

Exhibit No. _____

Volume No. ⁸
Official Stenographers Report
Before the
**FEDERAL ENERGY
REGULATORY COMMISSION**

ORIGINAL

IN THE MATTER OF:

DOCKET NO:

**AMEREN ENERGY GENERATING
COMPANY AND UNION ELECTRIC
COMPANY**

EC03-0053-000

FILED³

APR 20 2007

Missouri Public
Service Commission

LOCATION: WASHINGTON, D.C.

PAGES: 455-708

DATE: WEDNESDAY, OCTOBER 15, 2003

ACE - FEDERAL REPORTERS, INC.

Official Reporters

1120 G Street, NW
Washington, D.C. 20005
(202) 347-3700

NATIONWIDE COVERAGE

OPC Exhibit No. 440
Case No(s) ER-2007-0002
Date 3/23/07 Rptr MV

14498

SE

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

BEFORE THE

FEDERAL ENERGY REGULATORY COMMISSION

-----x

IN THE MATTER OF: : Docket Number

AMEREN ENERGY GENERATING COMPANY : EC03-053-000

and UNION ELECTRIC COMPANY :

-----x

Hearing Room 6
Federal Energy Regulatory
Commission
888 First Street NE
Washington, DC

Wednesday, October 15, 2003

The above-entitled matter came on for hearing,
pursuant to notice, at 9:00 a.m.

BEFORE:

HONORABLE CARMEN CINTRON
ADMINISTRATIVE LAW JUDGE

APPEARANCES AS HERETOFORE NOTED

ACE-FEDERAL REPORTERS, INC.

Nationwide Coverage

SE

456

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

P R O C E E D I N G S

PRESIDING JUDGE: We have some preliminary matters. Did you work out an agreement for the stipulated issues?

MR. COCKRELL: Your Honor, it's my understanding from, I think it was, NRG, they would prefer that we take the time tomorrow when we close down at 3:30.

MR. WAIKART: We've given all our feedback to Staff's list, and I think NRG is reviewing it, and I think EPSA, too. But that sounds okay to us.

MR. COCKRELL: Could I ask your Honor, are you going to be using this room when we shut down tomorrow?

PRESIDING JUDGE: No.

MR. COCKRELL: So we could stay another half hour or so tomorrow.

PRESIDING JUDGE: We're also working on video conferencing capabilities for Friday morning. At least one of NRG's is here, so let's get started then. Oh, you're not NRG.

MR. EISENSTAT: Sorry to disappoint.

PRESIDING JUDGE: Let's get started. We'll go to Staff when you get done if NRG is not here.

Good morning, Mr. Voytas. I remind you that you're still under oath.

THE WITNESS: Yes, Judge.

ACE-FEDERAL REPORTERS, INC.

Nationwide Coverage

202-347-3700

800-336-6646

14470
SE

457

1 Whereupon,

2 RICHARD A. VOYTAS

3 resumed the stand and, having been previously duly sworn,
4 was examined and testified further as follows:

5 CROSS-EXAMINATION (Continued)

6 BY MR. WENTWORTH:

7 Q Good morning, Mr. Voytas. I will be much
8 shorter with you today than we were yesterday. I invite
9 your attention to EPSA Exhibit 16 at page 206. Are you
10 there, Mr. Voytas?

11 A Yes, I am.

12 Q This is a letter from Mr. David Brueggeman on
13 Ameren Energy Marketing -- or to Mr. David Brueggeman of
14 Ameren Services from Andrew M. Serri, vice president of
15 sales and marketing for Ameren Energy Marketing; is that
16 correct?

17 A Correct.

18 Q And this is a letter responding -- well,
19 actually, can you read the first paragraph of Mr. Serri's
20 letter?

21 A "This letter is in response to your recent
22 inquiry regarding the availability of our combustion
23 turbine generating assets. Ameren Energy Marketing is
24 pleased to follow up on our September 19th proposal by
25 including our Gibson City energy center among those assets

ACE-FEDERAL REPORTERS, INC.

Nationwide Coverage

202-347-3700

800-336-6646

1 MR. WENTWORTH: Your Honor, we would like to
2 ask for the opportunity for some limited recross.

3 PRESIDING JUDGE: That's a violation of my
4 rules.

5 MR. WENTWORTH: I understand, your Honor.

6 PRESIDING JUDGE: Okay. We'll waive the rules
7 for the limited purpose of letting you redirect. How
8 limited is it?

9 MR. WENTWORTH: I'm hoping maybe about 10 or 15
10 minutes.

11 PRESIDING JUDGE: Okay. No longer than that,
12 okay. Yes, you will have the right to redirect.

13 MR. WAIKART: Re-redirect?

14 PRESIDING JUDGE: Right. Go ahead.

15 RECCROSS EXAMINATION

16 BY MR. WENTWORTH:

17 Q One thing I wanted to clear up, Mr. Voytas, I
18 think you mentioned in your redirect that for the summer
19 of 2003 AEM elected not to invoke its rights under the
20 joint dispatch agreement?

21 A That's correct.

22 Q Is AEM a signatory to the joint dispatch
23 agreement?

24 A I would have to pull that out. AEM is agent
25 for AEG. It's a matter of semantics. AEM is the

ACE-FEDERAL REPORTERS, INC.

Nationwide Coverage

202-347-3700

800-336-6646

14498

SE

554

1 marketing arm of AEG.

2 Q What rights did it not invoke?

3 A On section 6.04 of the JDA --

4 MR. WAIKART: Your Honor, I want to clarify.

5 Is this in response to a question that I asked or in

6 response to an earlier question?

7 MR. WENTWORTH: It may be in response to Staff.

8 MR. WAIKART: That's still not kosher, your

9 Honor. We're doing recross, I guess. He has to limit his

10 questions to questions that I've just asked. I didn't ask

11 anything about the JDA.

12 PRESIDING JUDGE: That's true. Go ahead.

13 MR. WENTWORTH: Fair enough.

14 BY MR. WENTWORTH:

15 Q Was it your testimony on redirect that Ameren

16 was only interested in assets within its control area?

17 A Yes.

18 Q When you mailed out the 2001 RFP, did you only

19 send it to parties with plants located within Ameren's

20 control area?

21 A No.

22 Q Why did you send out an RFP to parties outside

23 of the control area if you were only interested in assets

24 within the Ameren control area?

25 A Because we are considering the tolling option

ACE-FEDERAL REPORTERS, INC.

Nationwide Coverage

202-347-3700

800-336-6646

14498

SE

555

1 where we are willing to consider assets outside the Ameren
2 control area. I was referring to the build or bias sets
3 within the Ameren control area statement.

4 Q And when was the -- and so that was a part of
5 the decision that was reached in January of 2002?

6 A What was a part of the decision?

7 Q The decision to limit yourself to Ameren's
8 control area for buy and build.

9 A I am not aware that AmerenUE has ever built a
10 plant outside its control area. So the statement that
11 that's when that decision was made or that policy was
12 made, I don't think is a true statement.

13 Q Does anything in the RFP say that you were
14 limiting yourself to buying or building inside the control
15 area?

16 A I don't believe so.

17 Q Now, there's nothing in the Missouri
18 Stipulation that would prohibit AmerenUE from owning
19 assets outside of its control area, is there?

20 A No, there's not.

21 Q Does anything in the RFP, the August 2001 RFP
22 indicate that you had a commercial operating need for
23 capacity in 2003 and the offers had to satisfy the summer
24 of 2003?

25 A That was the whole reason for issuing the RFP

ACE-FEDERAL REPORTERS, INC.

Nationwide Coverage

202-347-3700

800-336-6646

14498

SE

556

1 for the time period 2002 through 2011. We do not issue an
2 RFP because we don't need capacity. If we needed capacity
3 beyond 2003, we would have stated that.

4 Q Would you go outside the control area for
5 purchase power agreements or tolling agreements, but only
6 for the purchase of assets -- let me strike that.

7 So would you go outside the control area for
8 purchase power agreements and tolling agreements, but not
9 for the purchase of assets within the control area?

10 A I think your question's got two parts. The
11 first part, would we go outside the control area, and we
12 did that with American Electric Power. Now, what's the
13 second part of your question.

14 Q Your testimony is that you would not go outside
15 the control area to purchase assets?

16 A To purchase, that's correct.

17 Q When you went back to the short list of bidders
18 in the RFP, at that point had you made the determination
19 that you were only going to acquire assets?

20 A Yes.

21 Q And did you tell them that?

22 MR. WAIKART: Your Honor, I object. I don't
23 recall any questions on the short list of bidders in my
24 redirect.

25 MR. WENTWORTH: Your Honor, the redirect

ACE-FEDERAL REPORTERS, INC.

Nationwide Coverage

202-347-3700

800-336-6646

14498

SE

557

1 discussed the reasons for not offering -- for not offering
2 a new RFP, and that's what I'm inquiring into.

3 PRESIDING JUDGE: Overruled. Go ahead.

4 THE WITNESS: Please repeat the question.

5 (The reporter read the record as requested.)

6 THE WITNESS: We informed the unsuccessful
7 bidders that they were unsuccessful.

8 BY MR. WENTWORTH:

9 Q But you never told Reliant Shelby that you were
10 unsuccessful and were looking instead to buy hard assets,
11 did you?

12 A That's a two-part question. Did we tell
13 Reliant Shelby that they were unsuccessful? We told them
14 that they were successful, and we entered into a one-year
15 power purchase agreement with them.

16 Q But you did not tell them that you were
17 interested in buying or acquiring assets, did you?

18 A We told them that we were only interested in a
19 one-year power purchase agreement.

20 Q So your answer would be no?

21 A Correct.

22 Q Now, with respect to the GenPower proposal, you
23 indicated that they were unknown to AmerenUE, and that was
24 the reason you rejected their offer; is that true?

25 A I recall indicating that they were very little

ACE-FEDERAL REPORTERS, INC.

Nationwide Coverage

202-347-3700

800-336-6646

14470

SE

558

1 known to AmerenUE. I don't recall that that was the
2 reason for rejecting their offer.

3 Q Did AmerenUE do anything to investigate
4 GenPower and its track record for constructing generation?

5 A AmerenUE looked at the portfolio of assets that
6 GenPower had. In our November 2001 briefing sessions, we
7 talked about their capabilities in terms of staffing that
8 they had, and it became very apparent that they were very
9 thin and that they contracted most of their work out.

10 Q In fact, they contracted a lot of their work to
11 General Electric Power Systems, didn't they?

12 A I don't remember.

13 Q Are you familiar with General Electric Power
14 Systems?

15 A I know who General Electric is.

16 Q So are you familiar with General Electric Power
17 Systems?

18 A What do you mean by "familiar"?

19 Q Are you familiar -- do you have any knowledge
20 concerning the abilities or capabilities of General
21 Electric Power Systems to construct power plants?

22 A I have never met with a General Electric
23 representative.

24 Q So you didn't investigate whether -- you didn't
25 investigate the ability of General Electric to build a

ACE-FEDERAL REPORTERS, INC.

Nationwide Coverage

202-347-3700

800-336-6646

1 power plant that was a part of the offer for GenPower, did
2 you?

3 A No, that's not true. In looking at these
4 assets, again, we've got a variety of people to talk to,
5 and we do talk to our engineering and construction arm of
6 our business, and we do get information from them.

7 Q Did you receive any information that
8 GenPower -- I'm sorry, that General Electric Power Systems
9 was not capable of developing the project proposed by
10 GenPower?

11 MR. WAIKART: Your Honor, I'm going to object.
12 I asked him a question about GenPower. I didn't say
13 anything about General Electric, and I believe his answer
14 had to do with the size of GenPower. Now we've had five
15 or six questions on General Electric. I don't see where
16 this is within the scope of my redirect.

17 MR. WENTWORTH: Your Honor, in the -- and I can
18 point to it in EPSA-16, but the offer that was put in by
19 GenPower, part of the offer or one of the offers was for a
20 sale of the facility, and then the turnkey to construction
21 of the generation facility by General Electric Power
22 Systems.

23 MR. WAIKART: That's fine, but I didn't ask him
24 about that. Are we going to go through cross-examination
25 all over again? I thought it had to be limited to the

ACE-FEDERAL REPORTERS, INC.

Nationwide Coverage

202-347-3700

800-336-6646

SE

560

1 scope of my redirect.

2 PRESIDING JUDGE: Is it related to the scope of
3 his redirect?

4 MR. WENTWORTH: Absolutely.

5 PRESIDING JUDGE: Yeah. Overruled. Go ahead.

6 MR. WENTWORTH: I'm sure you don't remember the
7 last question.

8 THE WITNESS: You're absolutely right.

9 MR. WENTWORTH: If we can ask the court
10 reporter to read it back.

11 PRESIDING JUDGE: Can you read it back.

12 (The reporter read the record as requested.)

13 THE WITNESS: No.

14 BY MR. WENTWORTH:

15 Q Isn't it true that you essentially rejected the
16 GenPower bid because you couldn't imagine how it could
17 provide Ameren with a better deal than Ameren could have
18 built itself or provided itself?

19 A That's one consideration.

20 Q How do you know that?

21 A How do I know that? Because I know what
22 AmerenUE can do and has done, and I don't know what
23 GenPower can do or has done. They have not done business
24 with AmerenUE in the past.

25 Q And how would you know how any other party

ACE-FEDERAL REPORTERS, INC.

Nationwide Coverage

202-347-3700

800-336-6646

14470

SE

561

1 might be able to do in comparison to AmerenUE without
2 holding an RFP for new construction?

3 A How will I know what any other supplier can do?

4 Q Without holding an RFP to find out.

5 A The technology costs are costs; correct? I
6 mean, if we're talking about technology, if we're talking
7 about installing GE frame 7 machines at point A or point
8 B, the costs are the costs.

9 Q Then why are there independent power producers
10 building power plants in the United States today if the
11 regulated utilities can do it better than they can?

12 A I think the independent power producers are
13 probably asking themselves that same question. I think
14 that's why we're seeing so many go out of business, so
15 many trying to sell their assets, so many in bankruptcy.

16 Q So why would you even ask for acquisition --
17 construction or acquisition of plants in the RFP if you
18 knew you could do it better?

19 A Construction or acquisition of plants if we
20 knew we could do it better? Again, that goes back to the
21 requirement for significant capacity in the summer of 2002
22 and beyond. That capacity was needed immediately. If we
23 were to build it, we could not build it in time to meet
24 that need.

25 Q In the August 2001 RFP, it's your testimony

ACE-FEDERAL REPORTERS, INC.

Nationwide Coverage

202-347-3700

800-336-6646

14496

SE

562

1 that it included -- it was soliciting offers for the
2 construction or acquisition of new generation; right?

3 A Right.

4 Q Why would you have put that in the RFP if you
5 knew that Ameren could do it better than any bidder might
6 bid?

7 A Ameren had not built capacity to meet its needs
8 for summer of 2002. So it put that in the RFP so it could
9 acquire capacity for summer 2002.

10 Q So is it true, then, that you were only
11 interested in the other bidders for purposes of short-term
12 sales?

13 A No.

14 Q You were interested in them for building
15 plants, too?

16 A We were interested in other bidders for those
17 who had assets that were already within the Ameren control
18 area.

19 Q So is it your contention that the August 2001
20 RFP did not solicit bids for new construction?

21 A The August 2001 RFP, the first requirement
22 product stated was to purchase or buy assets.

23 Q And does it say only existing assets?

24 MR. WAIKART: Your Honor, could I have a
25 reference?

ACE-FEDERAL REPORTERS, INC.

Nationwide Coverage

202-347-3700

800-336-6616

14498

SE

563

1 THE WITNESS: Yeah, that would be helpful.

2 MR. WENTWORTH: I believe the RFP is AS-6.

3 PRESIDING JUDGE: Do you need to look at the

4 RFP, sir?

5 THE WITNESS: Yes, I do.

6 PRESIDING JUDGE: Go ahead. I heard somebody

7 saying AS-13?

8 MR. WENTWORTH: Yes, I believe that would be

9 correct.

10 PRESIDING JUDGE: Go ahead. Do you have it

11 before you?

12 THE WITNESS: No, Judge. I was going to ask

13 counsel if he has a copy, if I could review it.

14 MR. RAYBUCK: May I approach the witness, your

15 Honor?

16 PRESIDING JUDGE: Yes. Put a copy of AS-13 in

17 front of you.

18 THE WITNESS: I have AS-13 in front of me.

19 BY MR. WENTWORTH:

20 Q Page 5 of AS-13, 7.2, is it your testimony that

21 7.2 solicits bids for ownership in new facilities?

22 A It's my testimony that AS-13, page 3 of 11,

23 states "proposals must be for: (1) ownership in new or

24 existing generating facilities."

25 Q So why would you solicit bids for ownership in

ACE-FEDERAL REPORTERS, INC.

Nationwide Coverage

202-347-3700

800-336-6646

14498

SE

564

1 new facilities if you knew that AmerenUE could build
2 facilities better than anybody else out there?

3 A Again, I state proposals must be for ownership
4 in new or existing generating facilities. Again, this was
5 a broad-brush RFP to see what was out there. What we
6 truly needed was generating capacity for the summer of
7 2002 and beyond.

8 Q And where in this RFP does it tell bidders
9 that?

10 A At the sake of being redundant, I go to page 3
11 of 11, line 1. "Proposals must be for: (1) ownership in
12 new or existing generating facilities."

13 Q Okay. I think we understand your analysis.
14 Now, you indicate that one of the advantages to building a
15 power plant is that you can sell it if the market is up.

16 A That's an option.

17 Q Isn't the point of your acquiring hard assets
18 in order to meet your reserve capacity? So if you sell
19 it, then aren't you going to reduce your reserve capacity?

20 A That's true. A regulated utility like AmerenUE
21 is not in the business of building and selling capacity.
22 It's primarily in the business of serving its native load
23 as a vertically integrated utility. But that option
24 should exist. Should some -- something come along where a
25 swap or trade or something comes up, you've got that

ACE-FEDERAL REPORTERS, INC.

Nationwide Coverage

202-347-3700

800-336-6646

14498

SE

565

1 option. It's a hypothetical question, but AmerenUE
2 typically does not sell its existing generating assets.

3 Q Does AmerenUE retain the right, if you will,
4 under Missouri law, Missouri Stipulation to sell these
5 plants, Kinmundy and Pinckneyville?

6 A Whenever AmerenUE decides to change its
7 resource plan, it is required to notify Missouri Public
8 Service Commission staff of what it is doing, its reasons
9 for doing it, and its process for doing it.

10 Q Does it have to get advance approval before it
11 would sell these plants?

12 A I don't know the exact answer to that question.

13 Q Who would know?

14 A I would defer to an AmerenUE regulatory
15 attorney.

16 Q Can the Missouri Public Service Commission
17 staff ever bind the Public Service Commission itself?

18 MR. WAIKART: I object, your Honor. I believe
19 that calls for a legal conclusion.

20 MR. WENTWORTH: The witness's knowledge, your
21 Honor.

22 PRESIDING JUDGE: Sustained.

23 THE WITNESS: I don't know.

24 BY MR. WENTWORTH:

25 Q If Staff were to tell you, the Missouri Public

ACE-FEDERAL REPORTERS, INC.

Nationwide Coverage

202-347-3700

800-336-6646

SE

566

1 Service Commission were to tell AmerenUE to spend \$100
2 million on a new headquarters that would be approved by
3 the Missouri Public Service Commission staff, would you
4 just go ahead and do it?

5 A That's a hypothetical question that I can't
6 answer. The Missouri Public Service Commission does not
7 give AmerenUE preapproval to do anything. AmerenUE does
8 it and includes it in a cost-of-service study, and the
9 Missouri Public Service Commission staff reviews the
10 prudence. I can't answer that question. As a
11 hypothetical, that doesn't reflect any reality that I
12 know.

13 Q Let me ask you this hypothetical that hopefully
14 reflects your reality. If the Missouri Public Service
15 Commission staff told you to wire a generating plant and
16 AmerenUE determined that it was imprudent to do so, would
17 you still follow the direction of the Missouri Public
18 Service Commission staff?

19 A If Ameren -- if the Missouri Public Service
20 Commission staff told AmerenUE to do something?

21 Q Yes.

22 MR. WAIKART: What --

23 THE WITNESS: I can't answer it. It doesn't
24 work that way.

25 MR. WENTWORTH: It's a hypothetical question.

ACE-FEDERAL REPORTERS, INC.

Nationwide Coverage

202-347-3700

800-336-6646

14490
SE

567

1 I think the witness can answer, your Honor.

2 MR. WAIKART: Your Honor, my objection is what
3 is the second part of the question. What was the second
4 part of the question?

5 MR. WENTWORTH: Yes, if the court reporter can
6 read it back.

7 (The reporter read the record as requested.)

8 PRESIDING JUDGE: I think it was to build
9 generation, a generating plant, not to wire. Is that
10 correct?

11 MR. WENTWORTH: Yes, your Honor.

12 THE WITNESS: If AmerenUE, if the Missouri
13 Public Service Commission staff told me to build something
14 and said and we will give you 100 percent cost recovery,
15 I'd do it.

16 BY MR. WENTWORTH:

17 Q Can the Missouri Public Service Commission
18 staff give you 100 percent cost recovery?

19 A I thought that's where we've been through.
20 There's no preapproval process. Prudency is reviewed at
21 the time a rate filing is made. Can they? Yes.

22 Q The Missouri Public Service Commission staff?

23 A If AmerenUE built an asset, the Missouri Public
24 Service Commission staff could grant 100 percent cost
25 recovery.

ACE-FEDERAL REPORTERS, INC.

Nationwide Coverage

202-347-3700

800-336-6646

14498

SE

568

1 Q Isn't it the Commission that has to grant cost
2 recovery?

3 A You're correct. It's the Commission.

4 Q So the Missouri Commission staff can't direct
5 you to do anything that's imprudent, can they?

6 A That's correct.

7 Q In fact, the Missouri Commission staff can't
8 direct AmerenUE to do anything, period, can they?

9 MR. WAIKART: Your Honor, I object as
10 repetitive. I think counsel indicated 15 minutes of
11 recross, and we're already at 20 minutes and still going
12 strong.

13 PRESIDING JUDGE: Are you almost done?

14 MR. WENTWORTH: If I can get an answer to this
15 question.

16 PRESIDING JUDGE: Overruled. Answer the
17 question.

18 THE WITNESS: Please repeat the question.

19 (The reporter read the record as requested.)

20 THE WITNESS: That's not the world that I
21 operate in or know. The world I operate in and know is we
22 work with the Missouri Commission staff and work on
23 consensus. They don't tell us how to do it or what to do.
24 We present our ideas --

25 MR. WENTWORTH: I move to strike the answer.

ACE-FEDERAL REPORTERS, INC.

Nationwide Coverage

202-347-3700

800-336-6646

14470

SE

569

1 MR. WAIKART: I object to the motion to strike.
2 I think it was responsive.

3 MR. COCKRELL: I would agree with Mr. Waikart.
4 I think it was a responsive answer.

5 PRESIDING JUDGE: Denied. Are you done?

6 MR. WENTWORTH: I'm done, your Honor.

7 MR. MOONEY: Your Honor, I'd like just very
8 limited recross.

9 PRESIDING JUDGE: How limited are you?

10 MR. MOONEY: I have two --

11 MR. WAIKART: I object, your Honor. I didn't
12 ask any questions --

13 PRESIDING JUDGE: No, but I'm going to let him
14 go. From now on, I will follow -- you can redirect. I'm
15 saying I'm going to let him go, and from this afternoon
16 on, after you redirect, we go back to my original rules.
17 No exceptions for anybody.

18 MR. WAIKART: I just want to clarify, though.
19 I don't know how you apply your rules, but I did not ask
20 any redirect on questions posed by NRG.

21 MR. MOONEY: I'm asking a question regarding
22 some of the statements on redirect that were just made.

23 MR. WAIKART: You're allowing multiple recross
24 by counsel in areas that they didn't ask originally, your
25 Honor, and that I didn't redirect on.

ACE-FEDERAL REPORTERS, INC.

Nationwide Coverage

202-347-3700

800-336-6646

14498

SE

570

1 PRESIDING JUDGE: He's saying that it's
2 directed to the redirect.

3 MR. MOONEY: Redirect. It's nothing to do with
4 something we've talked about before.

5 MR. WAIKART: I did redirect on EPSA's
6 questions, not NRG's questions.

7 MR. MOONEY: This is on one of the EPSA
8 questions.

9 MR. WAIKART: I know that, but you're counsel
10 for NRG. You're not counsel for EPSA.

11 PRESIDING JUDGE: Overruled. Let him ask the
12 questions. Go ahead.

13 REXCROSS EXAMINATION

14 BY MR. MOONEY:

15 Q You've indicated that Ameren can build, develop
16 plants, in your opinion, better than other people can;
17 correct? That's one of the things you said in your
18 redirect?

19 MR. WAIKART: I object, your Honor, as being
20 outside the scope of my redirect based on questions from
21 counsel for EPSA.

22 PRESIDING JUDGE: Overruled. He did say that.
23 Go ahead.

24 THE WITNESS: I'm sorry. You didn't let me
25 answer your question.

ACE-FEDERAL REPORTERS, INC.

Nationwide Coverage

202-347-3700

800-336-6646

14470

SE

571

1 BY MR. MOONEY:

2 Q I apologize.

3 A I said AmerenUE would have to look at the value
4 of what another person could do that's better than what
5 AmerenUE can do. I did not say that AmerenUE could do it
6 absolutely better than anyone else.

7 Q Okay. Now, sir, can you tell me, you recently
8 completed a facility called the Peno Creek facility?

9 A That's correct.

10 Q And can you tell me what the cost of that
11 installed kilowatts was?

12 A Yes. The cost was approximately \$550 a kW.

13 Q And sir, in your rebuttal testimony, didn't you
14 testify that -- excuse me, Peno Creek, is that a CGT?

15 A It is.

16 Q Didn't you testify in your rebuttal testimony
17 that it should only cost approximately plus or minus \$450
18 per installed kilowatt, isn't that true, sir?

19 A That testimony was based on CTGs that were
20 added in response to a data request, and the Peno Creek
21 CTGs were not included in that number.

22 Q But you did say that, sir?

23 MR. WAIKART: Your Honor, I object. I asked no
24 questions about Peno Creek in my redirect.

25 MR. MOONEY: This is a facility that was built

ACE-FEDERAL REPORTERS, INC.

Nationwide Coverage

202-347-3700

800-336-6646

14498

SE

572

1 by Ameren. He mentioned that he thought that Ameren, as
2 he qualified it, can do a good job building plants.

3 PRESIDING JUDGE: Overruled. Go ahead and
4 answer the question.

5 THE WITNESS: I believe the question was didn't
6 the Peno Creek -- or what was the cost of the Peno Creek
7 plant, and I indicated a price of \$550 a kW approximately.

8 BY MR. MOONEY:

9 Q And you also stated in your rebuttal testimony
10 that it should cost approximately \$450 an installed
11 kilowatt to build a CTG; isn't that correct?

12 A That's correct.

13 Q Sir, last question. Sir, AEG builds these
14 plants, correct, not AmerenUE; correct? They built
15 Pinckneyville and Kinmundy, AEG did?

16 A AmerenUE built the Peno Creek facility that you
17 just referenced. Ameren built the Venice CTG 2 facility
18 that you just mentioned, and there's a host of other CTGs
19 that it built.

20 Q AEG built Kinmundy and Pinckneyville; correct?

21 A That's correct.

22 Q And sir, those are merchant plants; correct?

23 A Those are not merchant plants in the sense of a
24 typical IPP. Those plants are designated resources to
25 serve a native load, and they're dedicated through a power

ACE-FEDERAL REPORTERS, INC.

Nationwide Coverage

202-347-3700

800-336-6646

14498

SE

573

1 purchase agreement to that native load through 2006. So
2 are those merchant plants? It's a hybrid would be my
3 response.

4 MR. MOONEY: Okay. Thank you. I have no other
5 questions.

6 PRESIDING JUDGE: Okay. Counsel, redirect?

7 MR. WAIKART: I hesitate to engage in any.

8 PRESIDING JUDGE: No, there's not going to be
9 any more recross. Go ahead.

10 MR. WAIKART: I have a couple questions, your
11 Honor, just quickly.

12 FURTHER REDIRECT EXAMINATION

13 BY MR. WAIKART:

14 Q In terms of AmerenUE's preference for assets
15 within its control area, is that an absolute preference,
16 or would you characterize that as a strong business
17 preference?

18 A I would characterize that as a "strong business
19 preference." Generally, generation and load are located
20 in relative coast proximity to each other.

21 Q Okay. And in terms of AmerenUE's ability to
22 construct generation facilities, I suppose it would always
23 be possible that you could be pleasantly surprised by
24 someone else who could add value in terms of that exercise
25 over and above what UE can do; is that true?

ACE-FEDERAL REPORTERS, INC.

Nationwide Coverage

202-347-3700

800-336-6646

SE

574

1 A That's true. One other point that I would like
2 to make on that, when you construct facilities, the Peno
3 Creek facility, for instance, was put in in 12 months. To
4 make a time frame like that requires additional overtime,
5 additional accelerated schedule that has costs associated
6 with that. So you have to look at the parameters that
7 were involved in building a particular plant.

8 MR. WAIKART: That's all the questions, your
9 Honor.

10 PRESIDING JUDGE: Okay. Let me remind
11 everybody that after the lunch break, we are only doing
12 cross and redirect, end of the issue, no waivers. Okay?

13 MR. WAIKART: Thank you, your Honor.

14 PRESIDING JUDGE: Don't even get up to ask for
15 a waiver.

16 Is it Nelson that's coming up next?

17 MR. WAIKART: Mr. Pfeiffer will be our next
18 witness.

19 MR. STATMAN: Mr. Pfeiffer is here, your Honor.

20 PRESIDING JUDGE: Come back at 1:00.

21 (Whereupon, at 12:09 p.m., the hearing was
22 recessed, to be reconvened at 1:00 p.m. this same day.)

23
24
25