

Exhibit No.:
Issue: Gas Inventories
Witness: Anne M. Allee
Sponsoring Party: MoPSC Staff
Type of Exhibit: Direct Testimony
Case No.: GR-2003-0517
Date Testimony Prepared: October 24, 2003

MISSOURI PUBLIC SERVICE COMMISSION
UTILITY SERVICES DIVISION

DIRECT TESTIMONY
OF
ANNE M. ALLEE

UNION ELECTRIC COMPANY
d/b/a AMERENUE

CASE NO. GR-2003-0517

Jefferson City, Missouri
October 2003

DIRECT TESTIMONY

OF

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UNION ELECTRIC COMPANY

d/b/a/ AMERENUE

CASE NO. GR-2003-0517

Q. Please state your name and business address.

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

Q. Please describe your educational background.

Q. Please describe your work experience.

Q. What has been the nature of your duties while in the employ of the Commission?

1 examinations of the books and records of utility companies operating within the state of
2 Missouri.

3 In October 1993, I obtained my current position as a Regulatory Auditor in the
4 Procurement Analysis Department. Since that time, my responsibilities include reviewing
5 and analyzing amounts charged by natural gas local distribution companies (LDCs) through
6 the Purchased Gas Adjustment (PGA)/Actual Cost Adjustment (ACA) mechanism.

7 Q. Have you previously filed testimony before this Commission?

8 A. Yes, I have previously filed testimony before this Commission. Schedule 1,
9 attached to my direct testimony, is a list of cases and issues in which I have filed testimony.

10 Q. Did you make an examination and analysis of the books and records of
11 AmerenUE (Ameren or Company) in regard to matters raised in this case?

12 A. Yes. I reviewed the natural gas stored underground and propane inventory
13 records of AmerenUE.

14 Q. What matters will you address in your testimony?

15 A. I will address the gas inventory levels for natural gas stored underground and
16 propane gas.

17 Q. What knowledge, skill, experience training or education do you have in these
18 matters?

19 A. Since my time in the Procurement Analysis Department, I have performed
20 and/or assisted in performing approximately 30 ACA reviews which include a review of the
21 LDC natural gas and propane storage.

22 Q. What is the purpose of your direct testimony?

1 A. I am sponsoring the Staff's natural gas and propane inventory levels included
2 in rate base.

3 Q. Why is gas held as inventory included in rate base?

4 A Natural gas stored underground and propane represent an investment by
5 Ameren. Natural gas is purchased and injected into storage facilities during the summer
6 months where it is held until the winter months when it is withdrawn and delivered to
7 Ameren's distribution system. Propane is also purchased and used to supplement natural gas
8 during peak periods.

9 Q. What gas inventory levels have you used in this case?

10 A. I have used an average of the natural gas inventory account balances for the
11 13 months ended June 2003. For propane inventory, I used the June 2003 ending account
12 balance. Schedule 2, attached to my testimony, calculates the 13-month average of inventory
13 levels for each of the three pipelines that serve Ameren. Schedule 2 also shows the inventory
14 account balances for the Cape Girardeau propane plant. The inventory level for the Jefferson
15 City propane plant was excluded because the plant is being retired.

16 Q. Why did you use a 13-month average for natural gas inventories?

17 A. The natural gas inventory is cyclical in nature. Inventory account balances
18 increase throughout the summer as gas is injected into storage and then decrease throughout
19 the winter as gas is withdrawn. I used an average of the account balances to represent
20 ongoing inventory levels.

21 Q. Why did you use the June 2003 ending account balance for the propane
22 inventory?

1 A. There is a downward trend to the propane inventory level, therefore, the
2 June 2003 account balance is the appropriate amount to include in rate base to represent the
3 ongoing level of propane.

4 Q. Does this conclude your direct testimony?

5 A. Yes, it does.

BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF MISSOURI

In The Matter Of Union Electric Company)
d/b/a AmerenUE, For Authority To File Tariffs)
Increasing Rates For Gas Service Provided To)
Customers In The Company's Missouri Service)
Area)

Case No. GR-2003-0517

AFFIDAVIT OF ANNE M. ALLEE

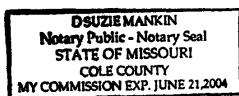
STATE OF MISSOURI)
) ss.
COUNTY OF COLE)

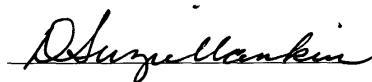
Anne M. Allee, of lawful age, on her oath states: that she has participated in the preparation of the foregoing Direct Testimony in question and answer form, consisting of 4 pages to be presented in the above case; that the answers in the foregoing Direct Testimony were given by her; that she has knowledge of the matters set forth in such answers; and that such matters are true and correct to the best of her knowledge and belief.



Anne M. Allee

Subscribed and sworn to before me this 22nd day of October 2003.





SUMMARY OF TESTIMONY

ANNE M. ALLEE

Company Name	Case Number	Issues
Choctaw Telephone Company	TR-91-336	Payroll; Payroll Taxes; Employee Pensions/Benefits; Voucher Analysis; Other Misc. Expenses
Laclede Gas Company	GR-92-165	Payroll; Payroll Taxes; Employee Pensions and Benefits
United Cities Gas Company	GR-93-47	Rate Base; CWC; Dues & Donations; Misc. Expenses
St. Louis County Water Company	WR-93-204	Rate Base; CWC; Dues & Donations; Misc. Expenses
Ozark Natural Gas Company	GA-96-264	Cost of Gas per Dth; Reliability of Transportation
Missouri Gas Energy Company	GR-96-285	Natural Gas Storage Inventory Prices
St. Joseph Light and Power Company	GR-96-47	Gas Purchasing Practices
Union Electric Company	GR-97-393	Natural Gas Storage Inventory Prices
Missouri Public Service	GR-96-192	Winter Storage Allocation; Overrun Penalties
Missouri Gas Energy	GR-98-140	Natural Gas Storage Inventory Prices
Ozark Natural Gas Company	GA-98-227	Cost of Gas per Dth; Reliability of Supply and Transportation
St. Joseph Light and Power Company	GR-99-246	Natural Gas Inventory Prices
UtiliCorp United Inc. and St. Joseph Light and Power Company	EM-2000-292	Conditions to be Made Part of Approved Merger
Atmos Energy Corporation and United Cities Gas Company	GR-2001-396 and GR-2001-397 (Consolidated)	Purchasing Practices – Neelyville; Purchasing Practices-Consolidated District; Deferred Carrying Cost Balance; Propane
Missouri Gas Energy	GR-2001-382, GR-2000-425, GR-99-304 and GR-98-167 (Consolidated)	Purchasing Practices; Refunds

AmerenUE
Gas Inventory - Underground Storage and Propane
Case No. GR-2003-0517

<u>Month/Year</u>	<u>Gas Stored Underground</u>			<u>Total Underground Storage</u>	<u>Propane</u>
	<u>NGPL</u>	<u>TETCO</u>	<u>PEPL</u>		<u>Cape Girardeau</u>
June-02	\$ 63,797	\$ 1,752,677	\$ 10,277,430	\$ 12,093,904	\$ 119,218
July-02	93,916	2,133,641	12,529,665	14,757,222	119,218
August-02	124,995	2,431,803	13,616,215	16,173,013	119,218
September-02	156,189	2,784,616	14,982,281	17,923,086	119,218
October-02	167,040	3,074,145	18,663,214	21,904,400	119,218
November-02	140,460	3,098,664	16,641,460	19,880,584	119,218
December-02	96,886	2,668,074	12,890,529	15,655,489	119,218
January-03	52,117	1,901,604	8,065,293	10,019,014	119,218
February-03	7,741	1,139,460	3,716,748	4,863,949	118,793
March-03	984	1,192,012	1,608,765	2,801,762	118,793
April-03	984	1,528,062	2,639,584	4,168,629	118,793
May-03	36,730	2,040,167	6,098,237	8,175,134	118,793
June-03	79,322	2,579,283	10,658,767	13,317,372	118,793
Total	\$ 1,021,160	\$ 28,324,208	\$ 132,388,190	\$ 161,733,558	
13 Month Average	\$ <u>78,551</u>	\$ <u>2,178,785</u>	\$ <u>10,183,707</u>	\$ <u>12,441,043</u>	
Rate Base Inventory Levels	\$ <u>78,551</u>	\$ <u>2,178,785</u>	\$ <u>10,183,707</u>	\$ <u>12,441,043</u>	<u>118,793</u>