

SECOND REVISED  
REDACTED  
DIRECT TESTIMONY

of

MARY H. EVERSON

Accounting Department  
Financial Analysis Division  
Illinois Commerce Commission

Reconciliation of Revenues Collected Under  
Gas Adjustment Charges with Actual  
Costs Prudently Incurred

Central Illinois Light Company

d/b/a AmerenCILCO

Docket No. 04-0673

June 27, 2006

1 **Witness Identification**

2 **Q. Please state your name and business address.**

3 A. My name is Mary H. Everson. My business address is 527 East Capitol Avenue,  
4 Springfield, Illinois 62701.

5 **Q. Please describe your professional background and affiliations.**

6 A. I have a Bachelor of Science in Accounting from the University of Central Florida.  
7 I am a Certified Public Accountant licensed to practice in the State of Illinois. I  
8 joined the staff of the Illinois Commerce Commission in February 1999. Prior to  
9 joining Staff, I was employed in industry as a financial analyst and in government  
10 as an internal auditor.

11 **Q. Have you previously testified before any regulatory bodies?**

12 A. Yes. I have testified on several occasions before the Commission.

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

14 A. The purpose of my testimony is to present the results of Staff's review of  
15 AmerenCILCO's ("CILCO") 2004 PGA Reconciliation as calculated by the  
16 Company's witness, Mr. Paul W. Mertens (AmerenCILCO Exhibit No. 1.0).

17 My testimony proposes an adjustment related to the calculation of the storage  
18 injection rate and corrects the Company's proposed reconciliations.

19 **Schedule Identification**

20 **Q. Are you sponsoring any schedules or attachments with your testimony?**

21 A. Yes. I have prepared the following schedules:

22 Schedule 1.01 - Staff Proposed 2004 PGA Reconciliation Summary of All  
23 Charges

24 Schedule 1.02 – Staff Proposed 2004 Commodity Gas Reconciliation

25 Schedule 1.03 - Staff Adjustment for the Storage Injection Rate

26 Schedule 1.04 – Staff Adjustment to Correct the Company’s Reconciliations

27 I am also including the following attachment to my testimony:

28 Attachment A – AmerenCILCO’s Supplemental Response to Illinois Commerce  
29 Commission Data Request MHE 2.02

30 **Q. Please explain ICC Staff Exhibit 1.0, Schedule 1.01 Staff Proposed 2004 PGA**  
31 **Reconciliation Summary of All Charges.**

32 A. Schedule 1.01 summarizes the Staff proposed reconciliations for commodity,  
33 non-commodity, and the take-or-pay gas charges and provides the total of the  
34 reconciliation line items.

35 **Q. Please explain ICC Staff Exhibit 1.0, Schedule 1.02, Staff Proposed 2004**  
36 **Commodity Gas Charge Reconciliation.**

37 A. Schedule 1.02 reflects the Staff adjustments to the Company's 2004 PGA  
38 Reconciliation of the Commodity Gas Charge. The Staff adjustments include two  
39 adjustments to disallow the cost associated with storage adjustments in the  
40 Lincoln and Glasford storage fields sponsored by Eric Lounsberry (ICC Staff  
41 Exhibit 2.0, pp. 4 – 11); my adjustment to reverse the Company’s change in

42 calculating the storage injection rate; and my adjustment to correct the  
43 Company's proposed reconciliations.

44 Q. Please explain ICC Staff Exhibit 1.0, Schedule 1.03, Staff Adjustment for the  
45 Storage Injection Rate.

46 A. Schedule 1.03 presents my adjustment to reverse the Company's change in  
47 calculating the storage injection rate in the commodity gas charge reconciliation  
48 for 2004.

49 Q. Please explain ICC Staff Exhibit 1.0, Schedule 1.04, Staff Adjustment to Correct  
50 the Company's Reconciliations.

51 A. Schedule 1.04 presents my adjustment to correct the Company's presentation of  
52 the 2002 ordered Factor Os that were refunded/collected during 2004. The  
53 Company combined the total of the 2002 ordered Factor Os for two of the three  
54 gas charges in the Commodity Gas Charge reconciliation. Any Factor Os that  
55 were refunded during 2004 through each gas charge should be reflected within  
56 the reconciliation of that gas charge.

57 **Adjustment to Reverse the Change in the Calculation of the Storage Injection**  
58 **Rate**

59 Q. **Please describe your adjustment to CILCO's 2004 PGA reconciliation of the**  
60 **commodity gas charge to reverse the change in the calculation of the**  
61 **storage injection rate.**

62 A. My adjustment reverses the effect of an entry that the Company made in March  
63 of 2004 to exclude costs incurred from ANR, Midwestern, and Trunkline for July  
64 1, 2003 through December 31, 2003 from the storage injection rate calculation. It  
65 appears that responses to Staff data requests, the Company made this entry in  
66 March of 2004 because the gas from these pipelines cannot be physically  
67 injected into the storage fields. I am reversing the Company adjustment because  
68 AmerenCILCO has a single PGA rate that is applied to all customers on its  
69 system and under a single PGA, the cost to serve all customers on the system  
70 should be the same.

71 My adjustment only reverses the impact of the Company's change for the last six  
72 months of 2003 that was quantified in the adjustment made by the Company in  
73 March 2004. My adjustment does not include the impact of not excluding gas  
74 costs from the calculation of the storage injection rate for 2004. That information  
75 will be requested from the Company and included in my rebuttal testimony.

76 Additionally, while reviewing the exclusions from the storage injection rate, I  
77 noted that certain other costs were excluded from the storage injection rate.  
78 These exclusions were apparently not part of this adjusting entry and I am not  
79 aware of the CILCO's justification for the exclusions. I will request additional  
80 information regarding all costs excluded from CILCO's storage injection rate and  
81 I reserve the right to comment on those costs in my rebuttal testimony.

82 **Q. Please explain further the rationale for your adjustment.**

83 A. On a theoretical level, CILCO's single PGA rate has as its foundation the concept  
84 that all gas purchased can be used for all customers on the company's system,  
85 regardless of where each therm of gas enters CILCO's distribution system or  
86 exits into a customer's home or business. Under a single PGA rate, gas received  
87 at one point in the Company's system can theoretically be used to serve any  
88 customer on the system.

89 According to worksheets provided by AmerenCILCO, storage injections are  
90 valued at the weighted average cost ("WACOG") of gas purchased. WACOG is  
91 an appropriate method to assign value to storage injections. However,  
92 AmerenCILCO has excluded certain pipeline charges from the WACOG  
93 calculation because of physical flow from those pipelines. This exclusion is in  
94 conflict with the concept of a single PGA rate and prevents a true measure of the  
95 WACOG. Under a single PGA, the system average cost of gas should include  
96 costs for gas flowing into the system from all pipelines, regardless of the gas's  
97 ultimate destination. If certain pipeline suppliers' costs are excluded from the  
98 system average cost of gas, the true price of gas in storage is subject to  
99 manipulation to the detriment/benefit of ratepayers against the benefit/detriment  
100 of shareholders.

101 If AmerenCILCO operated with more than one PGA rate, it might be appropriate  
102 to assign costs from certain suppliers to those customers who can be served only  
103 in a direct manner by those particular suppliers. However, AmerenCILCO only  
104 has one PGA rate. If the Company continues to calculate its storage injection

105 rate in this manner it should establish a second PGA rate so that the costs are  
106 calculated based on the physical flow limitations and not on the concept of a fully  
107 integrated system.

108 Q. Why did the Company change its calculation to exclude certain costs from the  
109 storage injection rate?

110 A. In response to Staff data request MHE 2.02 (Attachment A); the Company  
111 indicates that the change was made to be consistent with the practice used by  
112 AmerenCIPS. Apparently, this difference was not recognized until the end of  
113 2003 and the change to the accounting records was not made until March of  
114 2004.

115 This change resulted in conflicting worksheets being maintained by the Fuel  
116 Accounting Department as compared to the Gas Supply Department.  
117 Worksheets maintained by the Fuel Accounting Department for storage volumes  
118 and dollars included costs from ANR, Midwestern, and Trunkline pipelines in its  
119 calculation of storage injection rates. Worksheets maintained by the Gas Supply  
120 Department for 2003 excluded these charges. Thus, the storage injection rate  
121 calculated by the Fuel Accounting Department differed from the storage injection  
122 rate calculated by the Gas Supply Department. The Fuel Accounting Supervisor  
123 directed that the worksheets from the Fuel Accounting Department be changed  
124 to agree with those maintained by the Gas Supply Department to exclude the  
125 costs from ANR, Midwestern, and Trunkline in the calculation of the storage  
126 injection rate.

127 **Q. Must the accounting treatment of costs follow the physical flow of the**  
128 **commodity?**

129 A. No. A typical example of accounting treatment that doesn't necessarily agree  
130 with physical flow of goods is the cost flow assumption used in many inventory  
131 valuations. The value of an inventory that cannot be specifically identified is  
132 determined and reported in financial statements using costing methods such as  
133 average cost, LIFO (last in, first out) or FIFO (first in, first out). Kieso and  
134 Weygandt Intermediate Accounting, Eighth Edition, describes the nature and  
135 rationale for cost flow assumptions applied to inventories as follows:

136 Conceptually, a specific identification of the given items sold and  
137 unsold seems optimal, but this measure is often not only expensive  
138 but impossible to achieve. Consequently, the accountant must turn  
139 to one of several systematic inventory cost flow assumptions.  
140 Indeed, the actual physical flow of goods and the cost flow  
141 assumption are often quite different. **There is no requirement that**  
142 **the cost flow assumption adopted be consistent with the**  
143 **physical flow of goods.**

144 Accounting Research Bulletin No. 43 states that: The major objective in selecting  
145 a cost flow assumption is to select one, which under the circumstances, most  
146 clearly reflects periodic income.

147 An advantage to using a method based on a consistently applied cost flow  
148 assumption is that it maintains a uniform method of determining a valuation over  
149 different periods of time. If the methods or treatments used can be changed  
150 periodically depending on what outcome is desired without a satisfactory  
151 explanation or meaningful approval, there is no consistency to the accounting

152 records. And, in the case of a regulated utility in which the outcome of  
153 inconsistent cost flow assumptions can be manipulated to the benefit or  
154 detriment to ratepayers or shareholders, it is even more important that there is  
155 consistency in the cost flow assumptions.

156 **Q. What is the effect of this change on the ratepayers and what potential**  
157 **problems could this create?**

158 A. The immediate effect on the Company's change in the storage injection rate  
159 calculation was to increase costs to the ratepayers in 2004. The impact was  
160 however, mitigated by any storage withdrawals that would have been assigned a  
161 lower cost due to the Company's exclusion of certain costs in its calculation of  
162 the storage injection rate. The most serious problem with this change or similar  
163 changes is not the monetary impact since that is primarily a timing issue. The  
164 greater concern is the deviation from the concept of the single PGA, the potential  
165 for manipulation, and the lack of adequate approvals for a change of this type.

166 **Q. AmerenCILCO made this change to be consistent with AmerenCIPS. Is this**  
167 **rationale appropriate?**

168 A. In my view changes to accounting policies should be made on the basis of sound  
169 accounting concepts and Commission orders directed at the Company making  
170 the changes.

171 **Q. Did the Company respond in its supplemental response to MHE 2.02 that**  
172 **AmerenCIPS uses this method of calculating the storage injection rate and**

173 **it has not been objected to by Staff? What is your response to the**  
174 **Company's assertion?**

175 A. I am not aware that this issue has been addressed by the Commission in any  
176 prior reconciliation of any gas utility. I cannot definitively address the  
177 appropriateness of this treatment in CIPS' PGA reconciliation, however, I am not  
178 aware of any reason why the Company's proposed accounting treatment would  
179 be appropriate for AmerenCIPS.

180 **Q. Do you have a recommendation related to this and other future accounting**  
181 **changes?**

182 A. Yes. I recommend that any change to storage gas calculations should be  
183 approved by a level of management higher than the supervisor of one of the two  
184 affected departments. It appears that the Gas Supply Department's records  
185 were perceived to be superior to the Fuel Accounting Department's records and  
186 an adjustment to the Company's financial records was made without consulting  
187 any management level higher than the Fuel Accounting Department Supervisor.  
188 Under this practice the potential exists for changes to occur from year to year  
189 which distort the integrity of the purchased gas adjustment clause. Accounting  
190 records on gas costs that are 100% recoverable from ratepayers should not be  
191 subject to manipulation and should apply consistent accounting practices from  
192 year to year.

193 I also recommend that documentation of each change in the accounting for gas  
194 costs should be presented in the direct testimony of the witness sponsoring the  
195 PGA reconciliation in all future PGA reconciliations.

196 In addition, I recommend that the Commission order that the Company shall file  
197 within 30 days of the order date in this proceeding, a verified report summarizing  
198 the procedures by which changes in the accounting for gas costs shall be  
199 approved by a level of management higher than the Supervisor of the Gas  
200 Supply Department or the Fuel Supply Department.

201 **Summary**

202 **Q. Please summarize your testimony.**

203 A. I recommend the Commission make the following findings:

204 1) To accept the reconciliation presented on ICC Staff Exhibit I.0, Schedule  
205 1.01 for 2004 and that the Company implement the Factor O refund of  
206 \$1,333,050 for the commodity gas charge, the Factor O collection of  
207 \$28,270 for the non-commodity gas charge, and the Factor O  
208 refund/collection of \$0 for the take-or-pay gas charge in the first monthly  
209 PGA filing after the date of the Order in this docket;

210 2) That the Company shall not exclude costs from specific pipelines from the  
211 calculation of the storage injection rate prospectively;

- 212 3) That any change to storage gas calculations should be approved by a  
213 level of management higher than the supervisor of one of the two affected  
214 departments;
- 215 4) That documentation of each change in the accounting for gas costs in  
216 each reconciliation period should be presented in the direct testimony of  
217 the witness sponsoring the PGA reconciliation for that reconciliation period  
218 in all future PGA reconciliations; and
- 219 5) That the Company shall file within 30 days of the order date in this  
220 proceeding, a verified report summarizing the procedures by which  
221 changes in the accounting for gas costs shall be approved by a level of  
222 management higher than the Supervisor of the Gas Supply Department or  
223 the Fuel Supply Department.

224 I also stated that during my review I identified additional costs that were excluded  
225 from the storage injection rate and that I reserve the right to comment on those  
226 costs in my rebuttal testimony

227 I also stated that my adjustment does not include the impact of not excluding gas  
228 costs from the calculation of the storage injection rate for 2004. That information  
229 will be requested from the Company and included in my rebuttal testimony.

230 **Q. Does this question end your prepared direct testimony?**

231 A. Yes.

Central Illinois Light Company d/b/a AmerenCILCO  
 Staff Proposed 2004 PGA Reconciliation  
 Summary of All Charges  
 For The Year Ended December 31, 2004

Line No.	Description	Commodity Gas Charge	Non-Commodity Gas Charge	Take-or-Pay Gas Charge	Total Company
(A)	(B)	(C)	(D)	(E)	(F) [(C) + (D)+(E)]
1	Unamortized balance as of 12/31/03 per 2003 Reconciliation	\$ -	\$ -	\$ -	\$ -
2	Factor A Adjustments Amortized to Schedule I at 12/31/03	5,396,331	2,206,956	-	7,603,287
3	Factor O Collected / (Refunded) during 2004	(1,109,521)	28,270	-	(1,081,251)
4	Balance to be Collected / (Refunded) during 2004 from prior periods (sum of lines 1 - 3)	\$ 4,286,810	\$ 2,235,226	\$ -	\$ 6,522,036
5	2004 PGA Recoverable Costs	\$ 185,055,057	\$ 8,976,008	\$ -	\$ 194,031,065
6	2004 PGA Revenues	(192,244,347)	(9,023,947)	-	(201,268,294)
7	Pipeline Surcharges / (Refunds)	(83,311)	-	-	(83,311)
8	Other Adjustments (Rounding)	(3)	4	-	1
9	Interest	(11,223)	-	-	(11,223)
10	2004 Under / (Over)-Recovery (sum of lines 5 -9)	\$ (7,283,827)	\$ (47,935)	\$ -	\$ (7,331,762)
11	Under / (Over)-Recovery for Current and Prior Periods	(2,997,017)	2,187,291	-	(809,726)
12	Factor A Adjustments Amortized to Schedule I at 12/31/04	(678,834)	2,159,021	-	1,480,187
13	Unamortized Balances at 12/31/04	(985,133)	-	-	(985,133)
14	Requested Factor O (line 11 - line 12 - line 13)	\$ (1,333,050)	\$ 28,270	\$ -	\$ (1,304,780)

Source:

Col. C ICC Staff Exhibit 1.0, Schedule 1.02, Page1, Column H  
 Col. D ICC Staff Exhibit 1.0, Schedule 1.02, Page 2, Column E  
 Col. E AmerenCILCO Exhibit No. 1.0

Central Illinois Light Company d/b/a AmerenCILCO  
 Staff Proposed Commodity Gas Charge Reconciliation  
 Detail of Commodity Gas Charge Adjustments  
 For The Year Ended December 31, 2004  
 \*\*\*Begin Conf. XXX End Conf.\*\*\*

Line No. (A)	Description (B)	Commodity Gas Charge As Filed By Company (C)	Lincoln Storage Adjustment (D)	Glasford Storage Adjustment (E)	ANR Midwestern Trunkline Storage Adjustment (F)	Factor O Adjustment (G)	Staff Adjusted Commodity Gas Charge (H) (C+D+E+F+G)
1	Unamortized balance as of 12/31/03 per 2003 Reconciliation	\$ -					\$ -
2	Factor A Adjustments Amortized to Schedule I at 12/31/03	5,396,331					5,396,331
3	Factor O Collected / (Refunded) during 2004	(1,081,251)				\$ (28,270)	(1,109,521)
4	Balance to be Collected / (Refunded) during 2004 from prior periods (sum of lines 1 - 3)	\$ 4,315,080				\$ (28,270)	\$ 4,286,810
5	2004 Gas Costs	186,359,837.00	(60,202)	(45,630)	\$ (1,198,948)	-	185,055,057
6	2004 PGA Revenues	(192,244,347.00)					(192,244,347)
7	Pipeline Surcharges / (Refunds)	(83,311)					(83,311)
8	Other Adjustments (Rounding)	(3)					(3)
9	Interest	(11,223)					(11,223)
10	2004 Under / (Over)-Recovery (sum of lines 5 -9)	\$ (5,979,047)	\$ (60,202)	\$ (45,630)	\$ (1,198,948)	\$ -	\$ (7,283,827)
11	Under / (Over)-Recovery for Reconciliation Year	(1,663,967)	(60,202)	(45,630)	(1,198,948)	(28,270)	(2,997,017)
12	Factor A Adjustments Amortized to Schedule I at 12/31/04	(678,834)					(678,834)
13	Unamortized Balances at 12/31/04	\$ (985,133)					\$ (985,133)
14	Requested Factor O (line 11 - line 12 - line 13)	\$ -	\$ (60,202)	\$ (45,630)	\$ (1,198,948)	\$ (28,270)	\$ (1,333,050)

Source:

Col. C AmerenCILCO Exhibit No. 1.0  
 Col. D ICC Staff Ex. 2.0, Schedule 2.01  
 Col. E ICC Staff Ex. 2.0, Schedule 2.01  
 Col. F ICC Staff Ex. 1.0, Schedule 1.03

Central Illinois Light Company d/b/a AmerenCILCO  
 Staff Proposed Non-Commodity Gas Charge Reconciliation  
 Detail of Commodity Gas Charge Adjustments  
 For The Year Ended December 31, 2004

Line No.	Description	Non-Commodity Gas Charge As Filed By Company	Factor O Adjustment	Staff Adjusted Non-Commodity Gas Charge
(A)	(B)	(C)	(D)	(E) (C+D)
1	Unamortized balance as of 12/31/03 per 2003 Reconciliation	\$ 2,206,956	-	\$ 2,206,956
2	Factor A Adjustments Amortized to Schedule I at 12/31/03	-	-	-
3	Factor O Collected / (Refunded) during 2004	-	\$ 28,270	28,270
4	Balance to be Collected / (Refunded) during 2004 from prior periods (sum of lines 1 - 3)	\$ 2,206,956	\$ 28,270	\$ 2,235,226
5	2004 Gas Costs	8,976,008.00	-	8,976,008
6	2004 PGA Revenues	(9,023,947.00)	-	(9,023,947)
7	Pipeline Surcharges / (Refunds)	-	-	-
8	Other Adjustments (Rounding)	4	-	4
9	Interest	-	-	-
10	2004 Under / (Over)-Recovery (sum of lines 5 -9)	\$ (47,935)	\$ -	\$ (47,935)
11	Under / (Over)-Recovery for Reconciliation Year	2,159,021	28,270	2,187,291
12	Factor A Adjustments Amortized to Schedule I at 12/31/04	2,159,021	-	2,159,021
13	Unamortized Balances at 12/31/04	\$ -	\$ -	\$ -
14	Requested Factor O (line 11 - line 12 - line 13)	\$ -	\$ 28,270	\$ 28,270

Source:

Col. D ICC Staff Ex. 1.0, Schedule 1.04

Central Illinois Light Company d/b/a AmerenCILCO  
Staff Proposed Commodity Gas Charge Reconciliation  
Staff Adjustment for the Storage Injection Rate  
For The Year Ended December 31, 2004

\*\*\*Begin Conf. XXX End Conf.\*\*\*

<u>Line No.</u>	<u>Description</u>	<u>Amount</u>
(A)	(B)	(C)
1	March 2004 Co. Adjustment to Lincoln Storage Field	\$ XXX,XXX
2	March 2004 Co. Adjustment to Glasford Storage Field	XXX,XXX
3	March 2004 Co. Adjustment to ANR Storage	XXX
4	Total March 2004 Co. Storage adjustment	<u>\$ (1,198,948)</u>

Source:

Col. (C) CILCO workpaper sent in response to Staff data request GS-1(d) (WP D-8 1/)

Central Illinois Light Company d/b/a AmerenCILCO  
 Staff Proposed Commodity Gas Charge Reconciliation  
 Staff Adjustment to Correct the Company's Reconciliations  
 For The Year Ended December 31, 2004

Line No.	Description	Commodity Gas Charge	Non-Commodity Gas Charge	Source
(A)	(B)	(C)	(D)	(E)
1	Factor O Collected / (Refunded) during 2004 Per Staff	\$ (1,109,521)	\$ 28,270	
2	Factor O Collected/(Refunded) during 2004 Per Company	<u>(1,081,251)</u>	<u>-</u>	
3	Difference-Staff Adjustment	<u>\$ (28,270)</u>	<u>\$ 28,270</u>	
	Interest			
4	2002 Reconciliation Factor O (Docket No. 02-0717)	\$ (1,083,610)	\$ 27,610	1
5	Interest from 12/31/02 through Order date at 1.5% interest rate	<u>(25,911)</u>	<u>660</u>	2
6	Total	<u>\$ (1,109,521)</u>	<u>\$ 28,270</u>	

Source:

- 1 2002 Factor O from Docket No. 02-0717
- 2 Interest Calculation:  
 2002 Commodity Gas Charge  $(1.5\%/12 \times 19.13) \times (\$1,081,981) = (\$25,911)$   
 2002 Non-Commodity Gas Charge  $(1.5\%/12 \times 19.13) \times \$27,610 = \$660$

AmerenCILCO's Response To  
Illinois Commerce Commission Data Request  
Docket No. 04-0673  
Reconciliation of FAC & PGA Clauses

**Data Request No. MHE 2.02:**

Provide an explanation of why it is appropriate to exclude charges that are physically not able to be injected into a particular storage field in light of CILCO's use of a single PGA rate for all customers in its service territory that is premised on the concept that the gas system is totally integrated.

**Response:**

It is a consistent practice with AmerenCIPS to exclude charges that are physically not able to be injected into a particular storage field. In fact, prior to July 2003 both Fuel Accounting and Gas Supply records excluded these charges. After CILCO's accounting transitioned to Ameren, Fuel Accounting records began to vary from the Gas Supply Worksheets. In March 2004, the entry was made to bring the Gas Supply and Fuel Accounting Worksheets back in balance.

**Supplemental Response No. 1:**

There are different methods and ways to calculate storage injection rates. AmerenCILCO's method, consistent with the methodology utilized by AmerenCIPS, excludes volumes of gas purchased to serve captive loads and off-system storage injection requirements. This method of calculating storage injection rates has never been objected to at AmerenCIPS. The theory behind excluding these charges is that the molecules of gas never become available to the integrated AmerenCILCO system for injection into the Lincoln or Glasford storage fields. Because of this fact, AmerenCILCO believes that the methodology currently in use is superior to a purely system-wide WACOG method because it better matches the timing of PGA cost incurrence to cost recovery.

**Prepared By:** Paul W. Mertens  
**Title:** Managing Supervisor, Fuel & Gas Accounting  
**Phone:** 314-554-3280  
**Date:** March 1, 2006 (Supplemental Response)