

August 1, 2000

VIA FEDERAL EXPRESS



Mr. Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge
Missouri Public Service Commission
P. O. Box 360
Jefferson City, MO 65102

FILED²
AUG 02 2000
Missouri Public
Service Commission

Re: MPSC Case No. GR-2000-512

Dear Mr. Roberts:

Enclosed for filing on behalf of Union Electric Company, d/b/a AmerenUE, in the above matter, please find an original and eight (8) copies of its **Motion for Authorization to File Supplemental Direct Testimony** and an original and fourteen (14) copies of the **Supplemental Direct Testimony and Schedules of Philip B. Difani, Jr. and William M. Warwick.**

Kindly acknowledge receipt of this filing by stamping a copy of the enclosed letter and returning it to me in the enclosed self-addressed envelope.

Very truly yours,

A handwritten signature in black ink, appearing to read "Thomas M. Byrne", with a stylized flourish at the end.

Thomas M. Byrne
Associate General Counsel

TMB/dhb
Enclosures

cc: Parties on Attached Service List

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

FILED²

AUG 02 2000

Missouri Public
Service Commission

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-2000-512

**MOTION FOR AUTHORIZATION TO FILE
SUPPLEMENTAL DIRECT TESTIMONY**

COMES NOW Union Electric Company d/b/a AmerenUE ("AmerenUE" or "Company") and for its Motion for Authorization to File Supplemental Direct Testimony, states as follows:

1. On February 18, 2000 AmerenUE initiated this proceeding by filing tariff sheets with the Commission reflecting increased rates for its natural gas service provided to customers in the Company's Missouri service territory. On March 3, 2000 the Commission issued its Suspension Order and Notice, which, among other things, suspended the effective dates of the tariff sheets AmerenUE had filed, and established a procedural schedule for this case. In accordance with that procedural schedule, on April 3, 2000 AmerenUE filed its direct testimony, which addressed both the increase in overall revenue requirement AmerenUE is supporting in this proceeding, as well as the rate design AmerenUE is recommending.

2. At the time AmerenUE filed its direct testimony, the Company was in the process of conducting a detailed site inventory of the facilities used in serving the customers in its Interruptible and Transportation Rate classes. Because AmerenUE serves a total of only about 100 customers within these two classes, the Company was

able to survey each of these individual customer locations to examine, inventory and vintage price all of the above-ground facilities, as well as the sizes and lengths of service lines used to serve each customer in these rate classes. In addition to this individual site inventory information, the Company also collected data on the maximum non-coincident peak demands of each of these customers and the size of the distribution main to which each customer is connected. Based upon the information gathered from these site inventories, AmerenUE has been able to directly assign its investment in the specific on-site facilities used in providing service to the individual customers in these rate classes, and to restrict its allocation of distribution mains to such customers only to those main sizes actually used in providing service to them. The use of this specific inventory information results in a more precise allocation of on-site costs and distribution mains to all of AmerenUE's rate classes.

3. AmerenUE completed the facilities inventory and the associated analysis several months after the direct testimony was filed in this case. The Company has presented the information gathered during its facilities inventory to the Commission Staff, the Office of the Public Counsel, and the Midwest Gas Users' Association (the only intervenor in this proceeding) at various points in time. On June 28, 2000, AmerenUE participated in a technical workshop with various members of the Staff and Public Counsel, and presented the results of its facilities inventory. The Company also provided information derived from its facilities inventory in response to data requests submitted by the other parties. On July 27, 2000 AmerenUE sent by overnight mail to each of the parties the complete results of its inventory of facilities, an updated cost of service study

incorporating the results of the inventory, and an updated calculation of specimen rates which would be derived from the updated cost of service study.

4. In addition, AmerenUE has discovered three minor errors in the cost of service study filed with its direct testimony. These errors in the cost of service study should be corrected.

5. AmerenUE is hereby requesting authority, pursuant to 4 C.S.R. 240-2.130(8), to file supplemental direct testimony incorporating the results of its inventory of facilities and the correction of the above mentioned minor errors. This supplemental direct testimony, which is being filed contemporaneously with this Motion, includes the testimony of Philip B. Difani, Jr., which contains an updated version of the cost of service study contained in Mr. Difani's direct testimony. The updated cost of service study incorporates the data collected in the facilities inventory, and it corrects the minor errors in the study. In addition, the Company is filing the supplemental direct testimony of William M. Warwick. Mr. Warwick's testimony provides a calculation of specimen rates based on Mr. Difani's updated cost of service study.

6. The testimony of Mr. Difani and Mr. Warwick is designed to supplement, rather than replace, their pre-filed direct testimony. AmerenUE is not proposing to withdraw either the original cost of service study or the original rate calculations derived therefrom, which are contained in the Company's direct testimony.

7. Authorizing AmerenUE to file this supplemental direct testimony will provide the parties and the Commission with additional information which is relevant to development of an appropriate rate design for the Company. Since the facilities inventory which is addressed by this supplemental testimony was not completed until

after the due date for the Company's direct testimony in this proceeding, this information could not have been incorporated into the Company's direct testimony. But, by including this information as supplemental direct testimony, the Company will provide the information at the earliest possible point in this proceeding, to the benefit of all of the parties.

WHEREFORE, for the reasons noted herein, AmerenUE respectfully requests that the Commission issue an order permitting it to file the supplemental direct testimony provided herewith.

Dated: August 1, 2000

Respectfully submitted,

UNION ELECTRIC COMPANY
d/b/a AmerenUE

By Thomas M. Byrne

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CERTIFICATE OF SERVICE

**Service List for
Case No. GR-2000-512**

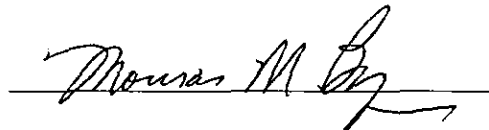
I hereby certify that a copy of the foregoing was served via first-class mail on this 1st day of August, 2000, on the following parties of record:

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Kansas City, MO 64111

A handwritten signature in cursive script, appearing to read "Thomas M. Byrne", is written over a horizontal line.

Thomas M. Byrne