

**ILLINOIS COMMERCE COMMISSION  
DOCKET NOS. 06-0070 / 06-0071 / 06-0072 (CONSOLIDATED)**

**REBUTTAL TESTIMONY**

**OF**

**JOHN F. LUTH**

**Submitted On Behalf**

**Of**

**AMEREN COMPANIES**

**May 26, 2006**

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**REBUTTAL TESTIMONY**

**OF**

**JOHN F. LUTH**

**Q. Please state your name, employer, job title, and business address.**

A. My name is John F. Luth. I am employed by Ameren Services Company (“Ameren Services”) as Manager of System Metering. My office is at 1901 Chouteau Avenue, St. Louis, MO 63103. I have been employed by Ameren Services and one of its predecessor operating companies, Union Electric Company n/d/b/a AmerenUE, for 23 years. I have held my current position for four years.

**Q. What are your responsibilities as Manager of System Metering?**

A. I am responsible for commercial electric metering in Illinois, field metering for the St. Louis Metropolitan area, electric meter shops, electric meter training, meter engineering, office support, meter reading staff support, and the ongoing Automated Meter Reading (“AMR”) system for the Ameren Companies. The metering personnel that I manage include employees of AmerenCILCO, AmerenCIPS, and AmerenIP, as well as employees of AmerenUE and Ameren Services.

**Q. Please describe your educational and professional credentials.**

22 A. I earned a Bachelor of Science degree from the University of Missouri – Rolla. I  
23 earned a Masters in Business Administration from St. Louis University. I am a  
24 registered Professional Engineer in Illinois and Missouri.

25 **Q. How many personnel are in your department?**

26 A. My department presently has 136 employees.

27 **Q. Are your employees represented by the International Brotherhood of**  
28 **Electrical Workers (“IBEW”) in Illinois?**

29 A. Yes. AmerenCILCO employees are represented by IBEW Local 51. The  
30 AmerenCIPS employees are represented by IBEW Local 702. The AmerenIP  
31 employees are represented by IBEW Locals 51, 309, and 702.

32 **Q. What is the purpose of your rebuttal testimony?**

33 A. I am testifying in response to certain claims and statements made by IBEW  
34 witnesses Matt J. Moore, Daniel F. Miller, and Tom Peterson, filed on behalf of  
35 the IBEW Local Unions 51 and 702, regarding the Ameren Companies' proposed  
36 Metering Services tariffs.

37 **Q. What does your rebuttal testimony conclude?**

38 A. The IBEW witnesses make many incorrect and misleading statements about the  
39 skills, training, experience, and qualifications of employees of Cellnet and  
40 Terasen, who will deploy the AMR system for the Ameren Companies. Contrary  
41 to the IBEW's position, Cellnet and Terasen employees are abundantly qualified  
42 to perform the limited scope of work that they are being hired to perform, and  
43 they have and will perform this work in the manner required by Administrative

44 Code Part 410. Because each IBEW witness's testimony is essentially identical,  
45 my conclusion applies to all of the IBEW testimonies.

46 **DESCRIPTION OF WORK AT ISSUE**

47 **Q. Exactly what work will be done by Cellnet and Terasen employees in  
48 conjunction with deployment of the AMR system?**

49 A. Their work will be limited to very specific types of meters, specifically, self-  
50 contained, socket, single-phase and network, consumption-only meters at 240-volt  
51 and below. This is the type of meter that is installed on most homes, apartments,  
52 and small businesses. The scope of work required to replace these types of meters  
53 is very limited. The work essentially involves removing a non-automated meter  
54 from a socket, inserting an automated meter in its place, and recording details  
55 about the two meters. Various safeguards are taken to ensure that the process is  
56 done safely, but that is the basic task.

57 **Q. IBEW witness Miller claims that Ameren has not stated whether it knows the  
58 present level of skills, training, and experience that Cellnet or Terasen  
59 personnel possess (Miller Lines 333-337). There are similar claims from  
60 Moore (Lines 307-311) and Peterson (Lines 362-366). Is this true?**

61 A. No. Ameren provided this information over objection in the Supplemental  
62 Response to Data Request No. IBEW 2-14, the Supplemental Response No. 2 to  
63 Data Request No. IBEW 2-14, the Supplemental Response No. 2 to Data Request  
64 No. IBEW 2-15, and the Supplemental Response No. 2 to Data Request No.  
65 IBEW 2-19. As stated in the responses to these data requests, the Ameren  
66 Companies will supervise and monitor the work of Cellnet and Terasen to ensure

67 that the persons who install and operate the AMR system observe the  
68 requirements of Part 410, and that they otherwise utilize safe work practices and  
69 perform tasks in a workmanlike manner.

70 **Q. Each of the IBEW witnesses describes the training and qualifications of**  
71 **various categories of IBEW workers and conclude that unless Cellnet and**  
72 **Terasen employees have the same or comparable training and qualifications,**  
73 **then these Cellnet and Terasen employees are not qualified to perform work**  
74 **related to the AMR deployment. Do you agree?**

75 A. No. The work that Cellnet and Terasen employees will perform, as described  
76 above, is very limited in scope in comparison to the job duties and descriptions of  
77 IBEW personnel. For example, AmerenIP journeyman metermen,  
78 AmerenCILCO journeyman metermen, and AmerenCIPS meter technicians work  
79 with complicated programmable three-phase commercial electric meters. They  
80 need to understand various mathematical and trigonometric concepts involving  
81 phase angles, power factors, and the effects from reactive loads. They must wire  
82 instrument transformers into metering circuits in a particular arrangement in order  
83 to assure proper energy measurement. The Cellnet and Terasen employees, on the  
84 other hand, handle no programming, no three-phase, no technical concepts, and  
85 no wiring. Their work is limited to plugging and unplugging the socket meters,  
86 with prudent precautionary steps. These lines of work are drastically different  
87 from each other.

88 **DISCUSSION REGARDING RELEVANT TRAINING**

89 **Q. IBEW witness Miller discusses the responsibilities and training of an**  
90 **AmerenCIPS journeyman lineman. Is that a reasonable comparison?**

91 A. No. The responsibilities and training for linemen are far broader than the limited  
92 responsibilities to be assumed by personnel involved in the AMR deployment.  
93 For example, AmerenCIPS linemen are trained to perform the following  
94 functions, among others: (1) climbing poles; (2) driving trucks with trailers; (3)  
95 operating basket controls; (4) digging holes with a line truck auger; (5) setting a  
96 pole with a truck boom; (6) reading construction designs; (7) using air  
97 compressors; (8) stubbing poles; (9) installing anchors; (10) establishing job site  
98 protection from traffic; (11) using cutters, presses, hoists, gins, capstans, kellem  
99 grips, and various line tools; (12) recognizing, handling, and installing various  
100 conductors, splices, sleeves, guys, cross-arms, insulators, and a variety of pole  
101 hardware; (13) framing and constructing poles according to a variety of  
102 construction standards; (14) installing, connecting, replacing, and removing  
103 single-phase and three-phase line transformers in a variety of electrical  
104 configurations; (15) installing, repairing, and removing streetlights; (16)  
105 performing pole top rescue; (17) stringing, sagging, attaching, splicing, and  
106 energizing overhead conductors; (18) installing and maintaining fuse links; (19)  
107 installing and maintaining line disconnect switches; (19) fire fighting; (20)  
108 recognizing, installing, replacing, and removing current and potential  
109 transformers; (21) recognizing, installing, and replacing line capacitors; (22)  
110 installing and maintaining services; (23) installing and replacing electric meters;  
111 (24) PCB clean-up; (25) installing line guards; (26) following Workers Protection

112 Assurance procedures; (27) grounding circuits; (28) installing, replacing, and  
113 removing lightning arrestors; (29) installing, replacing, and removing reclosers  
114 and sectionalizers; (30) operating load-break tools; (31) line switching; (32)  
115 primary circuit troubleshooting; (33) operating trenchers, backhoes, and boring  
116 equipment; (34) installing, connecting, and splicing underground cables; (35)  
117 installing, connecting, replacing, and removing pad-mounted transformers; (36)  
118 installing, connecting, replacing, removing, and operating pad-mounted  
119 switchgear. The personnel who will deploy the residential-type electric meters for  
120 the AMR system will perform only the very limited meter exchange.  
121 Consequently, there is no reason why these personnel should need to demonstrate  
122 that same qualifications and training as an AmerenCIPS lineman.

123 **Q. Are you aware of any relationship between the IBEW Locals and Terasen,**  
124 **one of the companies cited in the IBEW testimony and whom the IBEW**  
125 **witnesses claim will use unqualified employees?**

126 A. It is my understanding that the IBEW Locals 51 and 702 have reached an  
127 agreement with Terasen and will be representing Terasen employees for this  
128 AMR deployment. These employees will be trained in the same manner as if they  
129 were non-union employees.

130 **Q. The IBEW witnesses claim that 40 hours of training is not adequate for the**  
131 **personnel who will deploy the residential-type electric meters for the AMR**  
132 **system (Miller Lines 354-372, Moore Lines 328-348, and Peterson Lines 384-**  
133 **404). Do you agree?**

134 A. No. As stated previously, the personnel who will deploy the residential-type  
135 electric meters for the AMR system will have a very limited scope. The closest  
136 classification the Ameren Companies have to this limited line of work is the  
137 AmerenIP meter changer. The total classroom time AmerenIP requires for its  
138 meter changers is just under 80 hours, which includes training for electric meters  
139 *and gas meters*. Because the work to be performed during the AMR deployment  
140 encompasses fewer tasks and is of a more limited scope than ordinarily performed  
141 by a meter changer, the Ameren Companies are confident that 40 hours of initial  
142 training is sufficient.

143 **Q. Have the Ameren Companies discussed the AMR project with Staff?**

144 A. Yes. Ameren representatives, including myself, met with selected Staff members  
145 on October 26, 2005. In that meeting Staff urged us to include a provision in the  
146 services agreement with Cellnet requiring compliance with the Administrative  
147 Code Part 410, "Standards of Service For Electric Utilities."

148 **Q. Did Ameren include such a provision in its services agreement?**

149 A. Yes.

150 **DISCUSSION REGARDING PART 460**

151 **Q. Each of the IBEW witnesses claims that Administrative Code Part 460, not**  
152 **Part 410, applies to the work of Cellnet and Terasen and, therefore, these**  
153 **contractors must become certified as Meter Service Providers ("MSPs"). Do**  
154 **you agree?**

155 A. I do not agree. First, as I just testified, Staff has expressed the view that Part 410  
156 applies; no mention was made of Part 460 at our October 2005 meeting. Second,

157           though I am not attorney and I am not offering a legal opinion, the plain language  
158           of the regulation excludes utilities. Part 460.20 (“Application”) specifically  
159           states: “This Part shall not apply to...any electric utility’s operation within the  
160           utility’s service territory.” Cellnet and Terasen are not subject to certification  
161           under Part 460 because they will be performing work on behalf of the Ameren  
162           Companies, and not on their own behalf as Meter Service Providers (MSPs).  
163           Frankly, this is not an unusual circumstance. There are other aspects involving  
164           the provision of meter services where from time to time Ameren uses other  
165           vendors or third parties.

166   **Q.    Does Part 460 preclude service or technology companies from performing**  
167           **selected meter work on behalf of Illinois utilities in their service territories?**

168   A.    I have read and am familiar with Part 460 and have found nothing in the  
169           regulation that makes any such prohibition.

170   **Q.    Do the Ameren Companies already have service or technology companies**  
171           **performing selected meter work on their behalf?**

172   A.    Yes. J. F. Electric and Terasen currently provide meter reading services on behalf  
173           of the Ameren Companies. J. F. Electric personnel set, remove, and replace  
174           electric meters. Neither of these entities are certified as MSPs to perform these  
175           limited functions, nor to my knowledge has the Commission ever said that they  
176           need to be.

177   **Q.    Do the Ameren Companies currently utilize automated systems?**

178   A.    Yes. The AmerenCIPS areas of Alton and East St. Louis (formerly AmerenUE)  
179           have utilized a Cellnet AMR system for several years. Cellnet’s system provides

180 automated meter reading services, but Cellnet is not registered as an MSP, and to  
181 my knowledge no one has ever suggested that it need be. In a number of cases the  
182 Ameren Companies teleport meter consumption data from the meter to an  
183 Ameren central server, even though the Ameren Companies do not own or  
184 maintain the phone lines. The telephone companies, to my knowledge, are not  
185 MSPs, and I am not aware of anyone claiming that they need to be.

186 **Q. The IBEW witnesses claim that the proposed meter service tariffs for the**  
187 **respective Ameren Companies are in part “false” (Miller Lines 261-288,**  
188 **Moore Lines 236-263, and Peterson Lines 291-318). Do you agree?**

189 A. Not at all. The cited text states that the Ameren Companies will “own, furnish,  
190 install...and maintain all Company meters and all associated equipment used for  
191 retail billing and settlement purposes in its service area” (Miller Lines 264-266,  
192 Moore Lines 239-241, and Peterson Lines 294-296). The Ameren Companies  
193 will in fact continue to own, furnish, install and maintain all the electric meters.  
194 The “associated equipment” referenced in this text includes parts of the metering  
195 circuits that affect the metering functions, such as current transformers, potential  
196 transformers, and connected wiring. These devices are the associated equipment  
197 that affect the functions of the electric meter used for retail billing and settlement  
198 purposes, specifically, measuring electric energy consumption accurately and  
199 displaying it on the meter, as required by Part 410. Ameren Companies will  
200 continue to own, furnish, install, and maintain this associated equipment.

201 **Q. Are the AMR modules and related communications equipment an integral**  
202 **part of the meters or an integral part of electric service?**

203 A. No. This should be obvious from the fact that the Ameren Companies (and their  
204 predecessors) have furnished service since the invention of electricity without  
205 metering consumption through an AMR system. The AMR modules and related  
206 communication network are not necessary to deliver service or to operate the  
207 meter. The modules simply allow the meter to be read electronically. The AMR  
208 system (modules and network) automatically transmits the progress of the meters  
209 but does not affect the basic energy measurement functions or the accuracy of  
210 those meters. The Ameren Companies will continue to own the meters and  
211 associated metering equipment, and the Ameren Companies are responsible for  
212 their accuracy.

213 **CONCLUSION**

214 **Q. The IBEW witnesses recommend that the Commission not approve the**  
215 **proposed the Ameren Companies' meter service tariffs as "just and**  
216 **reasonable" and furthermore recommend that the Commission require the**  
217 **Ameren Companies to use the services of a Commission-certificated MSP or**  
218 **bar the Ameren Companies from using Cellnet or Terasen to provide**  
219 **metering services until both entities have become certificated under Part 460**  
220 **(Miller Lines 449-458, Moore Lines 425-434, and Peterson Lines 494-503).**  
221 **Do you agree?**

222 A. No. The IBEW is obviously attempting to interject labor jurisdictional issues into  
223 these rate proceedings. None of the IBEW witnesses claim that the Ameren  
224 Companies will not perform metering services; that any rate or charge for  
225 metering services will be unjust or unreasonable; or that any aspect of the

226 metering tariffs is in any way relevant to whether any costs that the Ameren  
227 Companies seek to recover in rates were prudently incurred. Instead, the  
228 witnesses claim that the Ameren Companies' proposed metering tariffs are unjust  
229 and unreasonable because the companies propose to secure the services of private  
230 contractors and oversee those private contractors to do certain limited meter work  
231 that the IBEW believes its membership at the utility has the exclusive right to  
232 perform. Most notably the IBEW recognizes it will lose meter reading work as a  
233 result of automation. The Commission should not discourage automation and the  
234 improved customer service benefits that it brings. There is no reasonable  
235 argument that the training to be provided for the AMR project is insufficient as  
236 compared to comparable work of Ameren Company utility personnel. This whole  
237 argument boils down to a labor dispute, and the Commission should deny all  
238 IBEW recommendations.

239 **Q. Does this conclude your rebuttal testimony?**

240 A. Yes.

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