Exhibit No.:	
Witness:	Tom Rader
Type of Exhibit:	Direct Testimony
Sponsoring Party:	River Cement Co.
Case No.	EO-2000-580

Before the Public Service Commission
of the State of Missouri

In the Matter of an Investigation)
Into an Alternative Rate Option for) Case No. EO-2000-580
Interruptible Customers of Union)
Electric Company d/b/a/ AmerenUE)
________________________________)

Direct Testimony of Tom Rader

River Cement Company

July 2000

Before the Public Service Commission
of the State of Missouri

In the Matter of an Investigation Into an Alternative Rate Option for Interruptible Customers of Union Electric Company d/b/a/ AmerenUE	)))))	Case No. EO-2000-580

Direct Testimony of Tom Rader

Q PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

A My name is Tom Rader and my business address is 1000 River Cement Rd., Festus, Missouri 63026-0903.

Q BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?

A I am employed by River Cement Company as Vice President of Manufacturing. My company is engaged in the manufacturing of portland cement. It has produced cement at this location in Missouri for 35 years and presently has 160 employees.

Q WHAT IS THE PURPOSE OF YOUR TESTIMONY?

A It is the purpose of my testimony to advise the commission of my company's position on the interruptible power tariffs presently in effect on the Union Electric system and also comment on the tariff proposal of Maurice Brubaker.

Q HAS YOUR COMPANY BEEN TAKING SERVICE UNDER CURTAILMENT TARIFFS OF UNION ELECTRIC COMPANY?

A Yes. River Cement Company has been served under interruptible service tariff for at least eight (8) years. This service was provided under Rider 10M.

Q **PLEASE DESCRIBE HOW RIDER 10M OPERATES.**

A Under Rider 10M, Ameren UE has the right to request my company to curtail production for the purpose of protecting Ameren's generation and transmission service to firm customers by lowering kilowatt demand. In return for this right of Ameren to protect its system, River Cement is charged less for the kilowatts that may be curtailed. This lower charge compensates River Cement for loss of production during the curtailment period. In the event a curtailment is required, Ameren calls as little as thirty (30) minutes before a designated curtailment period commences. At that time my company must lower its demand to a designated assurance level. My company must maintain that kilowatt level until the curtailment period is declared over by the utility.

Q **WHAT HAS BEEN YOUR EXPERIENCE IN 1998 AND 1999 WITH RESPECT TO CURTAILMENTS?**

River Cement was curtailed eight (8) times in 1998 and six (6) times in 1999.

Q **WERE SAVINGS REALIZED BY YOUR COMPANY BEING ON THE INTERRUPTIBLE POWER TARIFF OF UNION ELECTRIC?**

A Yes. Annual savings in electricity costs realized by my company as a result of taking service under the interruptible power rate of Union Electric were approximately $800,000.00 in each year over the last several years. The total savings for the three (3) year period of 1997 through 1999 are approximately 2.4 million dollars. However these savings were partially offset by production losses experienced during curtailment periods. These losses result from reduced cement production and sales.

Q **HAVE YOU HAD THE OPPORTUNITY TO REVIEW THE UNION ELECTRIC TARIFF RIDER M WHICH RECENTLY WENT INTO EFFECT?**

A Yes.

Q **WHAT IS YOUR OPINION OF UNION ELECTRIC RIDER M?**

A The Rider M proposal of Union Electric provided an up front credit for the right to curtail but the demand charge was not reduced. The amount of the credit along with a strike price was not adequate to compensate for the production of my company that would be lost as a result of a curtailment. The new rate structure, as I understand it, would provide Ameren with additional power to sell on the open market and would increase the likelihood of my company being interrupted as a result of a market pricing situation.

Q **WHAT IS YOUR CONCLUSION WITH RESPECT TO RIDER M?**

A Our analysis of the Rider M indicates that the savings would not be sufficient to compensate for the lost revenue. Accordingly it is our conclusion that Rider M would not be beneficial to River Cement and our company has not signed up for service under this Rider.

Q **ARE YOU FAMILIAR WITH THE PROPOSED ALTERNATIVE INTERRUPTIBLE TARIFF PREPARED BY MAURICE BRUBAKER.**

A Yes.

Q **IN YOUR OPINION WOULD THE BRUBAKER TARIFF BE BENEFICIAL TO THE OPERATIONS OF YOUR COMPANY?**

A Yes. The alternative tariff proposal from Mr. Brubaker addresses reliability issues at a more equitable cost to both the utility and to River Cement. It allows Ameren to sell power on the open market but with limits in the number of hours interrupted to protect River Cement from excessive interruptions. It also allows River Cement to buy through during economic interruptions if production demands warrant and thereby maintain its production. Savings under this plan are comparable with the old plan but the Brubaker Tariff allows the utility to profit from high energy prices. River Cement could choose between market conditions for cement or energy.

Q **DOES THIS COMPLETE YOUR TESTIMONY IN THIS MATTER?**

A Yes.

BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF MISSOURI

In the Matter of an Investigation Into an Alternative Rate Option for Interruptible Customers of Union Electric Company d/b/a Ameren UE	))))	Case No. EO-2000-580

AFFIDAVIT OF TOM RADER

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

Tom Rader of River Cement Company, being first duly sworn on his oath, states:

1. My name is Tom Rader. My business address is P.O. Box 1003, Festus, Missouri 63028-0903.

2. Attached hereto and made a part hereof for all purposes is my Direct Testimony consisting of 4 pages, inclusive, all of which testimony has 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.

Tom Rader

Tom Rader

Subscribed and sworn to before me this 19 day of July, 2000.

Sharon L. Williams

Notary Public

My Commission Expires Dec. 5, 2003

SHARON L. WILLIAMS
Notary Public — Notary Seal
STATE OF MISSOURI
City of St. Louis
My Commission Expires: Dec. 5, 2003