

Exhibit No.
Issues: Rate Design
Witness: Petree Eastman
Type of Exhibit: Direct Testimony
Sponsoring Party: Municipal Group
St. Louis County Municipal League
City of O'Fallon
City of Creve Coeur
City of University City
City of Olivette
City of St. Ann
City of Kirkwood
City of Bellafontaine Neighbors
City of Florissant
City of Richmond Heights
City of Twin Oaks
City of Ballwin
City of Brentwood
Village of Riverview Gardens
City of St. John
City of Sunset Hills

MISSOURI PUBLIC SERVICE COMMISSION

CASE NO. ER 2011-0028

DIRECT TESTIMONY

OF

PETREE A. EASTMAN

ON BEHALF OF

**THE MUNICIPAL GROUP:
ST. LOUIS COUNTY MUNICIPAL LEAGUE
CITY OF O'FALLON, CITY OF CREVE COEUR, CITY OF UNIVERSITY CITY,
CITY OF OLIVETTE, CITY OF ST. ANN, CITY OF KIRKWOOD,
CITY OF BELLAFONTAINE NEIGHBORS, CITY OF FLORISSANT,
CITY OF RICHMOND HEIGHTS, CITY OF TWIN OAKS,
CITY OF BALLWIN, CITY OF BRENTWOOD, VILLAGE OF RIVERVIEW,
CITY OF ST. JOHN, AND CITY OF SUNSET HILL**

February 10, 2011

Municipal Group Exhibit No. 750
Date 4/26/11 Reporter JMB
File No. ER-2011-0028

EXHIBIT

750

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

In the Matter of Union Electric Company)
d/b/a AmerenUE's Tariff to Increase its)
Annual Revenues for Electric Service)

Case No. ER-2011-0028

AFFIDAVIT OF PETREE A. EASTMAN

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

Petree A. Eastman, being first duly sworn on her oath, states:

1. My name is Petree A. Eastman. I am a self-employed consultant, currently consulting with the St. Louis County Municipal League.
2. Attached hereto and made a part hereof for all purposes is my Direct Testimony on behalf of the "Municipal Group" which is comprised of the St. Louis County Municipal League, the cities of O'Fallon, Creve Coeur, University City, Olivette, St. Ann, Kirkwood, Bellefontaine Neighbors, Florissant, Richmond Heights, Twin Oaks, Ballwin, Brentwood, Riverview, St. John and Sunset Hills, consisting of 14 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.


PETREE A. EASTMAN

Subscribed and sworn to before me this 10th day of February, 2011.


Notary Public

My commission expires: 3-24-13



1 **Direct Testimony of Petree A. Eastman**

2 **Case No. ER-2011-0028**

3 **Please state your name and business address.**

4 Petree A. Eastman. My business address is 560 Warren Ave. University City, MO 63130

5 **By whom are you employed?**

6 I am self-employed. I am currently consulting with the St. Louis County Municipal League.

7 **Describe your educational background, work experience and duties in your position?**

8 I have a BA from Webster University, a JD from Saint Louis University and a Masters in City
9 Planning from the University of California-Berkeley. I was previously employed by the City of
10 University City as Assistant City Manager and the chief sustainability officer for the City. My
11 primary responsibilities included research and analysis of programs and processes for improved
12 efficiency and quality of services. I was regularly called upon to seek methods of reducing costs
13 or increasing revenues without negatively impacting the high level of service demanded by the
14 community. My previous employment experience was similar in nature as well. Currently, I am
15 assisting the St. Louis County Municipal League in analyzing the proposed tariffs with regard to
16 municipal street lighting (5M, 6M and 7M) and Union Electric Company d/b/a AmerenUE's
17 (hereafter "Ameren") Class Cost of Service Study ordered by the Missouri Public Service
18 Commission in the last rate case, ER-2010-0036.

19 **On whose behalf are you appearing in this proceeding?**

20 The "Municipal Group", which is comprised of the St. Louis County Municipal League, the
21 cities of O'Fallon, Creve Coeur, University City, Olivette, St. Ann, Kirkwood, Bellefontaine
22 Neighbors, Florissant, Richmond Heights, Twin Oaks, Ballwin, Brentwood, Riverview, St. John
23 and Sunset Hills.

1 **What is the purpose of your testimony?**

2 The purpose of my testimony is to challenge Ameren's proposed tariff and rate structure for the
3 Lighting Class because the impact of the rate design on municipal street lighting customers is
4 fundamentally unfair and unreasonable. I will also propose an alternative rate design for the
5 Lighting Class that would fairly and evenly distribute whatever overall "across-the-board"
6 system average increase is approved by the Missouri Public Service Commission to all members
7 of the Lighting Class *after* removing all pole installation charges for lighting class customers that
8 have poles that were installed prior to September 1988.

9 **How is your testimony organized?**

10 My testimony is organized as follows:

- 11 • Review the Municipal Group's history in both the rate case ER -2010-0036 and the
12 current case ER-2011-0028 and why the municipal group has intervened in this matter.
- 13 • How Ameren did not remove pre-1998 pole installation charges from their calculation of
14 the rates for Lighting Class as alleged by Phillip B. Difani, Jr. (Difani Direct Testimony
15 pg. 8) and how application of these hidden charges in their proposed rate design would
16 unfairly impact 5M lighting customers.
- 17 • Propose an alternative method of calculating the rates contained in the Lighting Class that
18 evenly distributes whatever "across-the-board" system average increase that the Missouri
19 Public Service Commission orders as a result of this case and completely removes all
20 pole installation charges for customers with poles that pre-date September 1988.

21 My testimony will not address the Class Cost of Service Study (CCOS) conducted by Ameren.
22 Insofar as Ameren has not used the CCOS study for its proposed rates for the Lighting Class, the
23 Municipal Group will not address its questions and concerns about the Ameren's analysis at this

1 juncture. The Municipal Group makes no admission as to the validity of the CCOS and the
2 references made to it by Ameren's testimony.

3 **How did the Municipal Group come to enter the Rate Case?**

4 The Municipal Group contested the rates proposed by Ameren in the last rate case (ER-2010-
5 0036) before the Missouri Public Service Commission, in particular rates charged under the 5M
6 program. The Municipal Group used the experience of the City of University City to illustrate
7 the problems associated with the 5M rates. Under both the 5M, 6M and 7M customers are billed
8 in bulk. The rates are applied to the number of street lights by street light type. 5M customers
9 also pay pole installation charges on their 5M bills for poles that were installed prior to
10 September 1988.

11 The Municipal Group contended that there is a wide gap between the rates under the 5M
12 program for municipalities that pay for utility-owned street lights and those under the 6M
13 program for municipalities that only pay for energy and maintenance on the same type of street
14 lights that are owned by the municipalities. The Municipal Group contended that under most
15 circumstances, the maintenance required under the 5M rate was not significantly more than the
16 maintenance provided to 6M customers, yet the differences between the 5M maintenance and the
17 6M maintenance was very significant. The Municipal Group contended that despite repeated
18 requests by them, Ameren could not provide any information or data to support the differential.
19 No CCOS on Lighting had been performed in decades and the record before the Missouri Public
20 Service Commission did not contain any information on how the Lighting Class rates were
21 designed.

22 The Municipal Group also contended that customers in the 5M class also had to pay installation
23 charges for poles installed prior to September 1988. Customers who had poles installed after

1 September 1988 pay for pole installation upfront and are not subject to an ongoing rate. The
2 Municipal Group contended that after 22 years of paying these charges at least, the cost of any
3 pole installations were paid in full. Ameren could provide no data identifying what poles were at
4 issue, when they were installed, the cost of the installation or proof that the costs for such
5 installations were not fully paid. They also could not identify revenues paid by other utilities
6 (phone, cable, electric distribution) for use of the poles whose installation was paid by the
7 Lighting Class customers. The Municipal Group contended that the revenues from other utilities
8 derived from poles whose installation was paid for by 5M customers, should be applied to the
9 Lighting Class exclusively and not applied to all classes as Ameren stated it did.

10 The Commission ruled that a CCOS be performed and placed a moratorium on any rate increase
11 for the lighting class.

12 **What occurred after the Missouri Public Service Commission decision in the last rate case?**

13 Without input from the Municipal Group, Ameren performed a CCOS study on Lighting but
14 declined to use it in its rate design for the 5M, 6M and 7M subgroups of the Lighting Class. The
15 Municipal Group will not address the CCOS at this juncture and reserves the right to raise its
16 issues and concerns with it in its Rebuttal Testimony. The Municipal Group is not in agreement
17 with the methodology or results of the CCOS performed by Ameren.

18 **What is your understanding of the rate design that is proposed for the Lighting Class?**

19 Rather than rely on the CCOS for its Lighting Class rate design, Ameren applied the system
20 average/across the board increase of 10.8 % to the Lighting Class as a whole, but applied
21 differing percentages to 5M, 6M and 7M customer subclasses. This resulted in widely varying
22 lighting rates depending on the subclass and light type. 5M customers would see a 22% in their

1 lighting rates, 6M a 20% increase in their lighting rates and 7M would see the system average of
2 10.8% (see Tariff Sheets 39, 40, 45, and 50-53.

3 Ameren also contends that it eliminated the pole installation charges from the rate calculations.

4 However, it is immediately became apparent to the Municipal Group that it was impossible for

5 there to be a 10.8% increase to the Lighting Class when its largest subgroup would receive a

6 22% increase in their street lighting rates. 5M revenues make up 89.6% of the Lighting Class'

7 current revenue. The Municipal Group suspected that the pole installation charges/revenue,

8 which accounts for 9.1% of the Lighting Class revenue, was now being spread across all 5M

9 customers, even those that paid for pole installation upfront after 1988. This suspicion was

10 confirmed in an email received by the Municipal Group's Council from Ameren's Council.

11 (Exhibit-PAE-1). The email dialog provides in pertinent part:

12 Lee Curtis (Municipal Group-Attorney) to Wendy Tatro (Associate General Counsel-Ameren)

13 dated 9-16-2010:

14 ...“On a separate matter that I called and left a voice mail for you today. I wonder if you

15 could clarify an apparent discrepancy/error that we have noticed between Cooper's and

16 Difani's testimony and the filed tariff sheet. In their direct testimony they say the

17 proposed rate increase for 5M customers is 9.7% (Difani, p. 7; Cooper pp.23-24) yet the

18 actual tariff sheets of 5M service (sheets 39-41) reflect a 22.5% increase over the existing

19 rates. For 6M customers their direct testimonies state that those customers will receive a

20 20% increase and, in fact, the 6M Service Classification sheet 29 reflects that 20% rate

21 increase. Are we misreading something?”

22 Tatro's response to Curtis the next day provided:

23 “The two numbers reference two different things.

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The 5M increase of 9.7% (\$2,722,000) is the portion of the requested rate increase assigned to the 5M class.

The 22% comes from a different allocation of costs within the class. As part of this rate case, AmerenUE is proposing to eliminate pole and span charges that have historically been charged to many 5M customers. *When current revenues are calculated, we include the pole and span revenues (\$3,015,000).* While we are proposing to eliminate the charge, our costs for this class are not reduced [sic] and remain within the 5M class. But, when you add those together (reallocations of revenues previously allocated to pole and span charges and the class increase), you get the 22% average increase. However, it is not a real 22% increase, because a portion of was already paid by the 5M class, just through a different mechanism.” (emphasis added).

In other words, the pre-1988 pole installation charges paid by some 5M customers were spread among all 5M class customers, even those that paid upfront for the installation of their poles. This is fundamentally unfair and asks all 5M customers to bear the pre-1988 installation revenue request for those customers that have pre-1988 poles.

Why do you consider this unfair?

For ease of discussion, I will compare the City of University City and the City of O’Fallon. University City is an older inner ring suburb with monthly bill of \$52,173. (pre-FAC adjustment/rider/municipal discount/taxes) (See University City January 2011 bill Exhibit-PAE - 2) which equates to \$626,076 per year for 5M utility owned street lighting. It pays \$14,375.48 per month/\$172,505.76 per year for pole installation and span charges for poles that were installed prior to 1988.

1 O'Fallon is a newer outlying suburb in St. Charles County. Its monthly bill prior to adjustments
2 is \$67,770.87 per month/\$813,240 per year. (see O'Fallon January 2011 bill-Exhibit-PAE-3)
3 They have only \$126 in monthly/\$1518.96 per year in pole installation charges because O'Fallon
4 prepaid in full its charges for the majority of their pole installations.
5 The impact on the cities becomes clear when you impose the 22% increase against both cities
6 provided in the proposed tariff. University City would actually see a net decrease in it bill
7 because the magnitude of the pole charges on the overall bill is significant. This calculated as
8 follows:

9	University City	
10	Current Lighting Charge:	\$626,076
11	Less Pole Installation	172,505
12		
13	Adjusted Base	\$453,571
14	Multiplied by 1.225	\$555,624 (which includes pre-88 pole revenue
15		spread to all 5M customers)
16	Percent Increase /Decrease	-11.3%

17
18 However, when this exercise is conducted for O'Fallon, it becomes clear that all 5M cities,
19 would assume the pro-rated and hidden revenue request for pole installation of pre-1988 poles,
20 even to cities that paid in full up front for their pole installations after 1988 like O'Fallon:

21	O'Fallon	
22	Currently Lighting:	\$813,240
23	Less Pole Installation	1,518

24

1	Adjusted base	\$811,722
2	Multiplied by 1.225	\$994,359 (which includes the pre-88 pole
3		revenue spread to all 5M customers)
4	Percent Increase/Decrease	+22.2%

5
6 O'Fallon, which had already pre-paid nearly all of its pole installation charges up front, would
7 realize the full brunt the 22.5% rate increase.

8 **What impact does removing completely pre-1988 pole installation charges from the 22.5%**
9 **increase have on the cities with significant pre-1988 pole installation charges?**

10 Ameren's proposed rate design penalizes them also because those cities would have to continue
11 to pay pole installation charges as part of the 22.5% increase on the actual lighting rates. Thus in
12 the case of University City, if the adjusted base only had a 9.7% or a 10.8% increase applied to
13 it, they would actually realize a larger decrease in their overall bill:

14	University City	
15	Current Lighting Charge	\$636,076
16	Less Pole Installation	172,505
17	Adjusted Base	\$453,571
18	Multiplied by 1.097	\$497,567 (does not include pre-88 pole revenue
19		spread to all 5M customers)
20	Percentage/Decrease	-20.6%

21
22 Under this scenario, O'Fallon would only see a 9.7% increase in its lighting bill and would not
23 be charged for pre-1988 pole installation charges formerly paid by other municipalities.

24

1 **How was this determined?**

2 Simple mathematics. The rates under 5M were simply applied to the fixture types on current
3 bills and the unfairness was revealed. Depending on the magnitude of the pre-88 pole
4 installation charges on a 5M customer's bill determines the magnitude, plus or minus, of the
5 redistribution of those charges to entire 5M customer class.

6 **How can you reconcile Ameren's testimony about eliminating the monthly charges on pre-**
7 **1988 pole and cable installation charges and the actual lighting rates proposed for 5M**
8 **customers?**

9 I cannot. Ameren's position that it was "reasonable to eliminate these charges at this time"
10 (Difani, pp. 8-9) and that the 5M customer class would see a 9.7% increase in their rates
11 (Cooper, pp. 23-34) appears to be disingenuous at best and misleading at worst. The pre-1988
12 pole installation charges were not in fact removed but simply redistributed to all 5M customers.
13 Without having actually calculated the difference between the lighting rates from the proposed
14 tariff to those of the existing tariff, the Municipal Group and the Missouri Public Service
15 Commission may not have known of this deception.

16 **How does the Municipal Group address the methodology employed by Ameren in its**
17 **proposed tariff?**

18 All Lighting Class customers should only have the "across the board" system average increase,
19 whatever it is determined to be by the Missouri Public Service Commission, applied to the
20 lighting rates, only *after all* pre-1988 pole installation charges are removed permanently from the
21 Lighting Class revenue request. This would distribute equally any rate increase and not unfairly
22 burden some customers, who have already paid in full for their pole installation costs.

1 In other words, the Missouri Public Service Commission should remove the pre-1988 pole
2 installation revenue request from the current revenue amount for the 5M subclass and then apply
3 the percentage increase as it determines in the remainder of the proceedings. This will insure
4 that no municipality is paying for pre-1988 pole installation revenue request. The calculation
5 would appear as follows:

Current Revenue			
Rate	Pole charges	Lighting	Total
5M	\$2,850,159	\$25,086,278	\$27,936,437
6M	-	3,216,110	3,216,110
7M	-	7525	7525
Total	\$2,850,159	\$28,309,913	\$31,160,072

6
7 Then remove the current Revenue amounts for Pole Charges and this becomes the adjusted base:

Revised Current Revenue-Adjusted Base			
Rate	Pole Charges	Lighting	Total
5M	-	\$25,086,278	\$25,86,278
6M	-	\$3,216,110	\$3,216,110
7M	-	\$7,525	7,525
Total		\$28,209,913	\$28,309,913

8
9 The across-the-board system average increase should be applied as determined by the
10 Commission. For example, if the Commission determines that a 10.8% increase is in order, as
11 Ameren requests, then 10.8% would be applied to the adjusted base for each subclass of the
12 Lighting Class:

Example of How Municipal Group Proposes to Calculate Rate Increase						
Rate	Pole Charges	Lighting	Adjusted Base	Percent Increase	Proposed Increase (example)	Total Revenue
5m	-	\$25,086,278	\$25,086,278	10.8%	\$2,709,318	\$27,795,596
6M		\$3,216,110	\$3,216,110	10.8%	347,340	3,563,450
7M		\$7,525	\$7,525	10.8%	814	8,339
Total		\$28,209,913	\$28,209,913	10.8%	\$3,057,472	\$31,367,385.

1 **The Municipal Group's proposal is less than what is proposed by Ameren for the same rate**
2 **increase. Can you explain the difference?**

3 Ameren proposes a 10.8% overall increase for the Lighting Class over its current revenue stream
4 or \$34,5525,590. The difference is simply the removal of the pre-1988 pole installation charges
5 (\$2,850,159) from the current revenue stream before applying the across-the-board-system
6 average increase (here, 10.8%). The difference between Ameren proposal and the Municipal
7 Group's proposal (if 10.8% is the increase) is approximately \$3,157,976 (\$2,850,150 multiplied
8 by 1.108).

9 **It then appears that no increase for the Lighting Class would occur?**

10 On its face, yes. Because the pre-1988 pole installation charges are approximately 9.1% (a
11 deduction) of the current Lighting Class revenue, is just slightly less than the 10.8% (an addition)
12 Ameren seeks.

13 **Is the Municipal Group objecting to the across-the-board system average increase of 10.8%**
14 **proposed by Ameren?**

15 Although the Municipal Group has not filed testimony on Ameren's overall reserve
16 requirements, it does not acquiesce in Ameren's proposed 10.8% increase across-the-board.
17 The use of the 10.8% increase in the examples discussed was simply for illustration purposes.
18 The Municipal Group contests the 10.8% across-the-board system average increase because, as
19 discussed in the last case, municipalities are under great hardship and continuous rate hikes leave
20 cities little choices on reducing operating costs.

21 **Is there any other way to reduce the cost of street lighting for municipalities?**

22 Yes. Currently, cities that enter into a franchise agreement with Ameren for a minimum period
23 of 20 years receive a discount of 10%. (See Union Electric Tariff Sheet 41 for 5M Customers;

1 Union Electric Tariff Sheet 45 for 6M Customers). In order to assist cities with this vital service
2 and prevent cuts to street lighting, the Commission could bifurcate the municipalities from the
3 Lighting Class (from dusk to dawn, private residential and commercial lighting customers) and
4 offer them a lesser rate. Or the Commission could increase the percentage discount to cities that
5 agree to the franchise for a term of years. This would greatly assist cities in meeting their
6 obligations to the community and not force them to reduce the number of street lights due to
7 escalating costs. Additionally, cities would prefer a shorter minimum term of years for their
8 franchise commitments. A five year minimum term is reasonable and is permitted by statute
9 71.250 RSMo. This would provide maximum flexibility to cities in controlling costs. The
10 relevant provision in the tariff provides:

11 “Discount for Franchised Municipal Customers. A 10% discount will be applied to bills
12 rendered for lighting facilities served under the above rates and currently contracted for
13 by municipalities with whom the Company has an ordinance granted electric franchise as
14 of September 27, 1988. The above discount shall only apply for the duration of said
15 franchise. Thereafter, the above discount shall apply only when the following two
16 conditions are met: 1) any initial or subsequent ordinance granted electric franchise must
17 be for a minimum term of twenty (20) years and 2) Company must have a contract for all
18 lighting facilities for municipal lighting service provided by Company in effect.” (Tariff
19 Sheets 41 and 45).

20 Given the accelerated rate that alternative energy sources are being developed and the fact that
21 Ameren has no plans to convert or retrofit its street lights to more efficient fixtures/ bulbs, it
22 would be unfair and unreasonable to require municipal customers to a franchise contract for a
23 minimum of 20 years.

1 **In its calculation, the Municipal Group proposes that the 6M subclass receive the same**
2 **across-the-board system average increase?**

3 Yes. Ameren arbitrarily proposed to increase 6M lighting charges by 20% claiming that the
4 subclass pays far below its costs. Since, Ameren chose not to use its cost of service study as the
5 basis for its rate increase proposal then all members of the Lighting Class should be charged the
6 same across-the-board system average increase.

7 **Does the Municipal Group contest the method in which the 5M rates are designed as it**
8 **relates to the 6M energy and maintenance rates for the same fixture/light types?**

9 Yes. The Municipal Group still has significant questions and concerns about the difference
10 between the 5M rate and the 6M energy and maintenance rate. While Ameren has provided
11 some information to justify the difference, the Municipal Group still has clarifying questions
12 pending and will address this in its Rebuttal testimony if necessary.

13 **Does the Municipal Group still object to Ameren applying revenues received from other**
14 **utilities (cable, phone, electric) using the poles whose installation was paid for by 5M**
15 **customers?**

16 Yes. The 5M class members in particular have fully paid for the installation of poles used by
17 other utilities, such as phone and cable. Ameren receives revenues from those utilities that
18 should be credited directly to the Lighting Class revenue requirement, not spread to all classes of
19 customers.

20 **Ameren has previously contended that no poles being charged to the 5M class are used for**
21 **anything other than street lights. Is this true?**

22 No. Recently the City of University City inventoried all its poles and found that all wood poles,
23 (which are the predominant pole type being charged to 5M customers) have other facilities

Direct Testimony of
Petree A. Eastman

1 attached and never have only a street light on them. The poles appear to handle telephone, cable,
2 electricity to the light and/or electric distribution lines.

3 This also raises serious questions about the distribution costs being applied to the Lighting Class
4 in Ameren's CCOS. However, since the CCOS is not used as the basis for the rates, the
5 Municipal Group will not contest the CCOS at this time.

6 **Does this conclude your testimony at this time?**

7 Yes.

Lee Curtis

From: Tatro, Wendy K [WTatro@ameren.com]
Sent: Friday, September 17, 2010 11:54 AM
To: Lee Curtis
Subject: RE: 5M Tariffs

The two numbers reference two different things.

The 5M increase of 9.7% (\$2,722,000) is the portion of the requested rate increase assigned to the 5M rate class.

The 22% comes from a different allocation of costs within the class. As part of this rate case, AmerenUE is proposing to eliminate the pole and span charges that have historically been charged to many 5M customers. When current revenues are calculated, we include the pole and span revenues (\$3,015,000). While we are proposing to eliminate the charge, our costs for this class are not reduced and remain within the 5M rate class. But, when you add those together (reallocation of revenues previously allocated to pole and span charges and the class increase), you get the 22% average increase. However, it is not a real 22% increase, because a portion of it was already paid by the 5M class, just through a different mechanism.

Thus the two different percentages.

Let me know if you need any additional clarification.

Wendy Tatro
Associate General Counsel
Ameren Services
1901 Chouteau Avenue
PO Box 66149, MC 1310
St. Louis, MO 63166
314.554.3484
314.554.4014 fax
WTatro@ameren.com

From: Lee Curtis [mailto:lc Curtis@lawfirmemail.com]
Sent: Thursday, September 16, 2010 4:28 PM
To: Tatro, Wendy K
Cc: Petree Eastman
Subject: RE: 5M Tariffs

Wendy-

Thanks for sending out the work papers for the cost of service study.

On a separate matter that I called and left a voice mail message for you today, I wonder if you could clarify an apparent discrepancy/error that we have noticed between Cooper's and Difani's direct testimony and the filed tariff sheets. In their direct testimony, they say the proposed rate increase for 5M customers is 9.7% (Difani, p.7; Cooper pp. 23-24) yet the actual tariff sheets of 5M Service (Sheets 39-41) reflect a 22.5% increase over existing rates. For the 6M customers their direct testimonies state that those customers will receive a 20% increase and, in fact, the 6M Service Classification sheet 29 reflects that 20% rate increase. Are we misreading something?

Thanks,
Lee

Leland B. Curtis

THIS IS A CONFIDENTIAL COMMUNICATION FROM THE LAW FIRM OF:

CURTIS, HEINZ, GARRETT & O'KEEFE, P.C.
130 S. BEMISTON, SUITE 200
CLAYTON, MISSOURI 63105
(314) 725-8788
(314) 725-8789 (fax)

2/8/2011





Please Return This Portion With Your Payment.

AMOUNT DUE	DUE DATE
\$55,556.72	Jan 18, 2011
AMOUNT PAYABLE AFTER Jan 27, 2011	ACCOUNT NUMBER
\$56,390.07	84410-04610

Amount Enclosed \$ _____

CITY OF UNIVERSITY CITY
STREET LIGHT SERVICE
6801 DELMAR BLVD
SAINT LOUIS, MO 63130

COPY

Ameren Missouri
P.O. Box 66301
St. Louis, MO 63166-6301

10600000 0084410046100 000055556720 000055556720

Keep This Portion For Your Records

ACCOUNT NUMBER	84410-04610
NAME	CITY OF UNIVERSITY CITY
SERVICE AT	6801 DELMAR BLVD SAINT LOUIS, MO 63130

BILL DATE	Jan 5, 2011
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TOTAL AMOUNT DUE BY	Jan 18, 2011	\$55,556.72
DELINQUENT AFTER	Jan 27, 2011	\$56,390.07

Payment Received on Dec 14, 2010 \$55,491.38

Lighting kWh Service To 01/01/2011 250929.0000 SUMMARY Service To

LIGHTING SERVICE BILLING

Rate 5M Company-Owned Lighting-Municipal Service From 12/01/2010 To 01/01/2011
Municipal Lighting Discount Rider UG Cable in Other with Discount UG Cable in Dirt with Discount

Lighting Charge				\$52,173.42	
Underground Cable/Wiring	0.00	@	\$.07060000	\$4,631.29	
Underground Cable/Wiring	0.00	@	\$.13450000	\$177.54	
Cable in Other Discount	0.00	@	-.01345000	-\$17.75	
Cable in Dirt Discount	0.00	@	-.00706000	-\$463.13	
Municipal Lighting Discount	53,091.81	@	-.10000000	-\$5,309.18	
Rider FAC Adjustment	250,929.00	kWh	@	\$.00366000	\$918.39
Total Service Amount					\$52,110.58
University City Municipal Charge				\$3,446.14	
Total Tax Related Charges					\$3,446.14

QUANTITY	DESCRIPTION	MONTHLY RATE	PRORATE FACTOR	AMOUNT	DATE SERVICE TO
1332	9500 HPS Enclosed	8.59	1.0000000	11441.88	Jan 1, 2011
206	6800 MV Post Top	15.91	1.0000000	3277.46	Jan 1, 2011
2	34000 MH Direct	15.75	1.0000000	31.50	Jan 1, 2011
428	6800 MV Enclosed	8.59	1.0000000	3676.52	Jan 1, 2011
25	50000 HPS Enclosed	22.12	1.0000000	553.00	Jan 1, 2011
24	9500 HPS Open Btm	7.60	1.0000000	182.40	Jan 1, 2011
660	9500 HPS Post Top	15.91	1.0000000	10500.60	Jan 1, 2011
2	3300 MV Post Top	15.04	1.0000000	30.08	Jan 1, 2011
5	6800 MV Open Btm	7.60	1.0000000	38.00	Jan 1, 2011
100	20000 MV Enclosed	12.41	1.0000000	1241.00	Jan 1, 2011
550	25500 HPS Enclosed	12.41	1.0000000	6825.50	Jan 1, 2011
7	Std Overhead Span	2.38	1.0000000	16.66	Jan 1, 2011
314	Ornamental Pole	17.21	1.0000000	5403.94	Jan 1, 2011
1166	Wood Pole	7.68	1.0000000	8954.88	Jan 1, 2011

COPY

Current Amount Due \$55,556.72
Prior Amount Due \$0.00
Total Amount Due \$55,556.72

A late payment charge of 1.5% will be added for any unpaid balance on all accounts after the delinquent date.



00118 0052323 000143 000144 00002/00002

Keep This Portion For Your Records

ACCOUNT NUMBER	13890-81008
NAME	CITY OF O'FALLON
SERVICE	100 N MAIN, STREET LITES
ADDRESS	O FALLON, MO 63366

DEL. DATE	Jan 5, 2011
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TOTAL AMOUNT DUE BY	Jan 18, 2011	\$61,883.28
DELINQUENT AFTER	Jan 27, 2011	\$62,811.53

Payment Received on Dec 13, 2010 \$61,823.13

Lighting kWh Service To 01/01/2011 253833.0000

SUMMARY

Service To

LIGHTING SERVICE BILLING

Rate 5M Company-Owned Lighting-Municipal Service From 12/01/2010 To 01/01/2011

Municipal Lighting Discount Rider UG Cable in Dirt with Discount

Lighting Charge				\$67,770.87
Underground Cable/Wiring	0.00	@	\$.07060000	\$59.30
Cable in Dirt Discount	0.00	@	-.00706000	-\$5.93
Municipal Lighting Discount	68,699.90	@	-.10000000	-\$6,869.99
Rider FAC Adjustment	253,833.00 kWh	@	\$.00366000	\$929.03
Total Service Amount				\$61,883.28

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Finance Department

QUANTITY	DESCRIPTION	MONTHLY RATE	PRORATE FACTOR	AMOUNT	DATE SERVICE TO
5	50000 HPS Direct	24.91	1.0000000	124.55	Jan 1, 2011
1	25500 HPS Direct	15.75	1.0000000	15.75	Jan 1, 2011
141	9500 HPS Open Btm	7.60	1.0000000	1071.60	Jan 1, 2011
61	20000 MV Enclosed	12.41	1.0000000	757.01	Jan 1, 2011
170	6800 MV Open Btm	7.60	1.0000000	1292.00	Jan 1, 2011
111	6800 MV Post Top	15.91	1.0000000	1766.01	Jan 1, 2011
1	9500 HPS Enclosed	8.59	1.0000000	8.59	Jan 1, 2011
2	100000 MH Direct	49.80	1.0000000	99.60	Jan 1, 2011
1	36000 MH Direct	15.75	1.0000000	15.75	Jan 1, 2011
1	34000 MH Direct	15.75	1.0000000	15.75	Jan 1, 2011
114	25500 HPS Enclosed	12.41	1.0000000	1414.74	Jan 1, 2011
3814	9500 HPS Post Top	15.91	1.0000000	60680.74	Jan 1, 2011
15	50000 HPS Enclosed	22.12	1.0000000	331.80	Jan 1, 2011
2	Steel Breakaway Pole	51.77	1.0000000	103.54	Jan 1, 2011
3	Wood Pole	7.68	1.0000000	23.04	Jan 1, 2011
840	Spec. Facilities Chg	0.06	1.0000000	50.40	Jan 1, 2011

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Finance Department

Current Amount Due \$61,883.28
Prior Amount Due \$0.00
Total Amount Due \$61,883.28

A late payment charge of 1.5% will be added for any unpaid balance on all accounts after the delinquent date.

210.340.5910
AUB 1-11-2011



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