following: held offices including shop steward
10 in several work groups, elected to the executive Board twice to represent two different
11 work groups; elected Vice President, President, Business Representative and my current
12 position of Business Manager.

13 **Q. What is the purpose of your testimony?**

14 A. The purpose of my testimony is to express concerns about the impact of a
15 proposed rate reduction on AmerenUE and the impact that it may have on Local 1439
16 members and Local 1439 retirees. It is our belief that this local union should support
17 AmerenUE's rate and revenue proposals on the grounds that they will enable the
18 Company to continue to provide quality service to its Missouri electrical customers,
19 thereby allowing the Company to continue to provide good jobs to its employees
20 represented by Local 1439.

21 The employees of Local 1439 are proud of their accomplishments in
22 working for a company that provides quality service at one of the lowest rates in the
23 region. This includes responding to outages and hazards to the public through all hours

1 of the night and in any kind of weather. The Company and our membership mutually
2 recognize our commitment to ensure a safe, reliable utility system for the people of
3 Missouri.

4 **Q. What is your understanding of the Staff's rate reduction proposal**
5 **submitted in this proceeding?**

6 A. It is my understanding that the Staff of the Public Service Commission is
7 recommending that the Commission reduce AmerenUE's annual electrical revenues from
8 the Missouri retail utility business by an amount between \$245 and \$285 million. A
9 recommendation of this magnitude should not be made without a total, in-depth analysis
10 of the experimental alternative regulation plan (EARP) that AmerenUE has been
11 operating under for the last six years.

12 **Q. What is Local 1439's overall concern with such a proposed reduction?**

13 A. Our Local Union is concerned that a reduction of this magnitude may limit
14 AmerenUE's ability to provide quality service to its electrical retail customers in
15 Missouri in that such a reduction may render the Company without the sufficient liquid
16 funds that will surely be required as an investment in the infrastructure to improve the
17 generation, transmission and distribution systems in the State of Missouri. As this
18 industry continues to change, the burden of liability on the Company will continue to
19 increase regarding its commitment to provide a quality supply of electricity.

20 **Q. What is your understanding of the rate and revenue proposals which**
21 **AmerenUE is making in this proceeding?**

22 A. It is my understanding that AmerenUE is recommending that the
23 Commission allow AmerenUE either to operate under a new alternative regulatory plan

1 or to set its rates under traditional cost of service principles which are more reasonable
2 and less punitive than those used by the Staff.

3 **Q. Does Local 1439 support AmerenUE's proposals?**

4 A. Yes, we do. As the Business Manager representing this group of workers,
5 who for the most part are citizens of the State of Missouri, I feel compelled to support
6 AmerenUE's recommendation that the Commission give serious consideration to the
7 continuance of an alternative regulation plan or at least an adjustment of rates based on
8 traditional cost of service principles which are more fair and reasonable to the Company
9 than those proposed by the Staff. The Company's EARP has allowed AmerenUE to
10 retain some of its improved earnings, and in turn to share a portion with its employees.
11 As a result, it has given Local 1439 members motivation to be more efficient for their
12 benefit and that of the Company, and has provided an incentive to continue to provide
13 high quality service to the public.

14 **Q. Does this conclude your testimony?**

15 A. Yes, it does.

**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI**

The Staff of the Missouri Public Service)
Commission,)
Complainant,)
vs.)
Union Electric Company, d/b/a)
AmerenUE,)
Respondent.)

Case No. EC-2002-1

AFFIDAVIT OF LEO A. BEISHIR

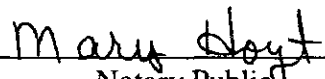
STATE OF MISSOURI)
) ss
CITY OF ST. LOUIS)

Leo A. Beishir, being first duly sworn on his oath, states:

1. My name is Leo A. Beishir. I am employed by Local Union 1439, International Brotherhood of Electrical Workers as Business Manager.
2. Attached hereto and made a part hereof for all purposes is my Rebuttal Testimony on behalf of Union Electric Company, d/b/a AmerenUE, consisting of 4 pages, all of which have been prepared in written form for introduction into evidence in the above-referenced docket.
3. I hereby swear and affirm that my answers contained in the attached testimony to the questions therein propounded are true and correct.


Leo A. Beishir

Subscribed and sworn to before me this 7th day of May, 2002.


Notary Public

My commission expires: 4-1-06

