

BEFORE THE PUBLIC SERVICE COMMISSION  
OF THE STATE OF MISSOURI

In the matter of the investigation  
of the revenue effects upon Missouri  
utilities of the Tax Reform Act of  
1986. )

ER-85-160  
Case No. AO-87-48

REPLY OF UNION ELECTRIC COMPANY TO  
INFORMATIONAL RESPONSE OF LACLEDE GAS COMPANY

In Reply to the "Informational Response of Laclede Gas Company", filed  
March 31, 1987, Union Electric states:

1. While not formally objecting to the Company's recent tariff filing, Laclede complains that the differential between the Company's proposed summer and winter rates is not the same as was specified in the Callaway rate order. That of course is to be expected. The original differentials, just like the original rate values, were based on an assumed revenue requirement for each year of the phase-in. Because the annual revenue requirements are now being reduced, the individual rate values and thus the seasonal differentials are naturally reduced as well. The rate values about which Laclede is complaining were derived by the Company in a manner identical to its other proposed rate values: by scaling down proportionately the increases which would have taken effect under the original phase-in plan. It should also be pointed out that the proposed reduction in the scheduled rate increases is being done voluntarily, so as to produce a significant savings to the Company's customers. It remains to be seen how Laclede will propose to accomplish this result.

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2. If Laclede truly believed it had a legitimate objection to the Company's new tariffs, it should have filed a formal complaint. What it filed instead was at best superfluous.

Respectfully submitted,

UNION ELECTRIC COMPANY

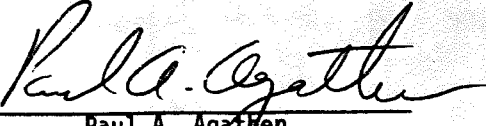
By   
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April 2, 1987

Certificate of Service

A copy of the foregoing was served this 2nd day of April, 1987, on all  
all parties of record.

  
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Paul A. Agathen