

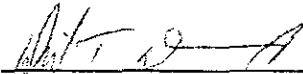
**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI**

In the Matter of Union Electric Company)
d/b/a AmerenUE for Authority to File)
Tariffs Increasing Rates for Electric) Case No. ER-2008-0318, et al.
Service Provided to Customers in the)
Company's Missouri Service Area.)

AFFIDAVIT OF DAVID DESMOND


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

David Desmond, of lawful age, on his oath states: that he has participated in the preparation of the following Direct Testimony in question and answer form, consisting of 4 pages of Direct Testimony to be presented in the above case, that the answers in the following Direct 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.



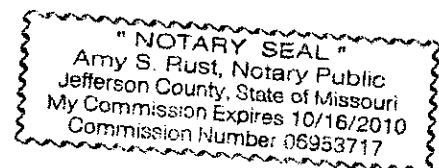
David Desmond

Subscribed and sworn to before me this 28th day of August, 2008.



Notary Public

My commission expires October 16, 2010



Union Exhibit No. 901
Case No(s) ER-2008-0318
Date 12-3-08 Rptr pk

DIRECT TESTIMONY

OF

DAVID DESMOND

SUBMITTED ON BEHALF OF IBEW LOCAL 2 and ALL AMEREN UNIONS

AMEREN

CASE NO. ER-2008-0318, et al.

1 **Q. Please identify yourself and your job title.**

2 **A.** My name is David Desmond. I am the Business Manager of International
3 Brotherhood of Electrical Workers Local 2, AFL-CIO ("IBEW 2"). My labor
4 organization represents about 1800-2000 members.

5 **Q. Please describe your history with IBEW 2.**

6 **A.** I worked as a lineman for approximately 20 years. Then I became Assistant
7 Business Manager for IBEW 2 for eight years, returned to work as a journeyman
8 lineman for one more year, and then was elected Business Manager in 2004.

9 **Q. What is IBEW 2's history with Ameren?**

10 **A.** IBEW 2 has always had some members on Ameren's permanent workforce,
11 mostly outside of the St. Louis metropolitan area. IBEW 2 members at Ameren
12 are primarily linemen. Our representation in Ameren's internal workforce has
13 been cut down so far, however, that we do not have trained replacements
14 available when someone is absent. Accordingly, most of IBEW 2's members are
15 working as subcontractors for Ameren. About 900 of IBEW 2's members are
16 currently working for Ameren either as direct employees or as subcontractors, but
17 mostly as subcontractors. In addition to linemen, IBEW 2 members working as

1 outside contractors include underground distribution techs ("URD") and tree
2 trimmers.

3 **Q. On whose behalf are you presenting this testimony?**

4 **A.** I am testifying on behalf of IBEW 2 and all Ameren local unions. The other
5 unions at Ameren consist of International Brotherhood of Electrical Workers
6 Locals 309, 649, 702, 1439, and 1455, AFL-CIO and International Union of
7 Operating Engineers Local 148, AFL-CIO.

8 **Q. What is the purpose of this testimony?**

9 **A.** I believe Ameren's petition for a rate increase should be granted, but I also
10 believe it should be conditioned on more efficient, quality service. My concern is
11 that Ameren gets the quality of service that it pays for and it has been miserly
12 about paying for service.

13 **Q. What are your concerns about efficiency and quality of service?**

14 **A.** Ameren has cut its internal workforce to the point that it cannot cover the normal,
15 sustained workload. This means that work that should be done by internal
16 linemen is being outsourced/subcontracted on a daily basis instead. The
17 subcontracting of the daily *line distribution* work is going to IBEW 2 members,
18 who are trained and certified by the U.S. Department of Labor ("DOL").
19 However, much of the outsourcing of the storm-related work is going to cheaper
20 companies who do not use trained and DOL-certified electricians. This is a
21 problem from the standpoint of both worker and customer safety, as well as
22 because their quality of workmanship is less certain. Contractors using IBEW 2
23 members warrant their work, returning to fix any problem at no extra charge. The

1 same is not true for the cheaper companies that do not use trained and certified
2 electricians; Ameren's internal workforce has to go back in and fix those
3 problems. I have offered to provide Ameren with lists of qualified subcontractors
4 across the nation, but Ameren has chosen to use cheaper labor instead.

5 Also, Ameren is using lesser trained, uncertified companies for much of its other
6 daily subcontracting needs. For example, Ameren uses ADB to perform a
7 substantial amount of its directional boring work¹, which is the replacement of
8 underground cables that have gone bad and that Ameren has decided not to repair.
9 This work is performed daily by ADB. I know the quality of ADB work is not
10 high, because Ameren's internal workforce routinely follows behind ADB fixing
11 problems left by it.

12 **Q. Do you have any recommendations to this Commission?**

13 **A.** Yes. I would like to see the Commission require Ameren to invest in its
14 employee infrastructure and require subcontractors to meet standards of training
15 and certification similar to those required by Ameren of its internal workforce.
16 This will restore quality and efficiency to the work performed, as well as insure
17 that the portion of the rate payers' monies that is attributable to employment will
18 largely remain in Missouri (and, for the Ameren operations in other states, in
19 those states).

20 **Q. Does that conclude your testimony?**

21 **A.** Yes.

¹ There is currently no DOL certification for directional boring work.