

**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI**

In the Matter of Staff's Recommendation)	
In Union Electric Co. d/b/a AmerenUE's)	Case No. GR-2006-0087
2004-2005 Actual Cost Adjustment.)	

STAFF RECOMMENDATION

COMES NOW Staff of the Public Service Commission of Missouri, and for its recommendation in this case states:

1. On August 15, 2005, Union Electric Company, d/b/a AmerenUE (Company) filed four tariff sheets proposed to be effective September 1, 2005. The tariff sheets reflect proposed changes to Company's PGA factors, to be audited and reviewed in the Company's 2004-2005 Actual Cost Adjustment.

2. The tariff sheets propose to raise rates in the Company's four service areas – Columbia, Jefferson City, Mexico, and Wentzville; Rolla and Owensville (formerly served by Aquila's Eastern System); Cape Girardeau; and Jackson, Marble Hill. Each area is served by different transmission pipelines.

3. The Staff has reviewed the tariffs, and determined the filings comply with the Company's PGA Clause. Staff recommends that the Commission approve the rates, interim subject to refund. Staff is of the opinion that good cause for approving the rates on less than thirty days notice is shown by the Company's PGA Clause providing for ten business days notice. See the attached Staff recommendation.

WHEREFORE, Staff asks the commission to approve the tariffs, interim subject to refund, for service on and after September 1, 2005.

Respectfully submitted,

DANA K. JOYCE
General Counsel

/s/ Thomas R. Schwarz, Jr.

Thomas R. Schwarz, Jr.
Deputy General Counsel
Missouri Bar No. 29645

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Certificate of Service

I hereby certify that copies of the foregoing have been mailed, hand-delivered, or transmitted by facsimile or electronic mail to all counsel of record this 25th day of August, 2005.

/s/ Thomas R. Schwarz, Jr.

MEMORANDUM

TO: Missouri Public Service Commission Official Case File,
Case No. GR-2006-0087, File No. JG-2006-0113,
Union Electric Company d/b/a AmerenUE

HW

FROM: Henry Warren, Energy Department - Tariffs/Rate Design

/s/ Thomas M. Imhoff 08/25/05

Energy Department/Date

/s/ Thomas R. Schwarz, Jr. 08/25/05

General Counsel's Office/Date

SUBJECT: Staff Recommendation For Union Electric Company's Optional PGA Filing
Effective September 1, 2005.

DATE: August 25, 2005

On August 15, 2005, Union Electric Company d/b/a AmerenUE (AmerenUE or Company) of St. Louis, Missouri, filed four (4) tariff sheets proposed to become effective September 1, 2005. The tariff sheets were filed to reflect scheduled changes in AmerenUE's Purchased Gas Adjustment (PGA) factors as the result of estimated changes in the cost of natural gas for the remaining 2005 summer season. The summer season includes the months of April through October.

For the area served by Panhandle Eastern Pipe Line Company (PEPL), including the cities of Columbia, Jefferson City, Mexico, and Wentzville; and excluding the Rolla Service Area, the effect of these changes will increase the PGA factor for the remaining 2005 summer season to \$0.8900 per hundred cubic feet (Ccf) from the PGA of \$0.7900 per Ccf currently in effect. When compared to the current rates, the effect of the proposed increase on a typical residential customer's natural gas bills for the remaining summer season is an increase of approximately \$7 or 7%.

For the Rolla Service Area, including the cities of Rolla and Owensville, formerly served under the tariff of Aquila Inc. d/b/a Aquila Networks – MPS' Eastern System, the effect of these changes will increase the PGA factor for the remaining 2005 summer season to \$1.3102 per Ccf from the PGA of \$1.2102 per Ccf currently in effect. When compared to the current rates, the effect of the proposed increase on a typical residential customer's natural gas bills for the remaining summer season is an increase of approximately \$7 or 6%.

For the area served by Texas Eastern Transmission Corporation (TETCO), including the city of Cape Girardeau, the effect of these changes will increase the PGA factor for the remaining 2005 summer season to \$0.9900 from the PGA factor of \$0.8900 per Ccf currently in effect. When compared to the current rates, the effect of the proposed increase on a typical residential customer's natural gas bills for the remaining summer season is an increase of approximately \$7 or 7%.

For the area served by Natural Gas Pipeline Company of America (NGPL), including the communities of Jackson and Marble Hill, the effect of these changes will increase the PGA factor for the remaining 2005 summer season to \$0.7333 from the PGA factor of \$0.6333 per Ccf currently in effect. When compared to the current rates, the effect of the proposed increase on a typical residential customer's natural gas bills for the remaining summer season is an increase of approximately \$7 or 8%.

The filing cover letter contains a typographical error in the second paragraph on the second page in the description of the NGPL interruptible sales PGA. The third sentence should be, "The interruptible sales customers' PGA factor will increase from 65.35¢/Ccf to 70.20¢/Ccf." Tariff Sheet No. 32, filed for the area served by NGPL, contains the correct information.

Case No. GR-2006-0087, under which these changes were filed, was established to track the Company's PGA factors to be reviewed in its 2004-2005 ACA filing. Case No. GR-2005-0102 was established to track the Company's PGA factors to be reviewed in its 2003-2004 ACA filing. Interim subject to refund, status should be maintained pending final Commission decisions in Case Nos. GR-2006-0087 and GR-2005-0102.

The Commission's Energy Department - Tariffs/Rate Design Staff (Staff) has verified that this company has filed its annual report and is not delinquent on any assessment. Staff is not aware of any other matter before the Commission that affects or is affected by this filing; however, the following Cases are pending before the Commission:

EC-2005-0352	EE-2005-0486	EC-2005-0398
EC-2006-0002	EE-2005-0400	GR-2005-0102

Staff has reviewed this filing and has determined that it was calculated in conformance with AmerenUE's PGA Clause. Staff is of the opinion that good cause for approval of these tariff sheets on less than thirty (30) days notice is demonstrated by AmerenUE's Commission-approved PGA clause allowing for ten (10) business days notice for PGA change filings. Therefore, Staff recommends that the following tariff sheets be approved, interim subject to refund:

P.S.C. MO. No. 2

89 th Revised SHEET No. 30	Cancelling 88 th Revised SHEET No. 30
2 nd Revised SHEET No. 30.1	Cancelling 1 st Revised SHEET No. 30.1
95 th Revised SHEET No. 31	Cancelling 94 th Revised SHEET No. 31
90 th Revised SHEET No. 32	Cancelling 89 th Revised SHEET No. 32

Copies: Director - Utility Operations Division
 Director - Utility Services Division
 General Counsel
 Manager - Financial Analysis Department
 Manager - Procurement Analysis Department
 Manager - Energy Department
 Steven R. Sullivan - Vice President and General Counsel (AmerenUE)
 Office of the Public Counsel

SUMMER SEASON
 Approximate Billing Impact Of 312 Ccf per Summer Season
 AmerenUE Panhandle Eastern Service Area (PEPL)
 Residential Heating Customer

	Summer Season at Current Rates (Months)	Ccf Usage	Total Fuel Bill (\$)
#	April 2005	96	113.43
#	May	53	67.19
#	June	36	48.91
#	July	28	40.31
#	August	27	39.23
#	September	30	42.46
#	October	42	55.36
	7 Month Summer Season Total	312.0	\$406.89

	Summer Season at Proposed Rates (Months)	Ccf Usage	Total Fuel Bill (\$)
#	April 2005	96	113.43
#	May	53	67.19
#	June	36	48.91
#	July	28	40.31
#	August	27	39.23
*	September	30	45.46
*	October	42	59.56
	7 Month Summer Season Total	312.0	\$414.09

REMARKS

For a typical residential customer using approximately 312 Ccf's during the summer season (April-October), natural gas rates will increase by \$7.20 or approximately 2% when comparing the fuel bills for the summer season at the proposed rates to the fuel bills of the summer season at the current rates.

Notes:

- (1) Total fuel bill does not include gross receipts or local sales taxes.
- (2) Monthly usage priced at the rates in effect during the appropriate time period.
- (3) Tariff Sheet No. 5, 5th Revised: Customer Charge = \$10.20; Delivery Charge = \$0.2853 per Ccf; Effective February 15, 2004
- # Tariff Sheet No. 30, 88th Revised: PGA Charge = \$0.7900 per Ccf; Effective November 1, 2004
- * Tariff Sheet No. 31, 89th Revised: PGA Charge = \$0.8900 per Ccf; Effective September 1, 2005

Missouri Public Service Commission
August 2005

SUMMER SEASON
 Approximate Billing Impact Of 312 Ccf per Summer Season
 AmerenUE Rolla (ROLLA) (Formerly Eastern System under Aquila Tariff)
 Residential Heating Customer

	Summer Season at Current Rates (Months)	Ccf Usage	Total Fuel Bill (\$)
#	April 2005	96	146.58
#	May	53	84.96
#	June	36	60.59
#	July	28	49.13
#	August	27	47.70
#	September	30	51.99
#	October	42	69.19
	7 Month Summer Season Total	312.0	\$510.14

	Summer Season at Proposed Rates (Months)	Ccf Usage	Total Fuel Bill (\$)
#	April 2005	96	146.58
#	May	53	84.96
#	June	36	60.59
#	July	28	49.13
#	August	27	47.70
*	September	30	54.99
*	October	42	73.39
	7 Month Summer Season Total	312.0	\$517.34

REMARKS

For a typical residential customer using approximately 312 Ccf's during the summer season (April-October), natural gas rates will increase by \$7.20 or approximately 1% when comparing the fuel bills for the summer season at the proposed rates to the fuel bills of the summer season at the current rates.

Notes:

- (1) Total fuel bill does not include gross receipts or local sales taxes.
 - (2) Monthly usage priced at the rates in effect during the appropriate time period.
 - (3) Tariff Sheet No. 20.4: Customer Charge = \$9.00; Delivery Charge = \$0.22295 per Ccf ;
 Effective May 1, 2004
- # Tariff Sheet No. 30.1, 1st Revised : PGA Charge = \$1.2102 per Ccf, Effective November 1, 2004
- * Tariff Sheet No. 30.1, 2nd Revised : PGA Charge = \$1.3102 per Ccf, Effective September 1, 2005

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SUMMER SEASON
 Approximate Billing Impact Of 312 Ccf per Summer Season
 AmerenUE Texas Eastern Service Area (TETC)
 Residential Heating Customer

	Summer Season at Current Rates (Months)	Ccf Usage	Total Fuel Bill (\$)
#	April 2005	96	123.03
#	May	53	72.49
#	June	36	52.51
#	July	28	43.11
#	August	27	41.93
#	September	30	45.46
#	October	42	59.56
	7 Month Summer Season Total	312.0	\$438.09

	Summer Season at Proposed Rates (Months)	Ccf Usage	Total Fuel Bill (\$)
#	April 2005	96	123.03
#	May	53	72.49
#	June	36	52.51
#	July	28	43.11
#	August	27	41.93
*	September	30	48.46
*	October	42	63.76
	7 Month Summer Season Total	312.0	\$445.29

REMARKS

For a typical residential customer using approximately 312 Ccf's during the summer season (April-October), natural gas rates will increase by \$7.20 or approximately 2% when comparing the fuel bills for the summer season at the proposed rates to the fuel bills of the summer season at the current rates.

Notes:

- (1) Total fuel bill does not include gross receipts or local sales taxes.
- (2) Monthly usage priced at the rates in effect during the appropriate time period.
- (3) Tariff Sheet No. 5, 5th Revised: Customer Charge = \$10.20; Delivery Charge = \$0.2853 per Ccf; Effective February 15, 2004
- # Tariff Sheet No. 31, 94th Revised: PGA Charge = \$0.8900 per Ccf; Effective November 1, 2004
- * Tariff Sheet No. 31, 95th Revised: PGA Charge = \$0.9900 per Ccf; Effective September 1, 2005

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SUMMER SEASON
 Approximate Billing Impact Of 312 Ccf per Summer Season
 AmerenUE Natrual Gas Pipeline Service Area (NGP)
 Residential Heating Customer

	Summer Season at Current Rates (Months)	Ccf Usage	Total Fuel Bill (\$)
#	April 2005	96	98.39
#	May	53	58.89
#	June	36	43.27
#	July	28	35.92
#	August	27	35.00
#	September	30	37.76
#	October	42	48.78
	7 Month Summer Season Total	312.0	\$358.01

	Summer Season at Proposed Rates (Months)	Ccf Usage	Total Fuel Bill (\$)
#	April 2005	96	98.39
#	May	53	58.89
#	June	36	43.27
#	July	28	35.92
#	August	27	35.00
*	September	30	40.76
*	October	42	52.98
	7 Month Summer Season Total	312.0	\$365.21

REMARKS

For a typical residential customer using approximately 312 Ccf's during the summer season (April-October), natural gas rates will increase by \$7.20 or approximately 2% when comparing the fuel bills for the summer season at the proposed rates to the fuel bills of the summer season at the current rates.

Notes:

- (1) Total fuel bill does not include gross receipts or local sales taxes.
- (2) Monthly usage priced at the rates in effect during the appropriate time period.
- (3) Tariff Sheet No. 5, 5th Revised: Customer Charge = \$10.20; Delivery Charge = \$0.2853 per Ccf; Effective February 15, 2004
- # ' Tariff Sheet No. 30, 89th Revised: PGA Charge = \$0.6330 per Ccf; Effective November 1, 2004
- * Tariff Sheet No. 31, 90th Revised: PGA Charge = \$0.7330 per Ccf; Effective September 1, 2005

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