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October 2, 2000

Public Service Commission
Governor Hotel
Jefferson City, MO 65102

FILED
CCT 2 2000
Missouri Public
Service Commission

RE: *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*

Dear Sir/Madam:

Enclosed for filing please find an original and 9 copies of an MDNR's *Explanatory Memorandum*. Please stamp "filed" on the extra copy for my files. Thank you.

Sincerely,

JEREMIAH W. (JAY) NIXON
Attorney General

Shelley Woods/nc
SHELLEY A. WOODS
Assistant Attorney General

SAW:pah
Enclosure
c: Counsel of Record

STATE OF MISSOURI
PUBLIC SERVICE COMMISSION

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In the Matter of Union Electric Company)	
d/b/a AmerenUE for Authority to File)	
Tariffs Increasing Rates for Gas Service)	Case No. GR-2000-512
Provided to Customers in the Company's)	Tariff No. 200000747
Missouri Service Area)	

MDNR'S EXPLANATORY MEMORANDUM

COME NOW Missouri Department of Natural Resources (MDNR) pursuant to the Public Service Commission's (PSC) Notice Setting Hearing on Stipulation and Agreement dated September 21, 2000 and states as follows:

1. On or about August 8, 2000, the MDNR filed its Application to Intervene Late and Motion requesting leave to file late. That motion was granted by the PSC effective September 11, 2000.
2. The MDNR intervened on the issue of low-income weatherization. The MDNR's primary reason for intervening in the above-styled rate case was and is to insure that Ameren UE's Experimental Weatherization Program continue.
3. Not only is low-income weatherization important to consumers within Ameren UE's service area, but the United States Congress recently amended the statute governing the Department of Energy's Weatherization Assistance Program by requiring that, beginning in federal fiscal year 2001, sums appropriated for weatherization assistance grants be contingent on a cost

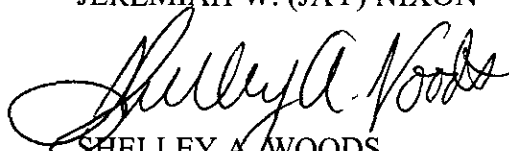
share of 25 percent by each participating state.

4. Without these federal cost share funds, Missouri will lose its current annual federal allocation of approximately \$3.5 million.
5. Under the federal law, the 25 percent cost share may also be matched with non-federal leveraged resources from energy suppliers or other sources through negotiation, regulation or voluntary contributions.
6. Funds from energy providers for weatherization services such as the Ameren UE Experimental Weatherization Program will contribute not only to meeting the new cost share requirements, but also the need for these services in Missouri.
7. Ms. Anita Randolph, Energy Center Director, MDNR, testified at page 7 of her Direct Testimony in the above-styled case that state weatherization officials estimate the number of eligible weatherization household at more than 219,00, with more than 150,000 of those households being occupied by elderly individuals and more than 55,000 inhabited by disabled persons.
8. The Stipulation and Agreement signed by the parties to this case maintains the Ameren UE weatherization program at a funding level of \$125,000.00, until the next rate case. And the details of the program will be addressed through a collaborative effort involving Staff, the Office of Public Counsel and the MDNR.
9. The MDNR's view of the Stipulation and Agreement, as it pertains to the weatherization issues, only, is that the Stipulation and Agreement is in the

best interest of the rate payers.

Respectfully submitted,

JEREMIAH W. (JAY) NIXON



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CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing was mailed, postage prepaid, by United States mail, this 2ND day of October, 2000, to:

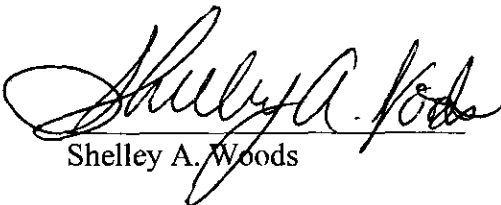
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