

CITIES EX. 1.0.R

BEFORE THE ILLINOIS COMMERCE COMMISSION

DOCKET NOS. 09-0306 THROUGH 09-0311 (CONSOLIDATED)

APPLICATION OF
CENTRAL ILLINOIS LIGHT COMPANY d/b/a/ AMERENCILCO,
CENTRAL ILLINOIS PUBLIC SERVICE COMPANY d/b/a/ AMERENCIPS and
ILLINOIS POWER COMPANY d/b/a/ AMERENIP

REVISED

DIRECT TESTIMONY
OF
STEVEN F. BRODSKY

ON BEHALF OF
THE CITY OF CHAMPAIGN AND THE TOWN OF NORMAL, ILLINOIS

December 11, 2009

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DIRECT TESTIMONY OF
STEVEN F. BRODSKY

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APPENDICES

SFB-1 STATEMENT OF QUALIFICATIONS – STEVEN F. BRODSKY

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4 **DIRECT TESTIMONY OF**

5 **STEVEN F. BRODSKY**

6 **I. INTRODUCTION AND QUALIFICATIONS**

7 **Q. Please state your name, occupation, and business address.**

8 A. My name is Steven F. Brodsky. My business address is 1801 California Street, Suite
9 2800, Denver, Colorado, 80202

10 **Q. By whom are you employed and in what capacity?**

11 A. I am employed by R. W. Beck, Inc., an SAIC company (“R. W. Beck”) as a Senior
12 Director.

13 **Q. Please outline your educational background.**

14 A. I have a Bachelor of Science Degree in Electrical Engineering from the University of
15 Illinois and a Master of Science Degree in Electrical Engineering from Carnegie-
16 Mellon University. I also completed a Masters of Business Administration Degree at
17 Colorado State University.

18 **Q. Please describe your professional engineering experience.**

19 A. I worked at San Diego Gas and Electric for four years as an Electrical Engineer,
20 performing transmission and distribution planning and design projects. I worked at
21 Westinghouse for several years where I developed cutting edge technologies for power
22 system applications, including transmission and distribution. At Tri-State Generation

23 & Transmission Association (“Tri-State”), I was the Power System Planning
24 Supervisor for five years. I led a group of transmission planners doing power flow,
25 power system stability, reliability, economic and fault studies needed to identify
26 projects necessary to serve members loads and to deliver generation across the
27 transmission system. I was also a Supervisor at Tri-State in the Finance Department,
28 securing financing, tracking and analyzing the leases and bonds for capital projects for
29 transmission and generation facilities. I also worked for Tri-State as its Operations
30 Project Manager, where I was responsible for oversight over the firm’s transmission
31 and generation capital projects. At R. W. Beck I have worked on many projects
32 regarding distribution and transmission planning, financing and design. My clients
33 and stakeholders include investor owned utilities, municipal electric utilities,
34 generation and transmission cooperatives, public utility commissions, banks and other
35 consultants regarding electric utilities.

36 **Q. Are you a professional engineer?**

37 A. Yes, I am registered as a professional engineer (electrical) in the states of Colorado
38 and California.

39 **Q. On whose behalf are you testifying in this proceeding?**

40 A. I am testifying on behalf of the Cities of Champaign and Normal, Illinois (“Cities”).
41 The Cities and their constituents receive electric service from the AmerenIP system of
42 Ameren Illinois Utilities (“AIU”)

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II. PURPOSE AND SCOPE

45 **Q. What is the purpose of your testimony in this proceeding?**

46 A. The Cities requested R. W. Beck to review the streetlight rates and reliability of
47 AmerenIP's electric distribution and transmission systems that serve the Cities. This
48 testimony solely addresses electric distribution and transmission reliability. Ms.
49 Nancy Hughes' testimony separately addresses streetlights.

50 Ms. Nancy Hughes and I performed the work and were responsible for the work of
51 others that was required for our respective testimonies.

52 **Q. What information did you review in performing your analysis?**

53 A. The information used to form the opinions presented were founded upon responses to
54 data requests that were provided by AIU and the direct testimony to the subject
55 Docket of certain AIU employees. Information was also accessed from the public
56 domain, such as reports and other filings made to the Illinois Commerce Commission
57 ("ICC"). I also used personal knowledge of power systems.

58 Information provided by AIU in its responses to data requests was not comprehensive
59 in that certain data was directly requested, but not provided. Consequently, I had to
60 use what was available at the time of submitting this testimony.

61 We did not conduct any additional studies. We used analyses, reports and data that
62 were performed by AIU, the ICC or others, as augmented by our personal experience
63 with similar systems.

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III. SUMMARY AND RECOMMENDATIONS

66 **Q. Please summarize your testimony and recommendation.**

67 A. While AmerenIP works to improve the reliability of its electric transmission and
68 distribution systems, there are still a number of important issues that require ongoing
69 attention by the ICC and AmerenIP. This testimony addresses a number of important
70 issues, including:

71 1. During the past four years, AmerenIP has been continually reducing the amount that it
72 spends on maintaining its electric system (e.g., Maintenance Investments). It is my
73 opinion that reductions in maintenance could lead to reductions in the reliability of
74 electric service and that AmerenIP should increase its Maintenance Investments.
75 Moreover, AmerenIP should provide the ICC with annual reports that show its
76 Maintenance Investment on a per customer basis.

77 2. AmerenIP's data indicates that approximately 12 percent of its system is older than its
78 expected life. It is my opinion that such assets are more likely to fail, thereby
79 reducing the reliability of electric service. AmerenIP should implement a plan that
80 identifies aged assets and makes the necessary investments to replace such assets in a
81 timely manner. AmerenIP should also provide the ICC with an annual report on the
82 status of aged asset replacements, including the physical age of all assets, the expected
83 physical life of each asset class and its plans to replace to assets that exceed expected
84 physical life.

85 3. AmerenIP is not compliant with the National Electric Safety Code ("NESC") in 3,698
86 known instances. It is my opinion that this unnecessarily exposes the public to
87 potential harm and could lead to failures in its electric system. AmerenIP should

88 expedite the resolution of all NESC violations and provide the ICC with quarterly
89 reports on the status of all associated corrective actions.

90 4. The Liberty Report provided AmerenIP with recommendations that would, in part,
91 improve the reliability of its electric system. To date, AmerenIP's records show it has
92 not yet implemented 111 of these recommendations and has no plans to implement an
93 additional 11 recommendations (122 total). It is my opinion that AmerenIP should
94 expedite the implementation of all recommendations or provide specific reasons why
95 such recommendations should not be implemented. AmerenIP should provide the ICC
96 with periodic reports on the status of implementing all recommendations.

97 5. Electric reliability could also be improved by using distribution tap fuses. Distribution
98 tap fuses improve reliability by sectionalizing the electric system in the event of a
99 fault, thereby reducing the number of customers without electricity and reducing the
100 duration of outages. To date, AmerenIP has not provided sufficient information to
101 facilitate an understanding of how many locations do not have such fuses.

102 6. Pole failures can negatively affect the reliability of electric service. AmerenIP has
103 recently increased the frequency of conducting strength related pole inspections.
104 However, the effects of such new programs may not become apparent for many years.
105 Consequently, it is my opinion that the ICC needs to continue to monitor the number
106 of poles that AmerenIP inspects per year, the number of poles that require replacement
107 or repair, and the resolution each discovered problem.

108 This testimony discusses each of the above findings in greater detail.

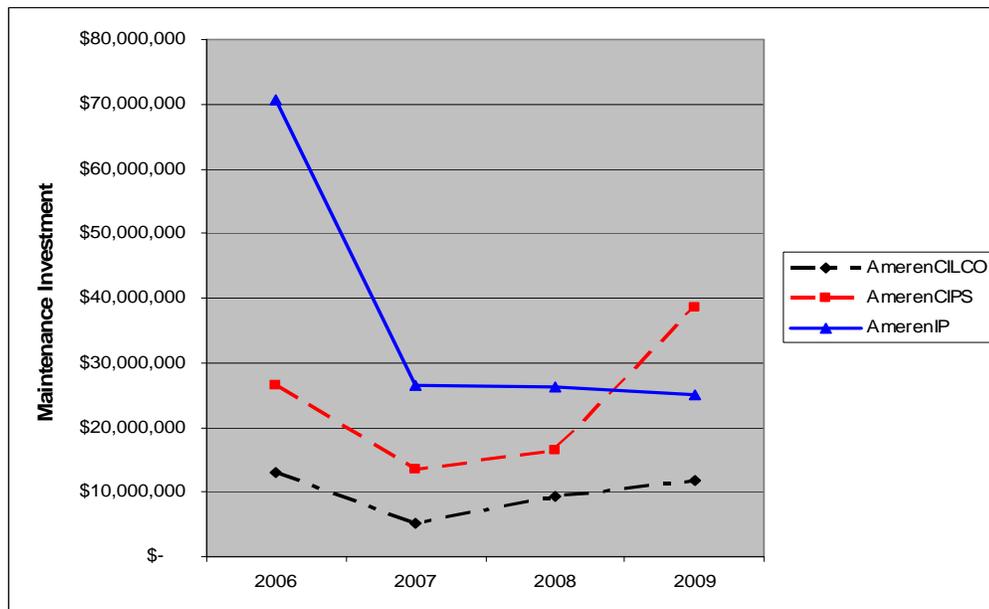
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IV. MAINTENANCE INVESTMENTS

111 **Q. Please discuss how Maintenance Investments impact reliability.**

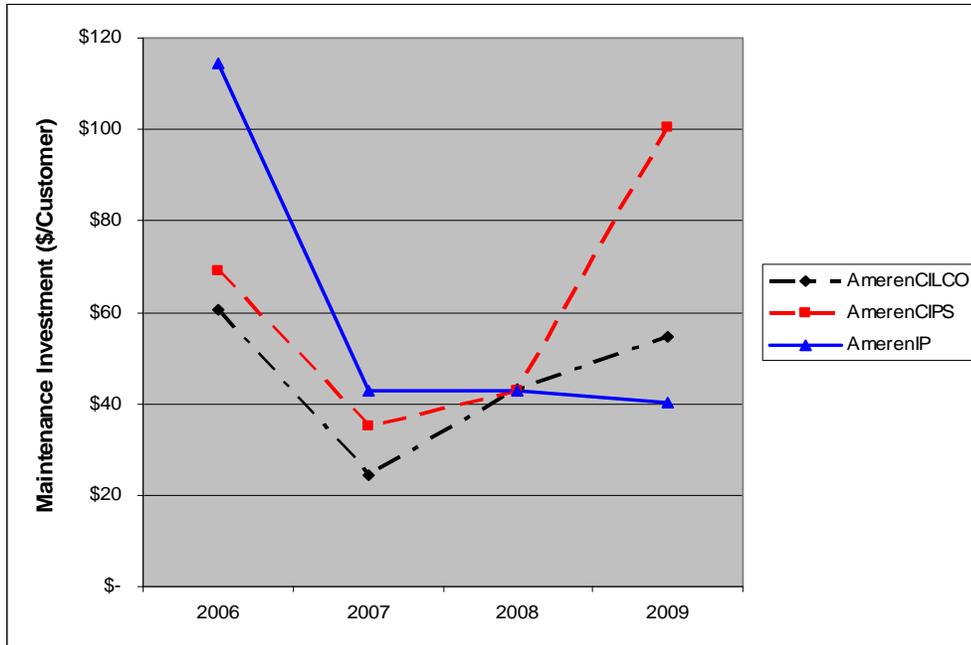
112 A. Electric systems require ongoing maintenance in order to be reliable. AmerenIP
113 routinely conducts maintenance on its electric transmission and distribution systems
114 and categorizes certain expenses as a Maintenance Expense. In response to data
115 request number CITIES 2.04, AIU provided a table titled, “Ameren Illinois Utilities,
116 Summary 2006-2009, Customer, Maintenance and Improvement Investment.” AIU’s
117 response to data request number CITIES 3.01 was also utilized for customer count
118 data. The data contained in AIU’s responses has been summarized below in Figure 1
119 (Total Annual Maintenance Investments) and Figure 2 (Total Annual per Customer
120 Maintenance Investment) for AIU’s three systems. It is my opinion that looking at
121 costs on a per customer basis (as shown in Figure 2) is more meaningful since the size
122 of the three Illinois systems are different.



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Figure 1: Total Annual Maintenance Investments



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Figure 2: Total Annual per Customer Maintenance Investments

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AIU's above data indicates that between the years 2006 and 2009, AmerenIP's total annual Maintenance Investment had been declining. This is observed in total Maintenance Investments (Figure 1) and per customer Maintenance Investments (Figure 2). In fact, between the years 2006 and 2009, AmerenIP has decreased its total annual Maintenance Investments from \$70,646,100 to \$24,910,400, an overall reduction of approximately 65 percent. On a per customer basis, AmerenIP decreased its Maintenance Investments from \$114 per customer to \$40 per customer, an overall reduction of approximately 65 percent. This is in contrast to Maintenance Investments for AmerenCILCO and AmerenCIPS, which demonstrated an increase in total (Figure 1) and per customer (Figure 2) Maintenance Investments between the years 2007 and 2009. The available information and AIU's testimonies do not contain any information that explains why AmerenIP has been reducing its Maintenance Expense.

139 In conclusion, AmerenIP has reduced Maintenance Investments in its system, which
140 over time, could result in a reduction in electric reliability to its customers. It is my
141 opinion that AmerenIP should increase its Maintenance Investments, and, the ICC
142 should investigate why AmerenIP has been reducing its Maintenance Investments.

143 **V. AGING INFRASTRUCTURE**

144 **Q. Please discuss how aging infrastructure impacts reliability.**

145 A. It is my opinion that as electric distribution assets age, the likelihood of failures
146 generally increases, thereby causing a reduction in electric reliability. The ICC
147 requires AmerenIP to report on the age of its assets, stating,

148 “A report of the age, current condition, reliability and performance of the
149 jurisdictional entity’s existing transmission and distribution facilities, which
150 shall include, without limitation, the data listed below. In analyzing and
151 reporting the age of the jurisdictional entity’s plant and equipment, the
152 jurisdictional entity may utilize book depreciation. Statistical estimation and
153 analysis may be used when actual ages and conditions of facilities are not
154 readily available” (see Illinois Administrative Code, Title 83, Chapter 1,
155 Subchapter C, Part 411, Section 411.120(G) - Notice and Reporting
156 Requirements).

157 AmerenIP’s report to the ICC titled, “Response to 83 Illinois Administrative Code
158 411, 2008 Annual Report”, filed June 1, 2009 (“Annual Report”) responds to the
159 above requirement and contains information about the age and condition of its electric
160 distribution assets.

161 It should be noted that the Annual Report utilized book depreciation data (e.g., net
 162 book value) and not actual or physical age data. Noting the ICC’s above requirement,
 163 it appears that AmerenIP does not have actual or physical age data. Consequently, the
 164 following discussion about the age of assets is based on the only currently available
 165 information, being AmerenIP’s book depreciation data. However, it is my opinion
 166 that it would be preferable to examine aged asset issues with actual or physical age
 167 data instead of book depreciation data. It is recommended that the ICC direct
 168 AmerenIP to use physical age data instead of book depreciation data.
 169 Table 1, below, summarizes AmerenIP’s electric distribution asset data, which
 170 includes AmerenIP’s stated expected life for each asset class, total net book value, the
 171 net book value of assets that exceed its expected life (as aged assets) and the percent
 172 of aged assets in each asset class.

173 **Table 1: Aged Distribution Asset Summary⁽¹⁾**

Distribution Asset Class	Life (1)	Total Net Book Value (1)	Net Book Value of Aged Assets (2)	Percent Aged (2)
Structure & Improvements	60	\$ 10,622,186	(3)	(3)
Station Equipment	52	\$ 281,201,298	(3)	(3)
Poles, Towers and Fixtures	31	\$ 458,432,038	\$ 68,883,789	15%
Overhead Conductor and Devices	35	\$ 414,774,234	\$ 56,655,214	14%
Underground Conduit	33	\$ 24,015,611	\$ 4,767,885	20%
Underground Conductor and Devices	23	\$ 210,022,057	\$ 30,230,372	14%
Line Transformers	43	\$ 274,076,141	\$ 22,239,437	8%
Services Overhead	31	\$ 69,818,593	\$ 15,717,245	23%
Services Underground	31	\$ 111,035,679	\$ 17,329,869	16%
Total		\$ 1,853,997,837	\$ 215,823,809	12%

175 Notes: (1) Source: AmerenIP’s Annual Report, Exhibit 411.120.b.3.G

176 (2) Data is based on AmerenIP’s Annual Report, Exhibit 411.120.b.3.G, as adjusted to estimate aged assets.

177 (3) AmerenIP’s Annual Report does not provide sufficient information for these assets.

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179 The above data in Table 1 provided the basis for the following observations:

180 1. The total net book value of AmerenIP's distribution assets was approximately
181 \$1,854 million (as of December 31, 2008).

182 2. AmerenIP's Annual Report indicated that a portion of its distribution assets are older
183 than its life. The total net book value of aged assets is shown above to be
184 approximately \$215.8 million (as of December 31, 2008). As noted above, aged assets
185 have been defined as the value of assets that are older than AmerenIP's assumed life
186 for each asset class. The direct testimony of Mr. Ronald D. Pate explains that it is
187 important to replace aged assets in, "When equipment reaches the end of its life span,
188 it needs to be replaced."

189 3. Approximately 12 percent of all of AmerenIP's distribution assets were considered to
190 be aged, as of December 31, 2008.

191 4. The age of approximately 23 percent of all of AmerenIP's "Services Overhead" (e.g.,
192 the electric distribution lines that connect directly to a customer's residence or
193 business) exceed its stated life.

194 5. The age of approximately 20 percent of all of AmerenIP's "Underground Conduit"
195 exceed its stated life.

196 6. The age of approximately 8 to 16 percent of AmerenIP's all other distribution assets
197 exceed its stated life.

198 7. To illustrate the financial impact of replacing aged distribution assets; if we assume
199 the replacement of \$215.8 million in aged assets were spread evenly over a 5-year
200 period at a 3 percent annual escalation rate; then AmerenIP would experience an
201 annual expenditure of approximately \$47.1 million per year. Furthermore, the

202 \$215.8 million of aged assets is not fixed, but is actually increasing over time, since
203 the age of all assets is continuously increasing. It should also be noted that this
204 illustration is based on the net book of aged assets and not forecasted replacement
205 costs. Replacement costs are likely to be greater than the depreciated book value of
206 aged assets. My review of available reports and AIU testimony failed to uncover
207 sufficient plans or budgets for the replacement of aged assets. In summary, the
208 estimated cost of replacing AmerenIP's aged assets is currently greater than
209 \$47.1 million per year (\$215.8 million total).

210 In conclusion, a significant portion of AmerenIP's distribution assets are older than its
211 life and that replacement of such assets could require an investment of approximately
212 \$215.8 million (as based on the net book value of aged assets). It is my opinion that
213 since the likelihood of failure generally increases with the age of assets, AmerenIP
214 should increase spending on the replacement of aged assets in order to provide reliable
215 electric service to its customers. Furthermore, AmerenIP should implement a program
216 to identify, prioritize and address aging assets. In addition, it is recommended that
217 AmerenIP investigate the availability of actual (physical) data and use it in studying
218 and reporting on aged assets.

219 The age of electric transmission assets could also affect the reliability of electric
220 service. In this regard, the previously noted ICC reporting requirement and
221 AmerenIP's Annual Report were applicable. Unfortunately, the data found in the
222 Annual Report does not contain sufficient granularity to examine transmission assets
223 that are over 50 years in age. Consequently, while it is my opinion that transmission

224 assets are important, its impact on reliability could not be examined due to a lack of
225 meaningful data.

226 **VI. EMERGENCY RESPONSE PLANS**

227 **Q. Please address how AmerenIP's Emergency Response Plan affects reliability.**

228 A. It is my opinion that planning ahead for adverse weather could lead to better
229 preparedness, response and improve the reliability of electric service. The Liberty
230 Consulting Group's "Final Report on the Investigation of Wind and Ice Storm
231 Preparedness and Restoration of the Ameren Illinois Companies", to the ICC, dated
232 August 15, 2008 ("Liberty Report") recommended numerous changes to AmerenIP's
233 emergency response plan. I requested a copy of AmerenIP's emergency storm plan.
234 As of the date of this testimony, such plan has not yet been made available to me.
235 Consequently, I have not developed any opinions of such plans at this point in time.

236 **VII. NESC COMPLIANCE**

237 **Q. Is AmerenIP's system compliant with NESC?**

238 A. No. The Direct Testimony of Mr. George T. Justice (dated June 2009) states that,
239 "Additionally, in 2007, NESC deficiencies were discovered after routine inspections
240 performed by Staff of the Illinois Commerce Commission ("Staff")." Ameren Exhibit
241 11.1 lists 26,318 NESC violations that were addressed during the year ended
242 December 31, 2008. The information that was not included was the number of NESC
243 violations that remain unresolved. The status of unresolved violations was requested
244 in the CITIES 3.02 data request. In response, AIU provided an electronic spreadsheet
245 for all complete and unresolved NESC corrections, as summarized below in Table 2.

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Table 2: Status of AmerenIP’s NESC Violations

Description	Completed NESC Violations
Work Performed in 2008 ⁽¹⁾	26,318
Work Performed in 2009 ⁽²⁾	
Bloomington OC	117
Champaign/Danville OC	334
Decatur OC	26
Subtotal	477
Other AmerenIP OCs	<u>3,769</u>
Subtotal 2009 Completions	4,246
Total Completed Work	30,564
Unresolved NESC Violations ⁽²⁾	
Bloomington OC	220
Champaign/Danville OC	168
Decatur OC	135
Subtotal	523
Other AmerenIP OCs	<u>3,175</u>
Subtotal Unresolved Violations	3,698
Total AmerenIP NESC Violations	34,262

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Notes: (1) Source: Direct Testimony of George T. Justice, Exhibit 11.1

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(2) Source: AmerenIP’s response to data request CITIES 3.05, includes completions through August 14, 2009.

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AIU’s data, above, provided the basis for the following observations:

251

1. The total number of discovered NESC violations in AmerenIP was 34,262.

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2. The total number of completed NESC violations in AmerenIP was 30,564 (as of August 14, 2009).

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3. The total number of unresolved NESC violations in AmerenIP is 3,698 or approximately

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11 percent of the total violations (as of August 14, 2009).

256 4. The Operating Centers that serve the Cities account for 523 of the 3,698 unresolved
257 NESC violations (as of August 14, 2009).

258 In addition, it is my opinion that one overarching objective of the NESC is to promote
259 public safety. Failure to adhere to the NESC compromises public safety. AmerenIP
260 has made it very clear that it is aware of 3,698 existing violations. Consequently, it is
261 my opinion that AmerenIP's failure to resolve all of its NESC violations is
262 unnecessarily exposing its customers to potential harm.

263 Lastly, the failure to comply with NESC could result in failures in AmerenIP's electric
264 system, thereby reducing its electric reliability.

265 It is recommended that AmerenIP provide the Cities and ICC with quarterly status
266 reports on the remediation of all NESC violations. Furthermore, AmerenIP should
267 expedite the completion of all associated remediation.

268 **VIII. LIBERTY REPORT RECOMMENDATIONS**

269 **Q. Did AmerenIP implement all of the recommendations from the Liberty Report?**

270 A. No. The Liberty Report, dated August 15, 2008, provided the ICC and AmerenIP with
271 an independent set of recommendations that could improve the reliability of electric
272 service. It is my opinion that all such recommendations deserve consideration by
273 AmerenIP and that it should either implement such recommendations, implement such
274 recommendations with modifications, or state why such recommendations should not
275 be implemented.

276 The Direct Testimony of Mr. George T. Justice (dated June 2009) states that, "As
277 discussed by Mr. Pate, in response to damages caused by storms in 2006, an audit of
278 the AIU's system was performed by the Liberty Consulting Group. As a result of that

279 audit, 157 reliability and storm management improvements were recommended. The
280 AIUs have committed to implement all recommendations that are prudent and improve
281 service and reliability.” I followed-up on this issue by obtaining a list of the Liberty
282 Report recommendations and the status of each one in its data request numbered
283 CITIES 3.06, “Referencing the testimony of Mr. George T. Justice, page 3, please
284 provide a list of each recommendation found in the Liberty Consulting Group’s audit,
285 in which the Company does not currently have a response plan.” AIU’s response to
286 CITIES 2.09 states, “For all of the recommendations in the Liberty Consulting
287 Group’s audit, the Company has a response plan and is actively working with Liberty
288 to resolve all of the recommendations.” The information that was obtained through
289 data request number CITIES 3.06 is summarized below in Table 3 (Status of Liberty
290 Report Recommendations) and Figure 3 (Status of Liberty Report Recommendations).
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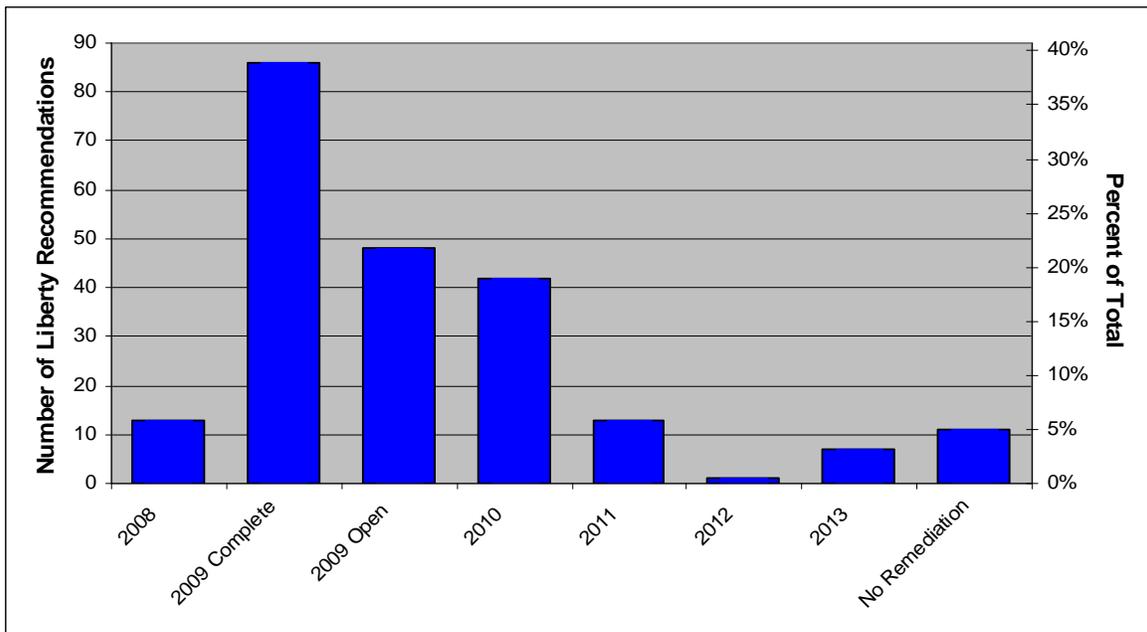
Table 3: Status of Liberty Report Recommendations ⁽¹⁾

Status of Liberty Report Recommendations	Number
Completed Recommendations	
2008	13
2009	<u>86</u>
Subtotal Completions	99
Incomplete Recommendations	
2009	48
2010	42
2011	13
2012	1
2013	<u>7</u>
Subtotal Incomplete	111
No Remediation Planned	11
Total Recommendations	221

Notes: (1) Source: AIU's response to data request CITIES 3.06.

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Figure 3: Status of Liberty Report Recommendations

297 AIU's data, above, provided the basis for the following observations:

298 1. The total number of Liberty Report recommendations found in AIU's response to
299 CITIES 3.06 was 221, the total cited in the Direct Testimony of Mr. George T. Justice
300 was 157. While the cause of such discrepancy was unknown at the time of this
301 testimony, it was likely that some of the 157 recommendations contained in the
302 Liberty Report have been subdivided into separate sub-projects in AIU's response to
303 CITIES 3.06.

304 2. As of the date of this testimony, AmerenIP had implemented a response to
305 99 recommendations, out of a total of 221 (approximately 45 percent). An additional
306 48 responses are forecasted to be complete by the end of year 2009, bringing the total
307 completed responses to approximately 67 percent.

308 3. As of the date of this testimony, there are 111 responses scheduled for future
309 completion, out of a total of 221 (approximately 50 percent).

310 4. In addition to the 111 future completions, there are 11 recommendations where
311 AmerenIP has not identified any response (approximately 5 percent).

312 5. Available information does not specify sufficient information about the geographic
313 location of each Liberty Recommendation. Therefore, it can not be immediately
314 determined how many recommendations are located in the Cities.

315 Additionally, AIU's response to CITIES 3.06 discussed the need to delay the
316 implementation of 19 recommendations due to financial constraints, stating,

317 "While AIU has taken steps to implement many of the 157 recommendations
318 included in the final report issued in October 2008, economic conditions are
319 such that there are cash constraints in 2009. AIU took a closer look at the

320 outstanding recommendations in the implementation plan and determined that
321 19 would need to be posted from 2009 until 2010 without degradation of safety
322 or reliability. Cost was the primary criteria for postponing these projects due to
323 financial challenges in the current economic environment.”

324 The notion that controlling costs caused projects to be delayed was also found in the
325 direct testimony of Mr. Ronald D. Pate in, “Cost was the primary criteria. Funding in
326 2009 simply is not available to complete these projects without increasing borrowing
327 at currently high rates of interest.”

328 In conclusion, it is my opinion that the Liberty Report recommendations impact the
329 reliability of electric service to AmerenIP’s customers, and, that the failure to
330 implement such recommendations could jeopardize reliability. Therefore, AmerenIP
331 should provide the ICC with routine status updates on the implementation of all
332 Liberty Report recommendations. The need for ongoing reporting is underscored by
333 potential future financial constraints that could hypothetically cause additional delays
334 in implementing such recommendations.

335 IX. ADDITIONAL FACTORS

336 **Q. Are there any other factors that could impact electric reliability?**

337 A. Yes. There are a number of additional factors that could influence the reliability of
338 AmerenIP’s electric service, including but not limited to tap fuses, pole inspections,
339 tree trimming, lightning protection, and animal protection. The following discussion
340 addresses a few of these issues.

341 X. SUMMARY

342 **Q. Please summarize your testimony.**

- 343 A. The above findings support the following conclusions and recommendations:
- 344 1. AmerenIP has reduced its Maintenance Investments. Over time, AmerenIP's
345 reductions in Maintenance Investments could result in a reduction in reliability to its
346 customers. It is my opinion that AmerenIP should increase its Maintenance
347 Investments. Furthermore, the ICC should investigate why AmerenIP has been
348 reducing its Maintenance Investments.
- 349 2. Approximately 12 percent of AmerenIP's distribution assets are older than its defined
350 life. Replacement of such assets could require an investment of approximately
351 \$215.8 million (as based on the net book value of aged assets and actual replacement
352 costs could be much higher). It is my opinion that the likelihood of failure generally
353 increases with the age of the asset. AmerenIP should fund a program to identify and
354 address aging assets.
- 355 3. AmerenIP's information regarding aged assets is based on book life. This is permitted
356 by ICC Code when actual (e.g., physical) data is not available. It is recommended that
357 the ICC require AmerenIP to utilize physical data when reporting on the age of assets.
- 358 4. We do not yet know whether AmerenIP's Emergency Response Plan contains all of
359 the recommendations that have been proposed by the Liberty Report. It is my opinion
360 that AmerenIP should report to the ICC on the status of each individual
361 recommendation.
- 362 5. At the time of this testimony, there was 3,698 unresolved NESC violations in the
363 AmerenIP system. It is my opinion that AmerenIP should provide the Cities with
364 quarterly status reports on the remediation of all violations. Furthermore, AmerenIP
365 should expedite the completion of all associated remediation.

366 6. The Liberty Report contained 157 total recommendations (in contrast, AIU's response
367 to CITIES 3.06 lists a total of 221 recommendations). AIU's response to CITIES 3.06
368 suggests that responses to recommendations are in-progress and that approximately
369 67 percent may be complete by the end of the year 2009. Based on available
370 information, it is my opinion that the ICC should monitor the resolution of each
371 individual recommendation.

372 7. Installing distribution tap fuses could improve the reliability of electric service.
373 However, there appears to be a number of locations where AmerenIP has elected to
374 not implement such fuses. The ICC should direct AmerenIP to list all distribution taps
375 that do not have fuses and provide its reasons for not installing tap fuses at such
376 locations.

377 8. Since 2006, it appears that AmerenIP has increased the frequency of conducting
378 strength related pole inspections. In order for such activity to be effective, it must be
379 pursued over a relatively longer period of time. Consequently, it is my opinion that
380 AmerenIP should continue to report on its progress in conducting pole inspections.

381 **Q. Does this conclude your testimony?**

382 A. Yes, it does.

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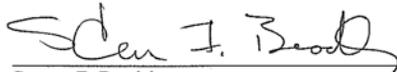
XI. AFFIDAVIT

STATE OF COLORADO)
) ss.
CITY AND COUNTY OF DENVER)

AFFIDAVIT

Before me, the undersigned notary public, did appear Steven F. Brodsky, and having been sworn did state as follows:

"I, Steven F. Brodsky, being first duly sworn, depose and state that I am the witness identified in the foregoing prepared testimony, that the testimony and accompanying exhibits were prepared by me or under my supervision, and I am familiar with its contents, and that the facts set forth are true to the best of my knowledge, information and belief."


Steven F. Brodsky

Subscribed and sworn to me by Steven F. Brodsky this 28th of September, 2009.

Witness my hand and official seal.



SEAL



Notary Public, State of Colorado

My Commission Expires: 2-24-2011

APPENDIX SFB-1
STATEMENT OF QUALIFICATIONS
STEVEN F. BRODSKY

I am employed by R. W. Beck, Inc., an SAIC company (“R. W. Beck”) as a Senior Director.

I have a Bachelor of Science Degree in Electrical Engineering from the University of Illinois and a Master of Science Degree in Electrical Engineering from Carnegie-Mellon University.

I also completed a Masters of Business Administration Degree at Colorado State University.

I worked at San Diego Gas and Electric for four years as an Electrical Engineer, performing transmission and distribution planning and design projects. I worked at Westinghouse for several years where I developed cutting edge technologies for power system applications, including transmission and distribution. At Tri-State Generation & Transmission Association (“Tri-State”), I was the Power System Planning Supervisor for five years. I led a group of transmission planners doing power flow, power system stability and fault studies needed to identify projects necessary to serve members loads and to deliver generation across the transmission system. I was also a Supervisor at Tri-State in the Finance Department, responsible for securing financing, tracking and analyzing the leases and bonds for capital projects for transmission and generation facilities. I also worked for Tri-State as its Operations Project Manager, where I was responsible for oversight over the firm’s transmission and generation capital projects. At R. W. Beck, I have worked on many projects regarding distribution and transmission planning, financing and design. My clients and stakeholders include investor owned utilities, municipal electric utilities, generation and transmission cooperatives, public utility commissions, banks and other consultants regarding electric utilities.

I am registered as a professional engineer (electrical) in the states of Colorado and California.