

3. On June 14, 2006, the Staff and AmerenUE filed, for Commission review and approval, a Stipulation And Agreement for the purpose of settling all outstanding issues of the

complaint case. The Stipulation And Agreement contains recommendations developed by Staff that address the alleged Complaint violation. AmerenUE has adopted Staff's recommendations and has taken all appropriate corrective actions in order to prevent any such reoccurrence of a system over-pressurization. AmerenUE developed, and will implement, a new procedure for performing future conversions of low-pressure system sections to high-pressure. The Staff believes that, had AmerenUE used this procedure, this incident would have been prevented.

4. Prior to this incident, AmerenUE has not had any other problems when changing low-pressure systems over to high-pressure. At present, AmerenUE has 8 low-pressure systems remaining in Missouri. Six of these are being upgraded to high-pressure in 2006. Staff is currently working with AmerenUE to monitor these projects in order to ensure these 6 systems are upgraded safely. For the two remaining low-pressure systems, AmerenUE is taking an extra, non-required safety precaution of adding relief valves to them.

5. The Staff believes that the actions to be taken by AmerenUE under the terms of this Stipulation And Agreement satisfactorily address both the issues that were the subject of this Complaint and the recommendations contained in the Gas Incident Report. Going forward, AmerenUE's applying these new procedures, when it upgrades or improves its low-pressure systems, will provide the public with an additional margin of safety to prevent any such over-pressurization in the future.

6. Under current Missouri statutes<sup>1</sup>, if the Commission found AmerenUE committed the rule violation asserted by the Staff, it could authorize the Staff to seek a maximum penalty of

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<sup>1</sup> Section 386.570.1 RSMo 2005 states, in pertinent part: "Any corporation, person or public utility which...fails, omits or neglects to obey, observe or comply with any order, decision, decree, rule, direction, demand or requirement...of the commission in which a penalty has not herein been provided for such ...public utility, is subject to a penalty of not less than one hundred dollars nor more than two thousand dollars for each offense."

\$2,000 in circuit court. For the sole purpose of settlement of the Staff's Complaint, AmerenUE agrees to remit a monetary penalty in the amount of \$2,000 to the state public school fund.

7. With respect to the status of civil claims arising from this matter, counsel for AmerenUE has reported to Staff counsel that only 3 claims related to the Boonville incident remain open. On two of the claims, AmerenUE has agreed to settlement terms with the claimants. Regarding the third claim, AmerenUE reports it is waiting for subrogation information from the claimant's insurance company.

**WHEREFORE**, for the reasons discussed above, the Staff recommends that the Commission (1) issue an order approving this Stipulation and Agreement and dismissing this complaint case; and (2) issue an order in Case No. GS-2006-0199 acknowledging that the Stipulation and Agreement in the complaint case addresses Staff's recommendations; suspends the requirement of Staff to file a Status Report; and closes that case.

Respectfully submitted,

**/s/ Robert S. Berlin**

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**Certificate of Service**

I hereby certify that copies of the foregoing have been mailed, hand-delivered, transmitted by facsimile or electronically mailed to all counsel of record this 19th day of June 2006.

/s/ **Robert S. Berlin**

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