

FILED²

AUG 21 2000

Missouri Public
Service Commission

August 18, 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

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 **Reply to Staff's and Public Counsel's Responses to Motion for Authorization to File Supplemental Testimony.**

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 21 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

**AMERENUE'S REPLY TO STAFF'S AND PUBLIC COUNSEL'S RESPONSES TO
MOTION FOR AUTHORIZATION TO FILE SUPPLEMENTAL TESTIMONY**

COMES NOW Union Electric Company d/b/a AmerenUE ("AmerenUE" or
"Company") and for its reply to the Missouri Public Service Commission Staff's ("Staff")
and Office of the Public Counsel's ("Public Counsel") responses to its Motion for
Authorization to File Supplemental Direct Testimony states as follows:

1. On August 2, 2000, AmerenUE filed Supplemental Direct Testimony of two
witnesses in this proceeding along with a motion seeking authorization from the Commission
to permit the filing of such testimony, in accordance with 4 CSR 240-2.130(8) ("Motion").
As AmerenUE stated in its Motion, the purpose of the supplemental testimony was to correct
minor errors in the cost of service study which was submitted in the Company's direct
testimony, and to incorporate into its cost of service study the data collected as part of an
inventory of facilities used to serve Interruptible and Transportation customers, which had
not been completed when the Company filed its direct testimony. The Company stated that
the supplemental direct testimony would provide the parties and the Commission with
information relevant to the development of an appropriate rate design for the Company in
this proceeding.

2. The Staff and the Office of the Public Counsel filed timely responses to the Company's Motion. Staff's response asks the Commission to deny the Company's request. Staff alleges that the Company's filing will create "severe problems and disadvantages" for Staff and that Staff is "highly prejudiced" by this late filing. Staff alleges that the Company "does not and has not suggested any accommodations for the facilitation of Staff's case..." Public Counsel's response, on the other hand, does not ask the Commission to reject the Company's filing. Instead, it asks the Commission to provide additional time for the parties to respond to the Company's supplemental testimony, via an extension of the procedural schedule which all of the parties to this proceeding have agreed not to oppose. Public Counsel also states that it objects to the filing to the extent that AmerenUE may claim it is changing the rates that it filed to initiate this proceeding.

3. The Company is surprised and disappointed by the response that the Staff has filed to the Company's Motion. The Company believes it has done everything it reasonably could to put the information contained in its supplemental direct testimony into the record in this proceeding at the earliest possible point in time, with a minimum of prejudice to the other parties. It was impossible for the Company to file this information with its direct testimony in this proceeding since the facilities inventory, which is the subject of the supplemental testimony, was not completed until after the Company's direct testimony was filed. Once the study was substantially completed, however, the Company immediately presented the results to the other parties in this proceeding. To that end, the Company attempted to schedule a technical workshop with representatives of the Staff and Public Counsel in early June, 2000, which was ultimately held on June 28, 2000. As a part of that workshop, the Company explained in detail the work it had done to inventory the facilities

serving its Interruptible and Transportation customers, and presented preliminary revisions to its cost of service study that were based on the facilities inventory. Although, as Staff points out, this presentation did not contain the “final” revisions to the cost of service study that are included in the supplemental direct testimony, it provided a complete explanation of what the Company had done, and a quantification showing the order of magnitude of the impact of the inventory on the Company’s cost of service study.

4. The Company also provided data from its facilities inventory in response to data requests submitted by other parties. As early as mid-May, 2000, the Company provided both the Staff and Public Counsel with an electronic file of the data collected in the facilities inventory, in response to a Staff data request. Following the June 28 technical workshop, the Company provided all of its workpapers related to the facilities inventory and the associated changes to the Company’s cost of service study to the Staff and Public Counsel in response to another data request submitted by Public Counsel. In addition, following the filing of the supplemental testimony, the Company contacted the Staff and Public Counsel to discuss extending the schedule for this proceeding to provide the other parties with sufficient time to adequately respond to the Company’s supplemental testimony. Although the attorney representing the Staff was unable to participate in the discussion, it was the Company’s understanding that the proposed extension of the procedural schedule set forth in Public Counsel’s response was not objected to by any party, including the Staff.

5. By filing this supplemental testimony, the Company is simply providing the Commission with additional, relevant information that was unavailable at the time it filed its direct testimony. Supplemental testimony is commonly used in Commission proceedings for such purposes—the fact is, not all information relevant to the development of rates is always

available months ahead of the hearing for a proceeding when prefiled testimony typically must be filed. The Staff itself has often utilized supplemental testimony, and the Commission frequently has permitted the filing of such testimony in the past where it provides relevant information that is useful to the Commission in reaching a decision. *See, for example, Re: Southwestern Bell Telephone Company*, 2 Mo. P.S.C.3d 476, 516 (1994) and *Re: Raytown Water Company* 1 Mo. P.S.C.3d 367, 384 (1992).. Significantly, the Staff has not questioned the relevance or usefulness of the information presented in the Company's supplemental testimony to the Commission's resolution of the rate design issues in this case.

6. The Staff alleges that the Company has not suggested any accommodations to offset the prejudice caused to Staff's case as a result of the Company's filing. On the contrary, the Company contacted both the Staff and Public Counsel to negotiate an extension of the procedural schedule to accommodate the parties' responses to the Company's supplemental testimony. Although the Staff was unable to participate in those discussions, it was the Company's understanding that the agreed-upon extension was not objectionable to Staff.

7. It is also important to point out that the Company's supplemental testimony is not being sprung on the other parties immediately prior to the hearing scheduled for this case. The Company's supplemental filing was made almost three months prior to the date on which the hearing for this case is scheduled. The June 28 technical conference, in which the Company explained the effect of its facilities inventory on its cost of service study to the other parties, was held six weeks prior to the due date for the other parties' direct testimony on rate design, and more than four months prior to the date scheduled for the hearing in this proceeding. Under these circumstances, the Staff's claim that it has been "severely

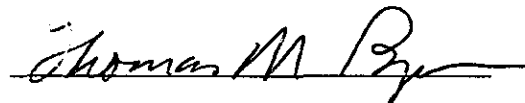
disadvantaged” by this filing does not seem plausible. Fairness dictates that the Staff and the other parties to this proceeding are afforded a reasonable opportunity to respond to the supplemental testimony. But, contrary to the Staff’s position, it does not require the outright rejection of relevant information provided months in advance of the hearing, particularly when the information did not exist at the time the Company filed its direct testimony.

8. Finally, in response to Public Counsel’s concern that the Company’s supplemental testimony could be construed a withdrawal of the “as filed” rates which initiated this proceeding, the Company would like to clarify that it is not withdrawing any part of its initial filing. The Company is simply providing additional information to supplement its direct testimony addressing rate design. The Commission may or may not utilize this supplemental testimony in determining the appropriate design for the Company’s rates in this proceeding, just like the testimony concerning rate design provided by the other parties to this proceeding.

WHEREFORE, for the reasons stated herein, the Company respectfully requests that the Commission grant its Motion for Authorization to File Supplemental Direct Testimony, and amend the schedule for this proceeding as agreed to by the parties and set forth in Public Counsel’s response to the Company’s Motion.

Dated: August 18, 2000

Respectfully submitted,



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CERTIFICATE OF SERVICE

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

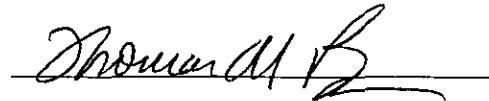
I hereby certify that a copy of the foregoing was served via Federal Express on this 18th day of August, 2000, on the following parties of record:

Office of Public Counsel
Truman Building, Room 250
301 West High Street
P. O. Box 7800
Jefferson City, MO 65102

General Counsel
Missouri Public Service Commission
P. O. Box 360
Jefferson City, MO 65102

Laclede Gas Company
Attn: Legal Department
720 Olive Street, Room 1524
St. Louis, MO 63101

Stuart W. Conrad
Finnegan, Conrad & Peterson
Penntower Office – Suite 1209
3100 Broadway
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