

STATE OF MISSOURI
PUBLIC SERVICE COMMISSION

At a Session of the Public Service
Commission held at its office
in Jefferson City on the 10th
day of September, 1993.

In the matter of Union Electric Company's)
tariff sheets designed to change its)
purchased gas adjustment clause to reflect) CASE NO. GR-93-265
the unbundling of natural gas pipeline)
rates and services.)

In Re Union Electric Company proposed)
tariff sheets designed to revise its) CASE NO. GR-93-311
gas transportation provisions.)

ORDER APPROVING STIPULATION AND AGREEMENT

On March 22, 1993, Union Electric Company (UE) submitted tariff sheets designed to change its Purchased Gas Adjustment (PGA) Clause to reflect the unbundling of interstate natural gas pipeline rates pursuant to Federal Energy Regulatory Commission (FERC) Order No. 636. This filing was docketed as Case No. GR-93-265. The tariff sheets were filed as interim sheets to become effective on April 1, 1993 to match the then expected FERC Order 636 compliance date of UE's largest interstate pipeline supplier, Panhandle Eastern Pipeline Company (Panhandle). On March 31, 1993, UE requested that the effective date be changed to May 1, 1993 to reflect the actual date established by the FERC for Panhandle's commencement of Order No. 636 compliance. On April 21, 1993, the Commission suspended the proposed tariff sheets until August 28, 1993.

Also on March 22, 1993, UE submitted tariff sheets designed to reflect various changes in metering, balancing and scheduling requirements for natural gas transportation service necessitated by FERC Order No. 636. This filing was docketed as Case No. GR-93-311. The proposed tariffs contained a requested effective date of April 28, 1993 to coordinate with Panhandle's then expected April 1, 1993 FERC Order No. 636 compliance date. On March 31, 1993,

UE requested that the effective date be changed to May 27, 1993 to coordinate with the May 1, 1993 date established by the FERC for Panhandle's implementation of Order No. 636. On May 19, 1993, the Commission suspended the proposed tariff sheets until September 24, 1993.

On June 1, 1993, the Commission consolidated Case No. GR-93-265 and Case No. GR-93-311. On August 13, 1993, the Commission extended the suspension of the proposed tariff sheets in the consolidated cases until October 28, 1993.

The parties in the consolidated cases include UE, the Staff of the Commission (Staff), and the Office of the Public Counsel (Public Counsel). No other parties applied for intervention. On August 18, 1993, the parties to the consolidated cases filed a Stipulation and Agreement (Attachment A to this Order and incorporated herein by reference) which proposed to settle all issues in this case.

The Stipulation and Agreement (Stipulation) provides that UE will be authorized to file revised tariff sheets to be effective for service on and after September 28, 1993. UE will be authorized to file its initial PGA factor tariff sheets under the revised tariff sheets in a separate case contemporaneously with the compliance filing and such sheets will be permitted to become effective on less than the fifteen days notice prescribed by the revised tariff sheets. The revised tariff sheets include the following changes or additions to UE's PGA clause as filed on March 22, 1993:

- (a) Deleting inventory carrying charges for storage gas supply costs and requiring such storage supply costs (which do not include inventory carrying charges) to be recovered and expensed when gas is withdrawn from storage and used;
- (b) Changing the Actual Cost Adjustment (ACA) period in which UE's actual purchased gas and pipeline service costs are reconciled with UE's actual recovery of such costs to:
 - (i) August 1992 through April 1993 for the current ACA period;
 - (ii) May 1993 through March 1994 for the next ACA period; and

- (iii) April of each year through March of the following year for the subsequent ACA periods;
- (c) Requiring the filing for recovery of pipeline penalty charges through the ACA and eliminating the filing for recovery of such charges through the Regular Purchased Gas Adjustment (RPGA);
 - (d) Restricting items considered "Other Costs of Gas" which are includable in the RPGA computation to costs under a rate, tariff or contract subject to regulation by the FERC;
 - (e) Permitting UE flexibility to allocate FERC Order No. 636 transition costs in a manner which will avoid double charging of such costs to transportation customers;
 - (f) Increasing to fifteen (15) the number of days of notice between the PGA filing date and the effective date;
 - (g) Establishing a 1.00¢ per Ccf threshold level that controls when a change to the RPGA must be filed;
 - (h) Clarifying the definition of "reserved supply service";
 - (i) Changing and clarifying allocations among customer classes of costs associated with the FERC Order No. 636 pipeline restructured services; and
 - (j) Clarifying Staff's review of the Refund Account.

The revised tariff sheets also include the following changes or additions to UE's natural gas transportation tariff sheets as filed on March 22, 1993:

- (a) Restricting a customer's ability to "flip-flop" between transportation service and sales service;
- (b) Specifying a separate "loss and unaccounted for" percentage for each of UE's three interstate pipeline supplied areas;

- (c) Including a charge of \$4,800 for electronic gas metering for transportation customers;
- (d) Clarifying the PGA treatment of various excess costs and penalty charges reimbursed by customers to UE;
- (e) Restricting customer indemnification of UE to service interruptions which are specifically permitted by the transportation tariffs;
- (f) Increasing the negative imbalance penalty to 120 percent of UE's PGA rate;
- (g) Establishing a 60-day time limit for UE's response to a customer requesting transportation service when UE lacks sufficient distribution capacity;
- (h) Requiring UE to submit copies of its transportation contracts with customers to the Commission;
- (i) Including a 180-day grace period before implementation of the electronic gas metering requirement and the balancing and scheduling provisions; and
- (j) Clarifying that UE will not allow an end-user transportation customer or marketer to aggregate or net meters or contracts to avoid scheduling or imbalance charges.

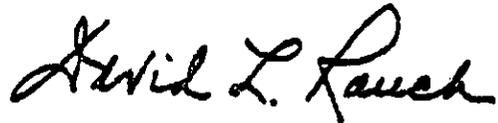
The Commission has reviewed the Stipulation agreed to by the parties and finds that its provisions are reasonable. The revised tariff sheets are reasonably designed to adhere to the requirements of FERC Order No. 636. The revised tariff sheets also add clarity and specificity to several provisions contained within UE's PGA clause and transportation service tariff. Thus, the Commission finds that the Stipulation in this case is just and reasonable.

The Commission may approve a stipulation of the issues in a case if it finds that the stipulation is just and reasonable. The Commission has so found and thus determines that the Stipulation in this case should be approved.

IT IS THEREFORE ORDERED:

1. That the Stipulation and Agreement filed in this case (Attachment A) is hereby approved and adopted.
2. That the tariff sheets submitted by Union Electric Company on March 22, 1993 are hereby rejected.
3. That Union Electric Company is hereby authorized to file, in lieu of the tariff sheets rejected in Ordered Paragraph 2, tariff sheets consistent with the Stipulation and Agreement and this Order, for service on and after September 28, 1993.
4. That this Order shall become effective on September 21, 1993.

BY THE COMMISSION



David L. Rauch
Executive Secretary

(S E A L)

Mueller, Chm., McClure, Perkins,
Kincheloe and Crumpton, CC., Concur.

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

In the matter of Union)	
Electric Company's tariff)	
sheets designed to change)	
its purchased gas adjustment)	Case No. GR-93-265
clause to reflect the)	
unbundling of natural gas)	
pipeline rates and services.)	

In Re Union Electric Company)	
proposed tariff sheets)	Case No. GR-93-311
designed to revise its gas)	
transportation provisions.)	

Consolidated.

STIPULATION AND AGREEMENT

On March 22, 1993, Union Electric Company (UE) filed tariff sheets with this Commission designed to change its Purchased Gas Adjustment (PGA) Clause to reflect the unbundling of interstate natural gas pipeline rates pursuant to Federal Energy Regulatory Commission (FERC) Order No. 636. The tariffs were filed as interim sheets to become effective on April 1, 1993 to match the then expected FERC Order No. 636 compliance date of UE's largest interstate pipeline supplier, Panhandle Eastern Pipeline Company (Panhandle). UE, on March 31, 1993, requested that the effective date be changed to May 1, 1993 to reflect the actual date established by the FERC for Panhandle's commencement of Order No. 636 compliance. This filing was docketed by the Commission as Case No. GR-93-265. By Order dated April 21, 1993, the Commission suspended the proposed tariffs for 120 days until August 28, 1993.

FILED
AUG 18 1993
MISSOURI
PUBLIC SERVICE COMMISSION

Also on March 22, 1993, UE filed tariff sheets with this Commission designed to reflect various changes in metering, balancing and scheduling requirements for natural gas transportation service necessitated by FERC Order No. 636. The proposed tariffs, which were docketed by the Commission as Case No. GR-93-311, contained a requested effective date of April 28, 1993 to coordinate with Panhandle's then expected April 1, 1993 FERC Order No. 636 compliance date. UE, on March 31, 1993, requested that the effective date be changed to May 27, 1993 to coordinate with the May 1, 1993 date established by the FERC for Panhandle's implementation of Order No. 636. By Order dated May 19, 1993, the Commission suspended the proposed tariffs for 120 days until September 24, 1993.

In response to a motion filed by the Staff of the Commission on May 27, 1993, the Commission by Order dated June 1, 1993 consolidated Case No. GR-93-265 and Case No. GR-93-311. The participants in these consolidated cases include UE, the Commission Staff and the Office of the Public Counsel with no other parties applying for intervention. Pursuant to the above referenced Commission Orders or by mutual agreement of the participants, prehearing conferences were held in the offices of the Commission in Jefferson City on May 17, May 26, and June 29, 1993 and by telephone on July 1, 1993. UE, the Commission Staff and the Office of the Public Counsel appeared and participated in all of the prehearing conferences with the exception of the July 1 telephone conference in which the Office of the Public Counsel chose not to

participate. As a result of the prehearing conferences, the undersigned parties (Parties) have reached the following stipulations and agreements:

1. UE shall be authorized to file revised tariffs in the form set forth in Attachment 1 hereto¹. The actual compliance filing of such tariffs shall be effective on September 28, 1993. UE shall be authorized to file its initial PGA factor tariff sheets under the revised tariffs in a separate case contemporaneously with the compliance filing and such sheets shall be permitted to go into effect on less than the 15 days notice prescribed by the revised tariffs. The tariffs set out in Attachment 1 hereto reflect agreements by the Parties which, without limiting the generality of the foregoing, include the following changes or additions to UE's PGA Clause as filed on March 22, 1993:

- (a) Deleting inventory carrying charges for storage gas supply costs and requiring such storage supply costs (which do not include inventory carrying charges) to be recovered and expensed when gas is withdrawn from storage and used.

¹Public Counsel has concerns about the timing of the effective date for the PGA, as contained in UE's revised tariff sheet no. 22, Section I.A., relative to the actual consumption of gas to which the rate is applied. Although Public Counsel does not necessarily agree that the timing mechanism is appropriate, Public Counsel will not object to its use in this tariff. Public Counsel reserves the right to address this issue in any forthcoming generic PGA docket relating to FERC Order No. 636.

- (b) Changing the Actual Cost Adjustment (ACA) period in which UE's actual purchased gas and pipeline service costs are reconciled with UE's actual recovery of such costs to: (i) August 1992 through April 1993 for the current ACA period; (ii) May 1993 through March 1994 for the next ACA period; and (iii) April of each year through March of the following year for the subsequent ACA periods.
- (c) Requiring the filing for recovery of pipeline penalty charges through the ACA and eliminating the filing for recovery of such charges through the Regular Purchased Gas Adjustment (RPGA).
- (d) Restricting items considered "Other Costs of Gas" which are includable in the RPGA computation to costs under a rate, tariff or contract subject to regulation by the FERC.
- (e) Permitting UE flexibility to allocate FERC Order No. 636 transition costs in a manner which will avoid double charging of such costs to transportation customers.
- (f) Increasing to fifteen (15) the number of days of notice between the PGA filing date and the effective date.
- (g) Establishing a 1.00¢ per Ccf threshold level that controls when a change to the RPGA must be filed.

- (h) Clarifying the definition of "reserved supply service".
- (i) Changing and clarifying allocations among customer classes of costs associated with the FERC Order No. 636 pipeline restructured services.
- (j) Clarifying the Commission Staff's review of the Refund Account.

Also without limiting the generality of the foregoing, these agreements among the Parties include the following changes or additions to UE's natural gas transportation tariffs as filed on March 22, 1993:

- (a) Restricting a customer's ability to "flip-flop" between transportation service and sales service.
- (b) Specifying a separate "loss and unaccounted for" percentage for each of UE's three interstate pipeline supplied areas.
- (c) Including a charge of \$4,800 for electronic gas metering for transportation customers.
- (d) Clarifying the PGA treatment of various excess costs and penalty charges reimbursed by customers to UE.
- (e) Restricting customer indemnification of UE to service interruptions which are specifically permitted by the transportation tariffs.
- (f) Increasing the negative imbalance penalty to 120 percent of UE's PGA rate.

- (g) Establishing a 60 day time limit for UE's response to a customer requesting transportation service when UE lacks sufficient distribution capacity.
 - (h) Requiring UE to submit copies of its transportation contracts with customers to the Commission.
 - (i) Including a 180 day grace period before implementation of the electronic gas metering requirement and the balancing and scheduling provisions.
 - (j) Clarifying that UE will not allow an end-user transportation customer or marketer to aggregate or net meters or contracts to avoid scheduling or imbalance charges.
2. This Stipulation and Agreement represents a negotiated settlement for the sole purpose of disposing of these consolidated cases and none of the signatories to this Stipulation and Agreement shall be prejudiced or bound in any manner by the terms of the Stipulation and Agreement in any other proceeding, except as otherwise specified herein.
3. None of the signatories to this Stipulation and Agreement shall be deemed to have approved or acquiesced in any ratemaking principle or any method of cost determination or cost allocation underlying or allegedly underlying this Stipulation and Agreement.

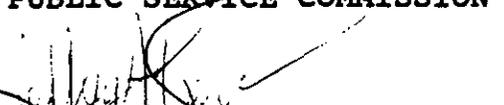
4. In the event the Commission accepts the specific terms of this Stipulation and Agreement, the signatories waive their respective rights to present testimony and evidence and to cross-examine witnesses; their respective rights to present oral argument and written briefs pursuant to Section 536.080.1 RSMo. 1986; their respective rights to the reading of the transcript by the Commission pursuant to Section 536.080.2 RSMo. 1986; and their respective rights to judicial review pursuant to Section 386.510 RSMo. 1986.
5. This Stipulation and Agreement has resulted from extensive negotiations among the signatories and the terms hereof are interdependent. In the event the Commission does not approve and adopt Paragraphs 1 through 4 of this Stipulation and Agreement in total, or in the event the revised tariffs do not become effective in accordance with the provisions contained herein, the Stipulation and Agreement shall be void and no signatory shall be bound by any of the agreements or provisions hereof.
6. The Staff shall have the right to file with the Commission a summary of the provisions of the Stipulation and Agreement and to provide to the Commission whatever further explanation the Commission requests. The summary shall not become a part of the record of this proceeding and shall not bind or prejudice the Staff in any future

proceeding or in this proceeding in the event the Commission does not approve the Stipulation and Agreement. The contents of the summary provided by Staff are its own and not acquiesced in or otherwise adopted by the other signatories to the Stipulation and Agreement, whether or not the Commission approves and adopts this Stipulation and Agreement.

7. Wherefore the Parties request that the Commission (i) approve the Stipulation and Agreement; (ii) disapprove the tariffs originally filed; (iii) order UE to file tariffs consistent with Attachment 1 hereto; and (iv) require that the tariffs ordered in (iii) above shall become effective on and after September 28, 1993.

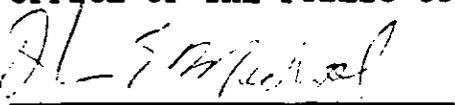
Respectfully submitted,

STAFF OF THE MISSOURI
PUBLIC SERVICE COMMISSION


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UNION ELECTRIC COMPANY


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Date: 8/18/93

ATTACHMENT 1

UNION ELECTRIC COMPANY GAS SERVICE

Applying to MISSOURI SERVICE AREA

RIDER A *

PURCHASED GAS ADJUSTMENT CLAUSE

as defined below. Such filing shall include a statement showing the determination of such RPGA and RA, with supplemental information supporting such determinations. Said PGA tariff sheet shall remain in effect until superseded under the terms of this Rider.

No new RPGA will be filed unless the proposed annual increase or decrease in purchased gas costs causes a RPGA factor in the affected area to round to a change of at least $\pm 1.00\text{¢}$ per Ccf.

As used in this Rider, the following definitions shall apply:

- "filing month" - the month in which a RPGA, RA or ACA is determined by the Company and filed with the Commission;
- "base period" - the first twelve (12) of the thirteen (13) months immediately preceding the filing month;
- "firm sales" - the sales associated with the Company's Residential, Small General Service and Large General Service rate classifications;
- "reserved supply service" - transportation service where customer has elected to reserve sales supply through the Company. The Company will maintain supply, transportation, and storage contract capacity levels for gas supply to the customer upon the customer's return to one of the Company's sales service schedules. All customers receiving such reserve service will be charged the appropriate service area's reserve related charges as calculated hereunder.

II. DETERMINATION OF REGULAR PURCHASED GAS ADJUSTMENT (RPGA)

The RPGA will be determined in accordance with the following for each portion of the Company's service area to which natural gas is transported exclusively by a different interstate pipeline company:

A. Purchased Gas

For each natural gas supply purchased during the base period:

* Indicates Change

DATE OF ISSUE _____, 1993

DATE EFFECTIVE _____, 1993

ISSUED BY William E. Cornelius Chairman
Name of Officer

St. Louis, Missouri
Address

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Applying to MISSOURI SERVICE AREA

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1. Multiply the number of units of demand purchased during the base period by their respective charge(s) in effect on the first day of the filing month and divide by firm sales and reserved supply service volumes during the base period.
2. Multiply the number of units of commodity purchased during the base period, excluding units injected or withdrawn from storage, by their respective charge(s) in effect on the first day of the filing month and divide by total sales volumes during the base period.

B. Supplemental Gas

For each supplemental (temporary and emergency) gas supply purchased during the base period:

1. Multiply the number of units purchased each month of the base period by the charge(s) in effect on the first day of the filing month and divide by firm sales and reserved supply service volumes during the base period; in the case of a supply initially accounted for as an inventory item, multiply the number of units taken from inventory each month of the base period by the most current inventory unit price for such supply and divide by firm sales and reserved supply service volumes during the base period.

C. Purchased Seasonal/Peaking Storage

For each seasonal/peaking type storage service purchased during the base period:

1. Multiply the units of demand (capacity, reservation, deliverability, space) purchased during the base period by their respective charge(s) in effect on the first day of the filing month and divide by firm sales and reserved supply service volumes during the base period; if there is no purchase of a specific storage service for the filing month, the last charge(s) paid for such storage service purchased in the base period shall be used.

* Indicates Change

DATE OF ISSUE _____, 1993

DATE EFFECTIVE _____, 1993

ISSUED BY William E. Cornelius

Chairman

St. Louis, Missouri

Name of Officer

Title

Address

UNION ELECTRIC COMPANY GAS SERVICE

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MISSOURI SERVICE AREA

RIDER A *

PURCHASED GAS ADJUSTMENT CLAUSE

2. Multiply the number of units taken from inventory each month of the base period by the most current weighted average inventory unit price, and divide by total sales volumes during the base period.

D. Purchased Balancing Storage

For each balancing type storage service purchased during the base period:

1. Multiply the units of demand (capacity, reservation, deliverability, space) purchased during the base period by their respective charge(s) in effect on the first day of the filing month and divide by total sales and reserved supply service volumes during the base period; if there is no purchase of a specific storage service for the filing month, the last charge(s) paid for such storage service purchased in the base period shall be used.
2. Multiply the number of units taken from inventory each month of the base period by the most current weighted average inventory unit price, and divide by total sales volumes during the base period.

E. Transportation Service

For each separate related transportation service purchased during the base period:

1. Multiply the number of units of demand (reservation, capacity) purchased during the base period by their respective charge(s) in effect on the first day of the filing month, less 1.25¢ per Ccf times the units of interruptible sales, and divide the resulting balance of demand costs by firm sales and reserved supply service volumes during the base period; if there is no purchase of a specific transportation service for the filing month, the last charge(s) paid for such transportation service purchased during the base period shall be used.
2. Multiply the number of units of commodity purchased during the base period by their respective charge(s) in effect on the first day of the filing month and divide by total sales volumes during the base period; if there is no purchase of a specific transportation service for the filing month, the last charge(s) paid for such transportation service purchased during the base period shall be used.

* Indicates Change

DATE OF ISSUE _____, 1993

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ISSUED BY William E. Cornelius Chairman St. Louis, Missouri
Name of Officer Title Address

UNION ELECTRIC COMPANY GAS SERVICE

Applying to MISSOURI SERVICE AREA

RIDER A *

PURCHASED GAS ADJUSTMENT CLAUSE

F. Other Costs of Gas

The total amounts of any costs, different from those referred to above, associated with the supply, transportation and/or storage service of natural gas during the base period under a rate, tariff or contract subject to regulation by the FERC or successor agency, divided by total sales and/or transported volumes, as applicable, during the base period. These costs include, but are not limited to, costs billed as take-or-pay and transition charges.

G. Determination of Class RPGA Factors

The RPGA factor for the firm sales rate classifications of natural gas service shall be calculated by summing the factors determined in Sections II.A. through II.F. above.

The RPGA factor for the interruptible sales rate classification of natural gas service shall be calculated by summing the factors determined in Sections II.A.2., II.C.2., II.D.1., II.D.2., II.E.2. and II.F. above plus 1.25¢ per Ccf.

The RPGA factor for the transportation rate classification without reserved supply service shall be as calculated in Section II.F. above.

The RPGA factor for the transportation rate classification with reserved supply service shall be calculated by summing the factors determined in Section II.A.1., II.B.1., II.C.1., II.D.1., II.E.1. and II.F. above.

H. Interim Application

Until Rider A is fully implemented (one year from the effective date of each pipeline company's FERC Order 636 compliance filing) estimated monthly gas purchases and storage injection and withdrawal amounts and sales data will be used for the initial twelve month base period. As actual monthly data becomes available such data will be substituted for previously estimated data as a part of each subsequent month's RPGA filings.

III. ACTUAL COST ADJUSTMENT (ACA) ACCOUNT:

A. An Actual Cost Adjustment (ACA) account shall be maintained for each portion of the Company's service area to which natural gas is

* Indicates Change

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ISSUED BY William E. Cornelius Chairman St. Louis, Missouri

Name of Officer

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UNION ELECTRIC COMPANY GAS SERVICE

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RIDER A *

PURCHASED GAS ADJUSTMENT CLAUSE

on the ratio of each such classes' respective actual sales to the sum of total sales for the related revenue month.

d. "Other Cost of Gas" incurred shall be allocated as applicable to each sales rate classification and transportation rate classification based on the ratio of each such classes' respective actual sales and transported volumes to the sum of such sales and transported volumes for the related revenue month.

2. The total gas cost recovered each month shall be the product of the billed sales and transportation volumes of each such rate classification and the RPGA factor for that interstate pipeline area including the prior period's ACA factor, but exclusive of the RA factor.

3. For the twelve-month period ending with March of each year, the aggregate excess or deficiency in gas cost recovery as described above shall be accumulated to produce a cumulative balance of excess or deficiency of gas cost recovery by sales and transportation rate classifications. ACA factors shall be computed by dividing these cumulative balances by the estimated sales and transportation volumes during the subsequent twelve-month period of May - April, for each of the sales and transportation rate classifications. All actual ACA revenue recovered shall be debited or credited to the appropriate balance of the ACA account and any remaining balance shall be reflected in the subsequent ACA computations.

4. These ACA factors shall be rounded to the nearest 0.01¢/Ccf and applied to billings of each applicable sales and transportation rate classification, commencing with the first billing cycle of the May revenue month of each year.

These ACA factors shall remain in effect until superseded by subsequent ACA factors calculated according to this provision. The Company shall file ACA factors in April of each year in the same manner as all other PGA factors.

As an interim application of this ACA provision, the ACA period originally applicable from August 1992 - July 1993 will be shortened to August 1992 - April 1993. The next ACA period will be for eleven (11) months from May 1993 - March 1994. All following ACA periods will be

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ISSUED BY William E. Cornelius
Name of Officer

Chairman
Title

St. Louis, Missouri
Address

UNION ELECTRIC COMPANY GAS SERVICE

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RIDER A *

PURCHASED GAS ADJUSTMENT CLAUSE

for twelve (12) consecutive months ending March of each year as provided for herein. The Company will file the ACA factors developed for the shortened period August 1992 - July 1993 on or before September 13, 1993 to be effective September 28, 1993. The filings for all other periods will be in April of each year in the same manner as all other PGA factors, as provided for herein.

Those transportation customers, as of January 1, 1993, wishing to transfer back to a sales rate classification will not be eligible for the ACA factors in effect for such class for twelve (12) months immediately following the transfer.

IV. REFUND ADJUSTMENTS (RA)

Any refunds which the Company receives in connection with natural gas services purchased by it together with any interest included in such refunds will be refunded to the Company's applicable customers. Such distribution will commence within ninety (90) days of receipt by Company of said refunds which by themselves, or in combination with prior undistributed refunds, exceed an amount which causes a RA factor in the affected area to round to at least 0.01¢/Ccf.

Said refunds received shall be distributed to Company's applicable customers as follows:

- A. The refund amount will be allocated to each firm sales, interruptible sales and transportation rate classification based upon the same allocation of such costs as calculated during the base period in Section II. herein.
- B. The amount of refund will be divided by the amount of Ccfs estimated to be sold and/or transported in the succeeding twelve (12) months to the applicable classes of customers. The resulting per Ccf adjustment, to the nearest 0.01¢, will be applied as a credit to bills to such customers over the succeeding twelve (12) months by multiplying such unit refund credit by the total Ccfs billed to each customer in each billing period.
- C. The length of the refund period shall generally be twelve (12) months, except that each refund period may be lengthened or shortened by the Company to avoid a total refund materially above or below the refundable amount.

* Indicates Change

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ISSUED BY William E. Cornelius

Chairman

St. Louis, Missouri

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RIDER A *

PURCHASED GAS ADJUSTMENT CLAUSE

- D. Any amount by which the refund distribution is less or more than the amount initially determined to be refunded, will be added or subtracted from the next succeeding refund distribution without additional interest.
- E. The Company will add interest to the refunds received applicable to (1) the principal amount of the refund from the date of its receipt by Company to the beginning date of the refund adjustment period and, (2) the average amount of the total natural gas refund adjustment principal estimated to be outstanding over the refund adjustment period. The interest shall be computed at the most recent annual prime interest rate, as published in the Federal Reserve Bulletin issued in the month the refund was received by the Company, less two (2) percentage points. For each refund distribution period, the interest to be so added by the Company shall be included in determining the per.Ccf credits to be applied to bills pursuant to Section IV.B. above.
- F. The Company shall file RA factors in the same manner as all other PGA factors.
- G. Those transportation customers, as of January 1, 1993, wishing to transfer back to a sales rate classification will not be eligible for the RA factors in effect for such class for twelve (12) months immediately following the transfer.
- H. The Missouri Public Service Commission staff will review the RA account simultaneously with the annual ACA audit.

* Indicates Change

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ISSUED BY William E. Cornelius Chairman St. Louis, Missouri

Name of Officer

Title

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UNION ELECTRIC COMPANY GAS SERVICE

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NATURAL GAS TRANSPORTATION SERVICE*

I. Availability:

- A. This service schedule is available to any non-residential customer on a per meter location basis who can individually secure sufficient supplies of natural gas on its own behalf and arrange to have it delivered to the Company's system.
- B. 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 60 days of receiving a request for transportation service, provide to the customer requesting transportation service a written explanation of its capacity determination including a preliminary indication of changes to facilities, approximate cost to customer and time required to provide the requested service.
- C. Service under this schedule shall require execution of a Gas Transportation Service Contract between the Company and the customer requesting transportation service. The Company will submit said contract with the Missouri Public Service Commission within (30) days of its execution.

II. Character of Service:

- A. Customers contracting for transportation service pursuant to this tariff may request the Company to change such service to firm sales service by written application therefor. Such requests will be granted only if in the Company's sole judgment, (1) sufficient gas supplies, storage availability and/or transportation capacity exist, or (2) the Company can obtain sufficient gas supplies, storage availability and/or transportation capacity at its then existing cost levels. In any event customer will be responsible for any additional costs incurred by Company, for securing such supply, storage and/or capacity on the customer's behalf, which exceed Company's then existing cost levels. Any such additional costs incurred and recovered from said customers will be included in the Company's Purchased Gas Adjustment (PGA) Clause's Actual Cost Adjustment (ACA) computation as a cost of gas and revenue component, respectively.

* Indicates Change

DATE OF ISSUE _____, 1993 DATE EFFECTIVE _____, 1993

ISSUED BY William E. Cornelius Chairman St. Louis, Missouri
Name of Officer Title Address

UNION ELECTRIC COMPANY GAS SERVICE

Applying to MISSOURI SERVICE AREA

NATURAL GAS TRANSPORTATION SERVICE (Cont'd.)*

- B. Customers contracting for transportation service pursuant to this tariff may request the Company to provide a reserved supply service by written application therefor, in which case the Company will provide sales gas to the customer upon return to one of the Company's firm sales service classifications. In addition to the transportation rate applicable under this tariff, all customers receiving such reserved supply service will be charged the appropriate service area's charges related to that service as calculated under the Company's Purchased Gas Adjustment Clause, Rider A.
- C. The Company shall have the right to interrupt, curtail or discontinue transportation service, in whole or in part at any time for reasons of force majeure or when in the Company's sole judgment, capacity or operating conditions so require, or it is desirable or necessary to make modifications, repairs or operating changes to its system. The Company shall provide customer such notice of the interruption, curtailment or discontinuance of service as is reasonable under the circumstances. The Company shall not discriminate between transportation and sales customers for purposes of determining the order and priority of interruption.
- D. In the event of a system supply emergency in which the unavailability of gas makes it impossible for the Company to meet the demand of residential customers and of other customers for whom the absence of gas would imperil health or human life, Company may defer delivery of customer's gas and use such gas to supply these residential and other customers. Any deferral shall be discontinued as soon as possible after the system supply emergency is ended. In the event that the customer's gas is deferred by the Company and the customer does not request reimbursement of the deferred volumes in the form of natural gas, the customer shall receive as compensation, the greater of (a) the total amount paid by the customer, as a result of the deferral, for alternative fuel, or (b) the total amount owed by the customer for the deferred gas, including the price from the production source, pipeline transportation cost including shrinkage and any other charge to customer for the purchase and delivery of the deferred gas. Such reimbursement shall be accounted for by Company as a purchased gas expense. The Company's right to defer gas owned by a transportation customer shall only be exercised after it has exhausted all reasonable efforts to obtain gas from other sources. Company

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DATE OF ISSUE _____, 1993 DATE EFFECTIVE _____, 1993
ISSUED BY William E. Cornelius Chairman St. Louis, Missouri
Name of Officer Title Address

UNION ELECTRIC COMPANY GAS SERVICE

Applying to MISSOURI SERVICE AREA

NATURAL GAS TRANSPORTATION SERVICE (Cont'd.)*

shall use its best efforts to notify customer 24 hours in advance of any such deferral, but shall not be liable for failure to give such advance notice when circumstances do not permit. Company shall not impose any storage charge upon customer for deferral of gas pursuant to this paragraph.

III. Transportation Charges:

- A. When a customer has a choice between two or more types of gas service, the choice shall lie with the customer subject to the customer's compliance with the Company's service eligibility requirements. A customer having selected a form of gas service may not change form of gas service within a 12-month period. The availability of the following transportation rates will be determined in accordance with the eligibility requirements set forth in the applicable sales rate schedules:

Small General Service:

Customer Charge per month	\$11.05
Delivery Charge per Ccf for all Ccf	10.98¢

Large General Service:

Customer Charge per month	\$54.50
Delivery Charge per Ccf for all Ccf	10.28¢

Interruptible Service:

Customer Charge per month	\$532.00
Delivery Charge per Ccf for all Ccf	7.85¢

Minimum Monthly Charge - Applicable Customer Charge. Customer shall pay only one (1) customer charge for each monthly billing period.

- B. All customers receiving transportation service hereunder will be subject to the provisions of the Company's Purchased Gas Adjustment Clause, Rider A.

IV. Payments:

Bills will be distributed at monthly intervals and are due and payable within ten (10) days from date of bill.

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Name of Officer Title Address

UNION ELECTRIC COMPANY GAS SERVICE

Applying to MISSOURI SERVICE AREA

NATURAL GAS TRANSPORTATION SERVICE (Cont'd.)*

V. 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 customers under the jurisdiction of the taxing authority.

VI. Terms and Conditions:

- A. Service will be provided only after requisite contracts and authority have been obtained by the customer to transport gas to the Company's facilities.
- B. All volumes of gas transported hereunder shall be of compatible pipeline quality.
- C. Gas delivered under this schedule shall not be resold by the customer.
- D. Gas transported for all current and future customers hereunder shall be metered by an electronic recording device with remote monitoring features for the recording of customer's daily gas usage and real time flow data. The Company will install and the customer will pay for said meter at a one-time charge of \$4,800. Said charge is based upon Company's total installed cost thereof including applicable overheads and income taxes. In addition, customer shall arrange and pay for the installation and monthly costs of a commercial telephone line and 120 volt AC electrical power source, at a location designated by Company, to facilitate the remote interrogation of the electronic recording meter by Company.
- E. Service hereunder shall be for a minimum period of one(1) year.
- F. In addition to collection of the rates and charges provided for in Section III above, the Company shall retain a percentage of the quantities of natural gas received from the customer for reimbursement in kind from customer for shrinkage or line losses. The loss factor percentages for each portion of the Company's service area to which natural gas is transported exclusively by a different interstate pipeline company are as follows:

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Name of Officer Title Address

UNION ELECTRIC COMPANY GAS SERVICE

Applying to MISSOURI SERVICE AREA

NATURAL GAS TRANSPORTATION SERVICE (Cont'd.)*

- 4.75% Service area delivered by Panhandle Eastern Pipeline Co.
- 3.45% Service area delivered by Texas Eastern Transmission Corp.
- 3.73% Service area delivered by Natural Gas Pipeline Co. of America

- G. Except as specifically provided for herein, all of the Company's Rules and Regulations for natural gas service which are not in conflict herewith shall apply to service rendered hereunder.
- H. Customer shall reimburse Company for any excess or penalty charges incurred as a result of a customer's transportation of natural gas hereunder. Any such excess or penalty charges incurred and recovered from said customers will be included in the Company's PGA Clause's ACA computation as a cost of gas and revenue component, respectively.
- I. Existing contracts between the Company and a customer on the effective date of this tariff may continue in effect as an executed transportation contract, to the extent its provisions are not superseded by or in conflict with the provisions of this tariff, until such contract expires by its terms or is replaced by an executed transportation contract.
- J. Company shall not be liable for and customer shall indemnify the Company against and hold the Company harmless from any and all damages, claims, suits, actions or proceedings whatsoever threatened or initiated as a result of any interruption, curtailment or discontinuance of transportation service invoked by the Company pursuant to Section II.C. above.
- K. Customer shall not become subject to Sections VI.D, VII and VIII.B hereof until 180 days following the effective date of this 1st Revised tariff sheet no. 16.

VII. Balancing of Customer-Owned Gas:

Monthly transportation gas receipts and deliveries shall be maintained in balance by the customer to the maximum extent practicable. Despite the best efforts of the customer to keep such

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Name of Officer Title Address

UNION ELECTRIC COMPANY GAS SERVICE

Applying to MISSOURI SERVICE AREA

NATURAL GAS TRANSPORTATION SERVICE (Cont'd.)*

receipts and deliveries in balance, any imbalance which does occur shall be subject to the terms and conditions of this Section. Customer shall not be subject to the following balancing requirements if arrangements have been made by Company with the interstate pipeline for direct reconciliation (customer is required to directly balance actual usage and nominations with the interstate pipeline) of the transportation volumes between customer and the pipeline.

- A. A negative imbalance is created when the customer's gas delivered to the Company as adjusted by the loss factor is less than the quantities of gas used by the customer for the billing month. During any billing month when a net negative imbalance is created, the Company will bill the customer for said imbalance at one hundred twenty percent (120%) of the appropriate service area's Purchased Gas Adjustment Factor that would be applicable if the customer was a regular sales customer being served under the same rate classification. Payments received from customers under this provision will be included in the Company's PGA Clause ACA computation as revenue recovery.
- B. A positive imbalance is created when the customer's gas delivered to the Company as adjusted by the loss factor exceeds the quantities of gas used by the customer for the billing month. During any billing month when a net positive imbalance is created, the Company will purchase the said imbalance at ninety percent (90%) of the indexed commodity price as quoted in the publication "Inside FERC's Gas Market Report" in the first issue during the month the imbalance was created. The index will be specific for each interstate pipeline as follows:

"Panhandle Eastern Pipe Line Co. - Texas, Oklahoma (mainline)"

"Texas Eastern Transmission Corp. - Louisiana"

"Natural Gas Pipeline Co. of America - Texas (Gulf Coast Line)"

Said purchase calculation will be applied as a credit to customer's next bill. These purchases shall be included in the Company's PGA Clause ACA computation as purchased gas costs.

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ISSUED BY William E. Cornelius Chairman St. Louis, Missouri
Name of Officer Title Address

UNION ELECTRIC COMPANY GAS SERVICE

Applying to MISSOURI SERVICE AREA

NATURAL GAS TRANSPORTATION SERVICE (Cont'd.)*

- C. Notwithstanding the foregoing, the customer will be responsible for any daily and/or monthly penalty charges incurred by the Company as a direct result of the customer's failure to maintain its gas receipts and deliveries in balance.

VIII. Scheduling:

- A. At least fifteen (15) days prior to the first (1st) day of January, April, July and October, customer shall furnish to Company, on a form acceptable to Company, a schedule showing the estimated daily quantity of gas customer desires Company to transport during the quarter beginning on such dates. In addition, at least five (5) working days prior to the first day of each month, customer or its designee shall furnish to Company a schedule, on a form acceptable to Company, showing the daily scheduled quantities of gas customer desires Company to receive and transport for each day during such month. Customer shall give Company at least 24 hours advance notice of any schedule change. Such notice may be by facsimile transmission or by telephone, confirmed in writing within twenty-four (24) hours. Any change in customer's schedule shall only pertain to the remaining days in the then current month. The customer and Company shall inform the other of any other changes of receipts or deliveries immediately.
- B. Daily scheduled transportation gas receipts and deliveries shall be kept within tolerance by the customer to the maximum extent practicable. The daily scheduling tolerance is defined as the actual volume transported and delivered to a customer which is within $\pm 10\%$ of the customer's nominated delivery volume. Any transportation customer exceeding these tolerances will be assessed, by Company, the applicable pipeline's daily scheduling charge for each transported volume exceeding the daily tolerance level. Such charge will not apply to the first day of any month. These charges shall be included in the Company's PGA Clause ACA computation as revenue recovery. Customer shall not be subject to the scheduling tolerance requirements if arrangements have been made by Company with the interstate pipeline for direct reconciliation of the transportation volumes between customer and the pipeline.

* Indicates Change

DATE OF ISSUE _____, 1993 DATE EFFECTIVE _____, 1993
ISSUED BY William E. Cornelius Chairman St. Louis, Missouri
Name of Officer Title Address

UNION ELECTRIC COMPANY GAS SERVICE

Applying to MISSOURI SERVICE AREA

NATURAL GAS TRANSPORTATION SERVICE (Cont'd.)*

IX. Alternative Fuels:

- A. The Company may charge any customer which has an alternative energy source available to it a transportation charge lower than that specified in these tariffs to meet competition from such alternative energy supplier. The transportation charge may be reduced by an amount up to but not exceeding the difference between the total cost of the gas to be transported and the total cost to the customer of the alternative energy, but in no event, to a rate lower than 4¢ per Ccf. An alternative energy source is one that does not require the use of the Company's gas pipeline system.
- B. The right to charge a lower transportation charge shall be exercised on a case-by-case basis at the sole discretion of the Company without Missouri Public Service Commission approval. Said right may be exercised only if the customer certifies to the Company (in a form acceptable to the Company) the following: (i) that it has operational, on-site alternative energy capability; (ii) without the Company's lower transportation rate, it would utilize the alternative energy source; (iii) the total cost of alternative energy; and (iv) the total unit cost of gas to be transported.
- C. Transportation will be provided by the Company at the lower rate for a period not to exceed three (3) monthly billing periods subject to the right of the Company, exercised in accordance with this tariff, to extend said rate or a recalculated rate for an additional period or periods of up to three (3) monthly billing periods each. The Company may accept customer's certification provided under B. above in extending any lower rate for subsequent three (3) month periods.
- D. Ratemaking treatment of any reduced transportation charges may be reviewed and considered in a subsequent rate proceeding.

* Indicates Change

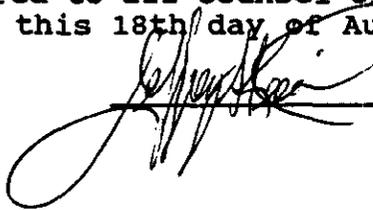
DATE OF ISSUE _____, 1993 DATE EFFECTIVE _____, 1993

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Name of Officer Title Address

CERTIFICATE OF SERVICE

I hereby certify that copies of the Stipulation and Agreement have been mailed or hand-delivered to all counsel of record as shown on the following service list this 18th day of August, 1993.



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