

Exhibit No.:  
Issues: Impact of Staff's  
Proposed Rate Reduction on  
Union Employees  
Witness: Robert E. Peterson  
Local Union No. 2,  
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**

**ROBERT E. PETERSON**

**ON**

**BEHALF OF**

**UNION ELECTRIC COMPANY**

**d/b/a AmerenUE**

Exhibit No. 156  
Date 7/10/02 Case No. EC-2002-1  
Reporter KRM

St. Louis, Missouri  
May, 2002

1 **REBUTTAL TESTIMONY**

2 **OF**

3 **ROBERT E. PETERSON**

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

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

6 A. My name is Robert E. (Gene) Peterson. My business address is 209 Flora  
7 Drive, Jefferson City, Missouri 65101.

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

9 A. I am employed by Local Union No. 2, International Brotherhood of  
10 Electrical Workers ("Local 2") as its Business Representative.

11 **Q. Please describe Local 2 and the employees that it represents.**

12 A. Local 2 represents outside physical workers in the Company's Region  
13 West area (central, western and northern Missouri).

14 **Q. Please describe your duties on behalf of Local 2.**

15 A. As Business Representative, I am responsible for negotiating labor  
16 agreements, processing grievances, and representing employees.

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

18 A. The purpose of my testimony is to express concerns about the impact of  
19 the proposed rate reduction of the Commission Staff ("Staff") on AmerenUE and also on  
20 the AmerenUE employees represented by Local 2. I urge the Commission to reject the  
21 rate cut that the Staff has proposed. Further, I support AmerenUE's rate and revenue  
22 proposals being made in this proceeding on the grounds that they will enable the

1 company to continue to provide quality service to its Missouri electric customers and also  
2 to continue to provide jobs to the employees represented by Local 2.

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

5 A. It is my understanding that the Staff not only has offered no serious  
6 analysis of the success of the experimental alternative regulation plan ('EARP'), but  
7 instead is recommending that the Commission reduce AmerenUE's annual electric  
8 revenues from Missouri retail customers by between \$245 and \$285 million.

9 **Q. What is Local 2's overall concern with such a proposed reduction?**

10 A. Beyond the fact that such a huge rate cut is a strange way to reward all of  
11 us who have made AmerenUE such a successful, efficient supplier of electricity, we are  
12 concerned that a reduction of this magnitude will jeopardize AmerenUE's ability to  
13 provide quality service to its electric retail customers in Missouri. We are concerned that  
14 such a dramatic rate reduction will not provide the Company with sufficient funds to  
15 invest in much needed infrastructure improvements in generation, transmission and  
16 distribution.

17 The employees of Local 2 are proud of their accomplishments in working  
18 for a company that provides quality service at one of the lowest rates in the region.

19 We also believe that the EARP under which AmerenUE has operated for  
20 the last six years, has allowed the employees of Local 2 to make a real contribution to the  
21 successful, efficient operation of AmerenUE in a way that both benefited customers and  
22 AmerenUE. Under the EARP, as our members worked hard to improve the efficiency of  
23 AmerenUE's operations, no longer would those efforts be "rewarded" by a reduction of

1 rates. Instead, under the sharing grid that allowed AmerenUE to retain some of its  
2 improved earnings, our members could see our work benefit the Company in which we  
3 earn our livelihood.

4 **Q. How many AmerenUE employees does Local 2 represent?**

5 A. Currently, Local 2 represents 293 utility members who are employed at  
6 AmerenUE. In addition, Local 2 represents 211 construction workers and 430 line  
7 clearance tree trimmers. Those employees range from the people you may see restoring  
8 your service during a storm through all of the support groups that are necessary to get that  
9 job done.

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

12 A. It is my understanding that AmerenUE is recommending that the  
13 Commission allow AmerenUE either to operate under a new alternative regulatory plan  
14 or to set its rates under traditional cost of service principles which are more reasonable  
15 and less punitive than those used by the Staff.

16 **Q. Does Local 2 support AmerenUE's proposals?**

17 A. Yes, we do. Local 2 supports AmerenUE's new alternative regulation  
18 plan and its cost of service rate proposal because they will allow not only our members,  
19 but all of us who are the men and women of AmerenUE, to continue to provide the high  
20 quality service we have in the past, and more than ever need to do in the future.

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

22 A. Yes, it does.

**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 ROBERT E. PETERSON**

STATE OF MISSOURI )

) ss

CITY OF ST. LOUIS )

Robert E. Peterson, being first duly sworn on his oath, states:

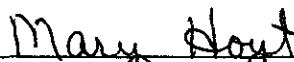
1. My name is Robert E. Peterson. I am employed by Local Union 2, International Brotherhood of Electrical Workers as Business Representative.

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 3 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.

  
Robert E. Peterson

Subscribed and sworn to before me this 2<sup>nd</sup> day of May, 2002.

  
Notary Public

My commission expires: 4-1-06

