

DIRECT TESTIMONY

of

BURMA C. JONES

Accounting Department

Financial Analysis Division

Illinois Commerce Commission

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

Illinois Power Company,
d/b/a AmerenIP

Docket No. 06-0746

September 21, 2007

1 Witness and Schedule Identification

2 Q. Please state your name and business address.

3

4 A. My name is Burma C. Jones. My business address is 527 East Capitol
5 Avenue, Springfield, Illinois 62701.

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

7

8 A. I am currently employed as an Accountant in the Accounting Department
9 of the Financial Analysis Division of the Illinois Commerce Commission
10 ("Commission").

11 Q. Please describe your professional background and affiliations.

12

13 A. I have a Bachelor of Arts in Accountancy from the University of Illinois at
14 Springfield (formerly known as Sangamon State University). I joined the
15 Staff of the Illinois Commerce Commission ("Staff") in October 1999. My
16 prior accounting experience includes five years as the Assistant Controller
17 for a mid-size retail business and two and one-half years on the
18 accounting staff of the Illinois Office of the Comptroller.

19 Q. Have you previously testified before any regulatory bodies?

20

21 A. Yes, I have testified on several occasions before the Illinois Commerce
22 Commission.

23 Q. What is the purpose of your testimony in this proceeding?
24

25 A. The purpose of my testimony is to present the results of my review of
26 AmerenIP's ("IP" or "Company") purchased gas adjustment ("PGA")
27 reconciliation as reflected on AmerenIP Exhibit 1.1, page 1 of 5, and the
28 underlying documents that support the calculations.

29 Q. Are you sponsoring any schedules as part of your direct testimony?
30

31 A. No.

32 Results of the PGA Review

33 Q. Are you proposing any adjustments to IP's PGA reconciliation as a result
34 of your review?
35

36 A. No.

37 Q. Do you have any comments as a result of your review?
38

39 A. As a result of my review, I found that the Company billed third parties for
40 gas lost due to damage to its lines, but did not apply the recovered costs
41 to the PGA.¹ The Company billed a total of \$5,266 for the gas lost in two
42 separate incidences of damage to gas lines.² However, the Company did
43 not follow its own procedure, as described in the Company's response to
44 Staff data request GS-18, which is to flow the recovered costs through the
45 PGA.

46 Q. Why are you not proposing an adjustment to reduce recoverable PGA gas
47 costs by \$5,266?

48

49 A. I am not proposing an adjustment to reduce recoverable gas costs by
50 \$5,266 because it is impractical to propose a single adjustment for such
51 an immaterial amount. However, the Company should not construe the
52 lack of an adjustment in this instance as the basis to discontinue billing for
53 lost gas due to damage to gas lines by third parties. It is reasonable to
54 expect the Company to bill third parties to try and recover lost gas costs
55 since ratepayers should not pay for gas that cannot be delivered and from
56 which they have derived no benefit.

¹ Company responses to Staff data requests BCJ-3.01 and BCJ-3.04.

² Company responses to Staff data requests BCJ-1.22 and BCJ-3.02.

57 Summary

58 Q. Please summarize your recommendations.

59

60 A. I find no reason to object to the Company's reconciliation of revenues
61 collected under its Purchased Gas Adjustment Clause with the actual
62 PGA recoverable costs. I recommend that the Commission accept the
63 reconciliation of revenues collected under the Purchased Gas Adjustment
64 Clause with actual costs as reflected on AmerenIP Exhibit 1.1, page 1 of
65 5.

66

67 I also recommend the following:

68 1. AmerenIP should continue to bill for gas lost as a result of damage
69 to gas lines by third parties, but the amounts collected for the lost
70 gas should flow through the PGA as a reduction to recoverable gas
71 costs;

72 2. The other Ameren Illinois Utilities (AmerenCIPS and
73 AmerenCILCO) should adopt a similar policy regarding gas lost as
74 a result of damage to gas lines by third parties.

75 Conclusion

76 Q. Does this question end your prepared direct testimony?

77

78 A. Yes.