

Exhibit No.:
Issue: Estimated Billing Tariff
Language
Witness: Daniel I. Beck
Sponsoring Party: MoPSC Staff
Type of Exhibit: Direct Testimony
Case No.: GT-2002-70

MISSOURI PUBLIC SERVICE COMMISSION
UTILITY OPERATIONS DIVISION

DIRECT TESTIMONY

OF

DANIEL I. BECK

FILED³
OCT 15 2001

Missouri Public
Service Commission

UNION ELECTRIC COMPANY d/b/a AMERENUE

CASE NO. GT-2002-70

Jefferson City, Missouri
October 2001

DIRECT TESTIMONY

OF

DANIEL I. BECK

UNION ELECTRIC COMPANY d/b/a AmerenUE

CASE NO. GT-2002-70

Q. Please state your name and business address.

A. My name is Daniel I. Beck and my business address is P. O. Box 360,
Jefferson City, Missouri 65102.

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

A. I am employed by the Missouri Public Service Commission (MOPSC or
Commission) as a Utility Regulatory Engineer in the Utility Operations Division.

Q. Would you please review your educational background and work experience?

A. I graduated with a Bachelor of Science Degree in Industrial Engineering from
the University of Missouri at Columbia in 1983. Upon graduation, I was employed by the Navy
Plant Representative Office in St. Louis, Missouri, as an Industrial Engineer. I began my
employment at the Commission in November 1987 in the Research and Planning Department of
the Utility Division (later renamed the Economic Analysis Department of the Policy and
Planning Division) where my duties consisted of weather normalization, load forecasting,
integrated resource planning, cost-of-service and rate design. In December 1997, I was
transferred to the Rate Design/Tariff Section of the Commission's Gas Department where my
duties included weather normalization, annualization, tariff review, cost-of-service and rate
design. Since June 2001, I have continued with the same duties in the Engineering Analysis
Section of the Energy Department, which was created by combining the Gas and Electric

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1 Departments. I am a Registered Professional Engineer in the State of Missouri. My registration
2 number is EN 026953.

3 Q. Have you previously testified before this Commission?

4 A. Yes, I have. Schedule I is a list of cases in which I have testified.

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

6 A. The purpose of my direct testimony is to explain the proposed changes to the
7 estimated billing tariffs of Union Electric Company d/b/a AmerenUE (Company or AmerenUE)
8 and to discuss the remaining issue regarding this tariff filing. I will explain that there is
9 significant agreement between the parties regarding estimated billing procedures. The
10 differences regarding formulas and examples, though important, should not overshadow the fact
11 that the new tariff language that has been agreed to by all parties is a significant improvement
12 over the current tariff language.

13 Q. Do you support the modification of AmerenUE's estimated billing tariffs?

14 A. Yes. In my opinion, the proposed tariff language is a significant
15 improvement over the current language. Although I have had some experience with
16 AmerenUE's current estimated billing procedure, I first became aware of problems with the
17 procedure during the winter of 2000-2001. The extreme weather in December and early
18 January, coupled with unprecedented natural gas prices, caused gas customers in Missouri,
19 including AmerenUE's customers, to question the estimated bills that were received.

20 It is my understanding that during discussions between Staff and AmerenUE
21 regarding customer inquiries related to the winter of 2000-2001, Staff suggested that AmerenUE
22 consider revising the estimated billing procedure. In response to this suggestion, AmerenUE
23 filed revisions to Sheet Nos. 56 and 57 on July 30, 2001.

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1 Q. Do you support the revised tariffs filed on July 30, 2001?

2 A. No. While I view the July 30, 2001 filing as a step in the right direction,
3 Staff has specific concerns with the July 30, 2001 proposed language. During the next several
4 months, the parties to this case [AmerenUE, OPC, and Staff] negotiated on new language that
5 alleviated the concerns of Staff. This new language was included in Staff's Memorandum dated
6 September 24, 2001 and is attached to this testimony as Schedule 2.

7 This new language, when compared to the current tariff language, contains
8 numerous changes. The current language is divided into two sections: Gas Heating Accounts
9 and Non-Gas Heating Accounts. While space heating and non-space heating rates once existed
10 for AmerenUE's service territory, these designations are no longer applicable to AmerenUE's
11 current rate classes. The estimating procedure for space heating customers simply multiplies the
12 prior month's usage by a gas space heating factor. For non-space heating customers, the usage
13 in the corresponding month of last year is used even if that usage is also estimated.

14 In contrast, the new language, which Staff supports, has four sections: Single-
15 Month Estimated Bills, Multiple Month Estimated Bills, Other Bill Estimation Methods, and
16 Billing Estimates for Re-Billing Purposes. These four sections highlight the different areas that
17 the revised tariffs address. Single Month Estimated Bills are the most frequent estimate that is
18 performed by the Company. In most cases, this estimate is simply used until an actual reading
19 can be read the following month. However, as the previous winter has shown, this one-month
20 estimate should be as accurate as possible. Multiple-Month Estimated Bills, although less
21 frequently used, is extremely important since a bill for multiple months will look large no matter
22 what the current price of gas is. For multi-month periods, an analysis of a particular customer's
23 unique usage will be performed that takes into account weather response and the number of days

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1 in the billing periods. Other Bill Estimation Methods may not seem like an important section,
2 but in many ways, this section is very important since it recognizes that the two previous
3 sections "may not be appropriate". It then outlines other methods that could be used in this
4 case. Finally, Billing Estimates for Re-Billing Purposes explains that the previous sections shall
5 be used in non-registering meter situations.

6 Q. Is it your understanding that this new language is agreeable to all the parties?

7 A. Yes, in part. It is my understanding that AmerenUE, OPC and Staff support
8 this new language. However, OPC believes that additional language, including a formula and
9 examples of the multi-month estimated bills is necessary to remove any ambiguity from the
10 tariff as to how multi-month bills will be calculated. The additional language OPC desires
11 would be added to the second section that I described above, Multi-Month Estimated Bills.

12 Q. What is Staff's position regarding the formula and examples that OPC wants
13 to include in the tariff?

14 A. Since OPC has not filed their position regarding a formula and examples of
15 the estimating billing procedures, this testimony does not fully address this topic. I would
16 simply state that Staff maintains that the remaining issues highlight the difficult balance
17 between tariff language that is explicit and tariff language that is not overly voluminous. In this
18 case, Staff maintains that the limited value of including a formula and examples in the tariff
19 does not support the addition of more tariff language. Again, these differences should not
20 overshadow the fact that the new tariff language that has been agreed to is a significant
21 improvement over the current tariff language.

22 Q. Does this conclude your direct testimony in this case?

23 A. Yes, it does.

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

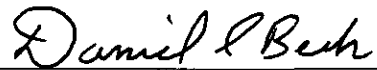
In the matter of Laclede Gas Company's)
Tariff to Revise Natural Gas Rate Schedules)

Case No. GR-2001-629

AFFIDAVIT OF DANIEL I. BECK

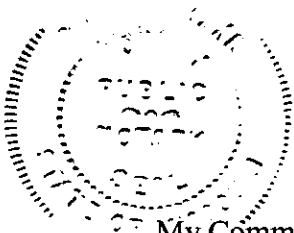
STATE OF MISSOURI)
) ss.
COUNTY OF COLE)

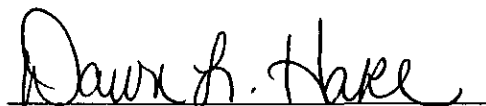
Daniel I. Beck, is, of lawful age, on his oath states: that he has participated in the preparation of the foregoing Direct Testimony in question and answer form, consisting of 4 pages to be presented in the above case; that the answers in the foregoing Direct Testimony were given by him; that he has knowledge of the matters set forth in such answers; and that such matters are true and correct to the best of his knowledge and belief.



DANIEL I. BECK

Subscribed and sworn to before me this 15th day of October 2001.





Notary Public

DAWN L. HAKE
Notary Public - State of Missouri
County of Cole
My Commission Expires Jan 9, 2005

My Commission Expires: _____

**Union Electric Company d/b/a AmerenUE
Case No. GT-2002-70**

**List of Cases in which prepared testimony was presented by:
DANIEL I. BECK**

<u>Company Name</u>	<u>Case No.</u>
Union Electric Company	EO-87-175
The Empire District Electric Company	EO-91-74
Missouri Public Service	ER-93-37
St. Joseph Power & Light Company	ER-93-41
The Empire District Electric Company	ER-94-174
Union Electric Company	EM-96-149
Laclede Gas Company	GR-96-193
Missouri Gas Energy	GR-96-285
Kansas City Power & Light Company	ET-97-113
Associated Natural Gas Company	GR-97-272
Union Electric Company	GR-97-393
Missouri Gas Energy	GR-98-140
Missouri Gas Energy	GT-98-237
Ozark Natural Gas Company, Inc.	GA-98-227
Laclede Gas Company	GR-98-374
St. Joseph Power & Light Company	GR-99-246
Laclede Gas Company	GR-99-315
Utilicorp United Inc. & St. Joseph Light & Power Co.	EM-2000-292
Union Electric Company d/b/a AmerenUE	GR-2000-512
Missouri Gas Energy	GR-2001-292
Laclede Gas Company	GR-2001-629

UNION ELECTRIC COMPANY GAS SERVICE

Applying to MISSOURI SERVICE AREA

VIII. Billing Practices

A. Monthly Billing Periods

Company will render bills over twelve (12) monthly billing periods in a year, with each bill based upon the service used between regularly scheduled meter readings. While Company's work schedules provide for the orderly reading of all meters over intervals of approximately 30 days, holidays, weekends, inclement weather and other operating constraints may cause the billing interval to vary during various portions of the year.

B. Inaccessible Meters

Where a meter is inaccessible to the meter reader during scheduled working hours on repeated occasions, such that a customer must arrange for meter reading by appointment to avoid discontinuance of service, the customer may at his own expense have Company relocate the meter to an accessible location, if feasible.

*C. Estimated Bills for Full Billing Periods

Monthly bills may be rendered to the Company's natural gas customers based upon estimated gas usage (which may include the use of readings furnished by the customer), where conditions reasonably beyond the control of the Company prevented it from obtaining actual meter readings. These conditions include extreme weather, operating and other emergencies, labor agreements, work stoppages, and the Company's inability to gain access to the meter. The Company will provide a copy of customer's estimate, upon request. All estimates are subject to the provisions of Section VII.G. Billing Adjustments, of these Rules and Regulations, and will be determined as follows:

a. Single-Month Estimated Bills

A single billing month's estimated natural gas usage will be determined on the basis of the customer's prior month's usage, adjusted by a factor reflecting the difference in weather between the prior and current monthly billing periods. This adjustment factor will be based upon the ratio of the current month to the prior month's natural gas usage of similarly situated customers for which the Company has obtained actual meter readings. For purposes of this application,

* Indicates Change

DATE OF ISSUE _____

DATE EFFECTIVE _____

ISSUED BY _____

C. W. Mueller
Name of OfficerPresident & CEO
TitleSt. Louis, Missouri
Address

UNION ELECTRIC COMPANY GAS SERVICE

Applying to MISSOURI SERVICE AREA

similarly situated customers are those customers within the same rate class, located within the same weather reporting area (e.g., Columbia or Cape Girardeau, MO airport recording stations) and that have meter reading dates approximately the same as the customer whose bill is being estimated.

***b. Multiple-Month Estimated Bills**

When it is necessary to estimate any customer's natural gas usage for periods of two or more billing months, such estimated usage will be developed by an analysis of the gas usage at the customer's premises from prior periods, the number of days in the prior and current billing periods, and the current and historic weather data from the reporting station within which the customer's premises is located. The analysis will include a determination of the customer's heating sensitive and non-heating sensitive (base) usage.

***c. Other Bill Estimation Methods**

Where the aforementioned methods of estimating natural gas usage cannot be utilized or may not be appropriate for either residential or non-residential customers, other reasonable methods may be employed to estimate the gas usage at the customer's premises. These methods may utilize the metered gas usage at the premises from earlier months, customer supplied meter readings, comparable customer gas usage, or other available gas consumption information.

***d. Billing Estimates for Re-Billing Purposes**

In instances associated with a non-registering meter, the Company shall estimate the customer's monthly gas usage in accordance with the provisions of paragraphs (a)-(c) of this Section C, as applicable, for purposes of rebilling the customer.

D. Estimated Initial and Final Bills

The Company will normally be granted access to customer's premises for purposes of obtaining initial and final meter readings and the associated connection and disconnection of gas service. However, where such access cannot be obtained, or other conditions beyond the control of Company prevent obtaining an actual meter reading, estimated initial and final bills may be rendered by Company. When obtained, meter readings will be adjusted to customer's service responsibility

* Indicates Change

DATE OF ISSUE _____	DATE EFFECTIVE _____
ISSUED BY <u>C. W. Mueller</u>	<u>President & CEO</u> <u>St. Louis, Missouri</u>
<small>Name of Officer</small>	<small>Title Address</small>

UNION ELECTRIC COMPANY GAS SERVICE

Applying to MISSOURI SERVICE AREA

date. However, customer will be responsible for all gas utilized until access is provided to Company for obtaining actual meter readings and the disconnection of gas service. No final bill will be rendered where the amount of the bill for gas usage is less than \$1.00, except for those accounts where a customer deposit is being refunded to customer.

E. Budget Billing Plan

Customers who are billed under the Residential Service Classification or General Service Classification with postcard billing and, at the Company's option, certain eleemosynary customers may elect to be billed and pay for all service under Company's Budget Billing Plan provided customer shall have satisfied Company's credit requirements. The provisions of the Budget Billing Plan are as follows:

DATE OF ISSUE _____

DATE EFFECTIVE _____

ISSUED BY William E. CorneliusChairmanSt. Louis, Missouri

Name of Officer

Title

Address