

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

In the Matter of the tariff filing of)	
Union Electric Company)	Case No. GT-2003-0034
)	Tariff No. JG-2003-0050
)	

UNANIMOUS STIPULATION AND AGREEMENT

COME NOW Union Electric Company d/b/a AmerenUE (UE), the Staff of the Missouri Public Service Commission (Staff), the Office of the Public Counsel (OPC), and the Missouri School Boards' Association (Association) (collectively referred to as the parties) and submit this Unanimous Stipulation and Agreement (Stipulation and Agreement) for approval by the Missouri Public Service Commission (Commission).

BACKGROUND

1. On August 1, 2002, UE submitted proposed tariff sheets dealing with natural gas aggregation for schools pursuant to § 393.310 RSMo Supp. 2002. The sheets bore a proposed effective date of November 1, 2002.

2. On August 13, 2002, a procedural conference was held, and the date of August 26, 2002, was set for the submission of a proposed procedural schedule. On August 22, 2002, the Commission granted the Association intervention. On August 23, 2002, a technical conference involving all of the parties was held. On August 26, 2002, a proposed procedural schedule in this case was filed by the Staff. The Procedural Schedule was adopted by the Commission on August 29, 2002.

3. The parties have held several discussions concerning the content of the proposed tariff, the intentions of the General Assembly in passing the new legislation, and the most

practical means to accomplish the intention of the legislation. As a result of those discussions, the parties have agreed to the following Stipulation and Agreement, which resolves all issues in this proceeding in the manner set out herein.

RESOLUTION OF ISSUES

4. **Tariff Sheets.** The parties agree that the Commission should approve the illustrative tariff sheets shown in **Appendix A**, attached hereto, and should issue an order authorizing the filing by UE of tariff sheets which are identical in content to the illustrative sheets shown in **Appendix A** to be effective on November 1, 2002. The Commission is required by the new legislation to act on the proposed sheets by November 1, 2002. As indicated, the proposed sheets would institute new procedures for the transportation of natural gas by school districts on an experimental basis. Those particular dates are requested to minimize the amount of effort and cost needed to institute this new program. The Association desires that the sheets take effect at the earliest practical time.

5. **Revenue Impact.** The parties believe that the agreed-upon changes to UE's transportation procedures reflected in the proposed tariff sheets will not result in a material change to its revenue requirement.

6. **Reporting Requirements.** UE shall, no later than June 1st of each year of the experimental program, provide records of the revenues generated and expenses incurred as a result of this experimental program. These records shall be provided to the Staff and OPC and shall be categorized in sufficient detail to permit the Staff and OPC to determine what under- or over-recovery of expenses may be taking place at that time and determine if any action may be appropriate at that time to prevent any harm to the groups identified in Section 393.310 RSMo Supp. 2002. The statute provides that the Commission may, no later than November 1st of each

year of the experimental program, implement any adjustments in aggregation or balancing fees deemed appropriate to comply with Section 393.310 RSMo Supp. 2002.

7. **Legislative Requirements.**

A. The new legislation provides that the Commission “shall approve such tariffs upon finding that implementation of the aggregation program set forth in such tariffs will not have any negative financial impact on the gas corporation, its other customers or local taxing authorities, and that the aggregation charge is sufficient to generate revenue at least equal to all incremental costs caused by the experimental aggregation program.” § 393.310.5 RSMo Supp. 2002.

B. The parties have discussed the intentions of the sponsors and drafters of this legislation and have also discussed latent internal inconsistencies in the legislation, including, but not limited to, the conflict between the “hold harmless” provisions in subsection 5 and the specific price cap provision for an “aggregation and balancing fee” in subdivision (2) of subsection 4. The parties have also discussed practical alternatives which are consistent with the overall intention of the legislation to launch an experimental program to afford a means of natural gas aggregation and transportation to school districts and individual schools in the state.

C. The parties have also discussed the findings the Commission is required by § 393.310.5 RSMo Supp. 2002 to make in order to approve the proposed tariffs, and to aid the Commission in making such findings, respectfully state as follows:

1. The parties agree that the illustrative tariff sheets in **Appendix A** have been designed to preclude material financial impacts on local taxing authorities by requiring eligible school entities to agree to pay local taxes or similar fees in a manner similar to the way such taxes are levied on sales customers.

2. The parties agree that the illustrative tariff sheets in Appendix A have been designed to preclude negative, material financial impacts on UE.

3. The parties agree that the illustrative tariff sheets in Appendix A have been designed to preclude negative, material financial impacts on the other customers of UE, since there are no changes to the rates being paid by UE's other customers.

8. **Reservations Due to Nature of Experiment.** The parties acknowledge that UE's actual experience under this experimental program may be considerably different from the estimates which were, of necessity, used in the development of the provisions. The parties also acknowledge that, as with any new piece of legislation, there may be unforeseen complications or circumstances which no party has yet discovered or fully appreciated. As a result, and giving due consideration to the legislative directive that this experiment "not have any negative financial impact on the gas corporation, its other customers or local taxing authorities," the parties agree that they will not seek to unreasonably delay the implementation of changes which UE may propose to the provisions shown in Appendix A if the actual implementation of the program varies significantly from what was originally contemplated and UE is experiencing negative financial impacts as a result of implementing or offering this program. No party shall oppose any reasonable request by UE for expedited treatment of such changes.

GENERAL PROVISIONS

9. **Reservations.**

A. This Stipulation and Agreement has resulted from extensive negotiations among the parties and the terms hereof are interdependent. In the event the Commission does not adopt this Stipulation and Agreement in total, then this Stipulation and Agreement shall be void and no party shall be bound, prejudiced, or in any way affected by any of the agreements or

provisions hereof. The stipulations herein are specific to the resolution of this proceeding, and all stipulations are made without prejudice to the rights of the parties to take other positions in other proceedings, or in this proceeding should the Commission decide either not to approve this Stipulation and Agreement or to in any way condition its approval of same.

B. It is specifically understood and agreed that this Stipulation and Agreement represents a negotiated settlement of the issues in this proceeding settled in a manner that is in the public interest. Neither UE, the Association, the Commission, its Staff, nor the OPC, shall be deemed to have approved, accepted, agreed, or consented to any accounting principle, ratemaking principle or cost of service determination underlying, or supposed to underlie any of the issues provided for herein.

C. All parties further understand and agree that the provisions of this Stipulation and Agreement relate only to the specific matters referred to herein, and no party or person waives any claim or right which it otherwise may have with respect to any matters not expressly provided for in this Stipulation and Agreement.

10. **Contingent Waiver of Rights.** In the event the Commission accepts the specific terms of this Stipulation and Agreement, the parties waive with respect to the issues resolved herein: their respective rights pursuant to Section 536.070(2), RSMo 2000 to call, examine and cross-examine witnesses; their respective rights to present oral argument or written briefs pursuant to Section 536.080.1, RSMo 2000; their respective rights to the reading of the transcript by the Commission pursuant to Section 536.080.2, RSMo 2000; their respective rights to seek rehearing pursuant to Section 386.500, RSMo 2000; and their respective rights to judicial review pursuant to Section 386.510, RSMo 2000. If this Stipulation and Agreement is not approved by the Commission, the parties request that a procedural schedule be established which provides for

the filing of testimony and a hearing, to include the opportunity for cross-examination.

11. **Staff's Rights.**

A. The Staff shall file suggestions or a memorandum in support of this Stipulation and Agreement and the other parties shall have the right to file responses within five (5) days of receipt of Staff's supporting pleading. The parties agree that any and all discussions related to this Stipulation and Agreement shall be privileged and shall not be subject to discovery, admissible in evidence, or in any way used, described or discussed in any proceeding, except as expressly specified herein. The contents of any memorandum provided by any party are its own and are not acquiesced in or otherwise adopted by the other signatories to this Stipulation and Agreement, whether or not the Commission approves and adopts this Stipulation and Agreement.

B. The Staff shall also have the right to provide, at any agenda meeting at which this Stipulation and Agreement is noticed to be considered by the Commission, whatever oral explanation the Commission requests, provided that the Staff shall, to the extent reasonably practicable, promptly provide other parties with advance notice of when the Staff shall respond to the Commission's request for such explanation once such explanation is requested from Staff. Staff's oral explanation shall be subject to public disclosure, except to the extent it refers to matters that are privileged or protected from disclosure pursuant to any Protective Order issued in this case.

12. **Provision of Additional Information.** To assist the Commission in its review of this Stipulation and Agreement, the parties also request that the Commission advise them of any additional information that the Commission may desire from the parties relating to the matters addressed in this Stipulation and Agreement, including any procedures for furnishing such

information to the Commission.

13. **Suspension of Procedural Schedule; Admission of Pre-filed Testimony.** The parties ask that, in view of this Stipulation and Agreement, the Commission suspend the balance of the procedural schedule and admit the pre-filed testimony filed by the parties into the record.

WHEREFORE, the undersigned parties respectfully request that the Commission issue its Order:

- a) Approving all of the specific terms and conditions of this Stipulation and Agreement;
- b) Suspending the procedural schedule;
- c) Admitting the pre-filed testimony into the record; and,
- d) Granting such further relief as the Commission should find reasonable and just.

Respectfully submitted,

DANA K. JOYCE
General Counsel

/s/ Robert V. Franson

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Certificate of Service

I hereby certify that copies of the foregoing have been mailed, hand-delivered, transmitted by facsimile or e-mailed to all counsel of record this Thursday, September 26, 2002.

/s/ Robert V. Franson

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

In the Matter of the tariff filing of Union)
Electric Company)
)
)

Case No. GT-2003-0034
Tariff No. JG-2003-0050

SUPPLEMENT TO UNANIMOUS STIPULATION AND AGREEMENT

COMES NOW the Staff of the Missouri Public Service Commission (Staff) and for its Supplement to Unanimous Stipulation and Agreement and respectfully states as follows:

1. On September 26, 2002, the parties in this case filed a Unanimous Stipulation and Agreement. In the Unanimous Stipulation and Agreement, there is a reference to Appendix A. Appendix A is supposed to be the illustrative tariff sheets.
2. The illustrative tariff sheets were inadvertently not attached to the Unanimous Stipulation and Agreement. The illustrative tariff sheets are attached hereto as Appendix A.
3. Counsel for the Office of the Public Counsel, the Missouri School Boards' Association and Union Electric Company d/b/a AmerenUE have no objection to this Supplement to Unanimous Stipulation and Agreement.

WHEREFORE, the Staff respectfully requests that the Commission accept this Supplement to the Unanimous Stipulation and Agreement.

Respectfully submitted,

DANA K. JOYCE
General Counsel

/s/ Robert V. Franson

Robert V. Franson
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Missouri Bar No. 34643

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Certificate of Service

I hereby certify that copies of the foregoing have been mailed, hand-delivered, transmitted by facsimile, or emailed to all counsel of record this 1st day of October, 2002.

/s/ Robert V. Franson

UNION ELECTRIC COMPANY GAS SERVICE

Applying to MISSOURI SERVICE AREA

NATURAL GAS TRANSPORTATION SERVICE

*1. Availability.

This service schedule is available: 1) to all non-residential customers on a per meter basis and 2) on an experimental basis through June 30, 2005, to the premises of "New Eligible School Entities" which are the eligible school entities as defined in Section 393.310 RSMo, that were not receiving Natural Gas Transportation Service as of July 31, 2002. Such service is applicable to individual customers that can individually secure and arrange for the delivery of sufficient supplies of natural gas to the Company's designated city gate and to the New Eligible School Entities that can do so through aggregate contracts negotiated by and through a not-for-profit school association. The Company will not provide this service to any customer who uses such gas primarily to heat a premise that provides temporary or permanent living quarters for individuals, unless the customer demonstrates to the Company that it has contracted for primary firm capacity with the upstream supplying intrastate and/or interstate pipelines to meet the customer's peak needs, or unless the customer demonstrates to the Company that the customer has adequate and usable alternative fuel facilities to meet the customer's energy needs.

The "transportation customer" shall be responsible for the purchase and transportation of its gas needs to the Company's city gate which serves such customer.

The Company shall not sell gas to any of its transportation customers except as specifically provided for in this service classification.

*2. Monthly Customer, EGM and Volumetric Meter Reading Rates. (5)

	<u>Standard Transportation (1)</u>	<u>Large Volume Transportation (2)</u>
Customer Charge:	\$20.80	\$750.00 per month
Electronic Gas Meter (EGM) Charges:		
Administrative Charge:	\$40.00	\$40.00 per month
Meter Equipment Charge (3):	Section G. Miscellaneous Charges Sheet No. 20.1, as applicable.	
Transportation Charge:		
17.96¢ per Ccf	First 7,000 Ccf	17.96¢ per Ccf
All Over 7,000 Ccf	11.11¢ per Ccf	9.40¢ per Ccf
Transportation Charge Adder:		
All Over 7,000 Ccf (4)	00.69¢ per Ccf	2.40¢ per Ccf

* Indicates Change.

DATE OF ISSUE _____ DATE EFFECTIVE _____
ISSUED BY C. W. Mueller Chairman & CEO St. Louis, Missouri
Name of Officer Title Address

Appendix A

UNION ELECTRIC COMPANY GAS SERVICE

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NATURAL GAS TRANSPORTATION SERVICE

- *** (1) A customer, at the date of its contract, whose annual transportation requirements are expected to be 600,000 Ccf or less.
- *** (2) A customer, at the date of its contract, whose annual transportation requirements are expected to be greater than 600,000 Ccf.
- ** (3) Not applicable, through June 30, 2005, to the individual meters of New Eligible School Entities, as defined in paragraph 1. above, using less than one hundred thousand Ccfs annually.
- ** (4) Applicable only to New Eligible School Entities.
- ** (5) In addition to the charges contained herein all New Eligible School Entities shall pay all costs necessary to ensure that the Company, its other customers and local taxing authorities will not have or incur any negative financial impact as a result of the natural gas experimental aggregation program established by Section 393.310, RSMo.

***Authorized Gas Use Charge:

All Ccf of Company-owned gas consumed by customer with authorization from Company during periods of non-interruption of any sales service will be billed at the applicable service area's firm sales service Purchased Gas Adjustment (PGA) factor plus 40%. The payment of the Authorized Gas Use Charge will be in addition to the above Customer, EGM and Transportation Charges. Company will not actively market the sale of Company-owned gas to transportation customers and will sell such gas only in response to the transportation customer's request. Authorized Use gas shall not be available to a transportation customer for more than twenty (20) days out of any calendar month.

Unauthorized Gas Use Charge:

All Ccf of Company-owned gas consumed by customer without authorization from Company, will be billed at the "Unauthorized Gas Use Charge". Company will provide Customer no less than two (2) hours advance notification before assessing Unauthorized Gas Use Charges. The payment of the Unauthorized Gas Use Charge will be in addition to all other charges specified in this rate. Regardless of the assessment of the Unauthorized Gas Use Charge, the Company retains the right to terminate such unauthorized use by disconnecting the customer's service if necessary to protect the reliability of service to other customers. Unauthorized Gas Use Charges shall be billed as follows:

* Indicates Change. **Indicates Addition. *** Indicates Reissue.

DATE OF ISSUE _____ DATE EFFECTIVE _____
ISSUED BY C. W. Mueller Chairman & CEO St. Louis, Missouri
Name of Officer Title Address

UNION ELECTRIC COMPANY GAS SERVICE

Applying to MISSOURI SERVICE AREA

**NATURAL GAS TRANSPORTATION SERVICE

**Unauthorized Gas Use Charges:

- 1) \$1.50 (one dollar and fifty cents) for each Ccf of unauthorized use, plus
- 2) 150% (one hundred fifty percent) of the highest cost of gas purchased by the Company for supplying the service area in which the customer receives service, during the Unauthorized Gas Use Charge period, plus
- 3) all intrastate and/or interstate pipeline penalties and other charges incurred by the Company which are attributable to a customer's unauthorized use.

** All intrastate and interstate pipeline penalties and other charges shall be attributed and assigned to the unauthorized gas used by the specific transportation customer.

** All Unauthorized Gas Use Charge revenues billed to customers will be considered as gas cost recovery and will be used in the development of the Actual Cost Adjustment (ACA) factor of the Company's Purchased Gas Adjustment (PGA) Clause.

3. Minimum Monthly Charge. The Customer Charge, EGM Administrative Charge and, as applicable, the EGM Meter Equipment Charge.

* 4. Purchased Gas Adjustment.

All customers receiving transportation service will be subject to the provisions of the Company's PGA clause, Rider A. The ACA component of the Company's PGA clause shall be applicable to New Eligible School Entities for the first twelve (12) months of their participation in the experimental gas aggregation program.

5. Payments.

Bills will be rendered at monthly intervals and are due and payable within ten (10) days from their date of mailing, which due date shall be considered the delinquent date for this rate classification. Pursuant to Section VIII.F. of Company's Rules and Regulations, any portion of any bill, other than deposit arrears, remaining unpaid after the delinquent date will have a late payment charge added thereto.

6. Term of Contract.

Service hereunder shall be for a minimum period of one (1) year.

7. Tax Adjustment.

Any license, franchise, gross receipts, occupation or similar charge or tax levied by any taxing authority on the amounts billed hereunder will be so designated and added as a separate item to bills rendered to the customers

*Indicates Change. ** Indicates Reissue.

DATE OF ISSUE _____ DATE EFFECTIVE _____
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UNION ELECTRIC COMPANY GAS SERVICE

Applying to MISSOURI SERVICE AREA

**NATURAL GAS TRANSPORTATION SERVICE

- * under the jurisdiction of the taxing authority. For New Eligible School Entities participating in aggregate purchasing contracts, all applicable taxes shall be computed based on billed revenues determined under paragraph 2. above. Additional applicable taxes shall also be levied and computed based upon the total actual gas supply and capacity release costs incurred on behalf of each of the accounts within the group of individual New Eligible School Entities. Such additional taxes applicable to the latter accounts will be paid each month directly to the appropriate taxing authority by each school or by the school's agent.

8. Terms and Conditions.

- **A. Transportation service under this schedule will be made available to customers upon request when the Company has sufficient distribution capacity to supply such service. If the Company determines that it does not have sufficient distribution capacity to provide the requested service it will, within 30 days of receiving a request for transportation service, provide to the customer requesting said service a written explanation of its capacity determination including a preliminary indication of changes to facilities necessary to effectuate such service, approximate cost to customer and time required to provide the requested service.
- B. Service under this schedule shall require execution of a Gas Transportation Service Agreement between the Company and the customer requesting transportation service in a form similar to that contained in Section 11 below.
- *C. Service will be provided only after requisite contracts and authority have been obtained by the customer to transport gas to the Company's facilities. New Eligible School Entities participating in the experimental school natural gas aggregation program must make a written request for pipeline capacity release to the Company by June 1 of each year (not applicable during the 2002-03 heating season). The Company will release its firm interstate pipeline transportation capacity, at its actual capacity cost, from the applicable interstate pipeline directly to the school or to the agent acting on behalf of the school for this program. Such release will be for a minimum term of one year and will be performed in accordance with the capacity release procedures and policies contained in the applicable interstate pipeline's Federal Energy Regulatory Commission approved tariff. Such release will be provided on a recallable basis, but the Company will not recall such capacity unless requested by the school or by the school's agent.
- D. All volumes of gas transported hereunder shall be of compatible pipeline quality.

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Attachment 1
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