

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

**SURREBUTTAL TESTIMONY
OF
MICHAEL J. GETZ**

**Submitted On Behalf
Of
AMEREN COMPANIES**

July 14, 2006

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SURREBUTTAL TESTIMONY

OF

MICHAEL J. GETZ

Q. Please state your name and business address.

A. My name is Michael J. Getz, and my business address is One Ameren Plaza, 1901 Chouteau Avenue, St. Louis, Missouri, 63103.

Q. What is your current position at Ameren?

A. I am employed by Ameren Services Company (“Ameren Services”) as the Managing Supervisor of Plant Accounting.

Q. What is your educational background and work experience?

A I was graduated from Bradley University in 1982 with a Bachelor of Science degree in Accounting. In 1983, I obtained my Certified Public Accountant certification in the State of Illinois. I began my employment at Central Illinois Light Company in 1984. In 1988, I received my Masters of Business Administration degree from Bradley University, and obtained my Certified Management Accountant certification in 1996. I have worked in various positions in the Fixed Assets, Accounts Payable, and General Accounting areas. In 2003, I assumed my current position after the acquisition of Central Illinois Light Company by Ameren. My primary job responsibility is to supervise the accounting processes for CILCO’s project management and fixed assets system

24 including monthly journal entries, unitization of work orders and regulatory
25 reporting.

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

27 A. My surrebuttal testimony will explain the accounting procedures used by Ameren
28 for general plant and the balances of general plant at the various Ameren
29 companies to demonstrate that the general plant rate base balances are
30 appropriate.

31 **Q. What process is used to accumulate costs for general plant assets?**

32 A. Individual work orders or project accounts are set up for each specific Ameren
33 company to record the costs of the fixed assets. Individual items costing
34 \$100,000 or more require a specific project, while projects less than that may be
35 grouped together under a blanket work order.

36 **Q. How does Ameren ensure that assets are recorded on the correct companies'**
37 **books?**

38 A. A specific or blanket project number and the related assets are only assigned to
39 one company. As a result it is not possible to charge a company other than the
40 one the project was created for. Account edit routines reject the accounting as
41 invalid if the project is not set up for the company. If an item benefits multiple
42 companies, a project is recorded on the books of AMS and the using companies
43 are billed each month. In addition, charges are reviewed during asset unitization
44 to verify they are appropriate for the project. These controls are in place to ensure
45 that the assets are recorded on the proper company's books.

46 **Q. Are assets on the non-regulated companies books shared with the regulated**
47 **companies and vice versa?**

48 A. No. The company benefiting from the asset records that asset on their books.
49 AMS holds assets that benefit multiple companies as described above. If an asset
50 is no longer needed by one company but can be used by another company, it
51 would be transferred at book cost in the property records.

52 **Q. What type of property is recorded in general plant?**

53 A. General plant as defined by the Uniform Systems of Accounts is comprised of
54 accounts 389 – 399. The accounts are specified as:

- 55 389 – Land and land rights
- 56 390 – Structures and improvements
- 57 391 – Office furniture and equipment
- 58 392 – Transportation equipment
- 59 393 – Stores equipment
- 60 394 – Tools, shop and garage equipment
- 61 395 – Laboratory equipment
- 62 396 – Power operated equipment
- 63 397 – Communication equipment
- 64 398 – Miscellaneous equipment
- 65 399 – Other tangible property

66 **Q. Why is it not possible to record general plant in a functional account?**

67 A. The above accounts are to be used when property cannot be included in a more
68 specific functional account. Ameren has utilized account 316, Miscellaneous

69 Power Plant Equipment, to record tools, office, lab, communication and
70 transportation equipment related to steam and other production property. In the
71 case of general plant land and buildings, it consists primarily of district offices
72 that typically house both gas and electric transmission and distribution crews so
73 they are recorded as general plant. For the other types of general plant property
74 there is no specific transmission or distribution account identified by the Uniform
75 System of Accounts to record these assets. Neither electric transmission nor
76 distribution functions include a miscellaneous plant equipment account or specific
77 accounts to record vehicles or other general plant items. As a result, the general
78 plant function contains the only valid accounts to record and classify these assets.

79 **Q. How were costs for general plant assigned when the power plants were**
80 **divested form the utilities?**

81 A. As noted above, many of the assets typically considered as general plant had
82 already been recorded in the Miscellaneous Power Plant Equipment account 316.
83 In addition, a review was done of location information in the general plant
84 accounts to identify property supporting generation. The assets in these accounts
85 were transferred from CIPS and CILCO to GEN and ARG, respectively.

86 **Q. What was the value of general plant items transferred to the generation**
87 **companies?**

88 A. Approximately \$38 million dollars of general plant items, including account 316,
89 were transferred from CIPS to GEN and \$7 million dollars was transferred from
90 CILCO to ARG. These amounts represent 22% and 12% of electric general plant
91 items for CIPS and CILCO, respectively.

92 **Q. Does this conclude your surrebuttal testimony?**

93 A. Yes

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