BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF MISSOURI

In the matter of the investigation of Union Electric Company's class allocation and rate design.	)))	Case No. EO-87-175

APPEARANCES: Paul A. Agathen, General Attorney, James J. Cook and Joseph H. Raybuck, Attorneys, Union Electric Company, Post Office Box 149, St. Louis, Missouri 63166, for Union Electric Company

Willard C. Reine, Attorney at Law, 314 East High Street, Jefferson City, Missouri 65101,

and

Sam E. Overfelt, Attorney at Law, Post Office Box 1336, 618 East Capitol Avenue, Jefferson City, Missouri 65102, for Missouri Retailers Association.

William Clark Kelly, Assistant Attorney General, Office of Attorney General, Post Office Box 899, Jefferson City, Missouri 65102, for the State of Missouri.

Gerald T. McNeive, Jr., Associate General Counsel, Laclede Gas Company, 720 Olive Street, St. Louis, Missouri 63101, for Laclede Gas Company.

Robert C. Johnson and George M. Pond, Peper, Martin, Jensen, Maichel and Hetlage, 720 Olive Street, 24th Floor, St. Louis, Missouri 63101, for: American National Can Company, Anheuser-Busch, Inc., Chrysler Corporation, Continental Cement Corporation, Emerson Electric Company, Ford Motor Company, General Motors Corporation, Holnam Inc. (formerly, Dundee Cement Company), Mallinckrodt, Inc., McDonnell Douglas Corporation, Monsanto Company, Nooter Corporation, Pea Ridge Iron Ore Company, PPG Industries, Inc., and The Doe Run Company.

Boyd J. Springer, Jones, Day, Reavis & Pogue, 225 West Washington, 26th Floor, Chicago, Illinois 60606, for Holnam Inc. (formerly, Dundee Cement Company).

Lewis R. Mills, Jr., First Assistant Public Counsel, and Janet L. Sievert, Assistant Public Counsel, Office of Public Counsel, Post Office Box 7800, Jefferson City, Missouri 65102, for the Office of Public Counsel and the public.

Linda K. Gardner, Deputy General Counsel, and Jeffrey A. Keevil, Assistant General Counsel, Missouri Public Service Commission, Post Office Box 360, Jefferson City, Missouri 65102, for the staff of the Missouri Public Service Commission.

HEARING EXAMINER: Cecil I. Wright.

REPORT AND ORDER

This docket was established pursuant to a Commission order issued June 22, 1987 in Cases No. EC-87-114 and EC-87-115. The Commission established this docket to investigate the class allocation and rate design of Union Electric Company based upon load data which was being collected and analyzed. By orders issued June 7, 1988, and August 9, 1988, Industrial Intervenors (Monsanto Company, General Motors Corporation, McDonnell Douglas Corporation, Anheuser-Busch, Inc., American National Can Company, Chrysler Corporation, Continental Cement Corporation, The Doe Run Company, PPG Industries, Inc., Pea Ridge Iron Ore Company), Dundee Cement Company (now Holnam Inc.), Laclede Gas Company, Missouri Retailers Association, and State of Missouri were granted intervention in this docket. The Doe Run Company was granted leave to withdraw as a party from the case on October 24, 1990.

After modification to the initial schedule, a prehearing conference was held in this matter beginning October 9, 1990. At a hearing on October 15, 1990, the parties informed the Commission a Stipulation And Agreement had been reached resolving all issues in this case. The hearing was continued to October 24, 1990, when the Stipulation And Agreement and prefiled testimony of the parties were received into the record.

Findings of Fact

The Missouri Public Service Commission, having considered all of the competent and substantial evidence upon the whole record, makes the following findings of fact.

This docket was established by the Commission to consider the proper allocation of costs among customer classes and the proper rate design within each class of Union Electric Company (UE). The previous decision by the Commission concerning UE's class allocation and rate design was made in Cases No. EO-85-17 and ER-85-160. Those cases involved the proper allocation of costs associated with the Callaway Nuclear Power Station. The Commission in the Report And Order in Cases

No. EO-85-17 and ER-85-160 adopted the time of use/average and peak method of cost allocation. The Commission noted, though, that new load data for UE's system needed to be collected and so ordered UE to collect the data.

The load data was collected as ordered and the testimony received into the record based upon analysis of that data. Extensive testimony was filed by Industrial Intervenors (Monsanto, et al.), UE, Commission Staff, Public Counsel, State of Missouri and Missouri Retailers Association concerning cost allocation and rate design issues. The parties, as a result of negotiations, have filed a Stipulation And Agreement resolving the issues raised concerning the proper allocations of costs and rate design issues. The Stipulation And Agreement is attached to this Report And Order and is incorporated herein by reference.

The parties recommend the Commission adopt the Stipulation And Agreement and the tariff attached thereto. The Stipulation And Agreement provides for a reduction in Small General Service class revenue requirement of $6.0 million, in the Large General Service class revenue requirement of $10.5 million, and the Primary (including interruptible assurance) class revenue requirement of $13.5 million. The Stipulation And Agreement provides that the revenue requirement for the Residential and Lighting classes will remain at test year levels.

There are several significant features of the Stipulation And Agreement in addition to the decreases in revenue requirements for certain classes. First, as a result of the decreases, UE will absorb the $30.0 million which results from the decreases. Second, no general rate case filing or complaint case shall be filed prior to January 1, 1993. Third, the parties in this case which are also parties in Case No. GR-91-22, Laclede Gas Company's seasonal differential proceeding, have agreed to recommend dismissal of that proceeding. Fourth, the parties in this case which are also parties to Case No. EA-91-29, the UE and Arkansas Power & Light Company merger case, have agreed that the amount of any purchase acquisition adjustment premium paid by UE shall be treated below the line for ratemaking purposes in

Missouri and shall not be sought to be recovered by UE in rates in any proceeding in Missouri.

The Commission has reviewed the Stipulation And Agreement and has considered the proposed tariff, weighing the benefits derived from the settlement as well as the effect of certain rate design changes on customers. The benefits to be derived from the Stipulation And Agreement are obvious for those who are conversant with the intricacies of allocating costs and designing rates for a major utility. This settlement resolves many very technical and complex issues which would otherwise have to be litigated. This settlement resolves major concerns raised by large commercial and industrial customers regarding UE's current cost allocation and rate design. The resolution of these concerns pursuant to the agreement will occur without a shift in costs between or among customer classes. The settlement also provides for a moratorium on rate increases and resolves issues in two other cases before the Commission. These benefits are significant and, the Commission believes, warrant the adoption of the Stipulation And Agreement.

The major concern the Commission had with regard to the settlement was with the changes made in rates within the customer classes. As was stated earlier, there are no increases in the revenue requirement, i.e., the cost allocated, to each class. The settlement, though, does provide for certain changes in rates paid by customers for usage during the summer and winter periods. Basically, rates for summer usage (June, July, August, and September) will be increased while rates for winter usage (the other eight months) will be decreased.

Although the proposed changes in rates will affect all customer classes, except Lighting, the effect on residential customers will be the most widespread. Because of higher rates for summer usage, approximately 71 percent of residential customers will pay up to $3.00 more per month on average during the year. Because of decreased rates for winter usage, approximately 29 percent of residential customers will pay as much as $3.00 less per month on average during the year.

The Commission has considered the rate design changes, especially those for residential customers, and has determined they are reasonable. The higher summer rates reflect the higher demand for electricity in the summer and send a price signal to customers that high usage will result in higher bills. Since the percentages discussed above are based upon actual usage during the test year, August 1987 through July 1988, any customer can negate the effect of the higher rates by reducing consumption of electric energy during the summer months.

Based upon the weighing of the substantial benefits of the agreement and finding the rate design proposals reasonable, the Commission will adopt the Stipulation And Agreement.

At the hearing on October 24, 1990, all prefiled testimony was marked. All exhibits were received at the hearing except for Exhibit 66. The Commission will receive this exhibit.

Conclusions of Law

The Missouri Public Service Commission has arrived at the following conclusions of law.

the Commission has jurisdiction over Union Electric Company pursuant to the provisions of Chapters 386 and 393, R.S.Mo. 1986. For ratemaking purposes, the Commission may accept a Stipulation And Agreement in settlement of any and all contested matters raised by the parties. The Commission concludes that the matters agreed upon by the parties to this case are reasonable and the Stipulation And Agreement will be adopted.

IT IS THEREFORE ORDERED:

1. That the Stipulation And Agreement, Attachment A, filed by the parties be hereby adopted as a resolution of the issues in this proceeding.

2. That Union Electric Company may file tariffs in compliance with this Report And Order.

3. That Exhibit 66 be hereby received into the record.

4. That this Report And Order shall become effective on the 16th day of November, 1990.

BY THE COMMISSION

Brent Stewart DR

Brent Stewart
Interim Executive Secretary

(S E A L)

Steinmeier, Chm., Mueller, Rauch, McClure and Letsch-Roderique, CC., concur.

Dated at Jefferson City, Missouri, on this 6th day of November, 1990.

Attachment A

BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF MISSOURI

In the matter of the investigation of Union Electric Company's Class Allocation and Rate Design.	)))	Case No. EO-87-175

JOINT STIPULATION AND AGREEMENT

Case No. EO-87-175 was initiated by Commission Order of June 22, 1987 to investigate the customer class allocations and rate design for the Missouri electric operations of Union Electric Company (UE). The parties to Case No. EO-87-175 consist of UE, the Commission Staff (Staff), Office of the Public Counsel (Public Counsel), the State of Missouri, the Missouri Retailers Association, the Missouri Industrial Energy Consumers (MIEC) listed on Appendix B hereof, Laclede Gas Company (Laclede), and Holnam, Inc.

Pursuant to Commission Order, a prehearing conference was convened on October 9, 1990 respecting Case No. EO-87-175. Representatives of all parties in Case No. EO-87-175 were present at and participated in the prehearing conference.

Aside from said prehearing conference, Staff and UE met on October 10, 1990 to discuss UE and Arkansas Power and Light Company's (APL) Joint Application and Staff's audit of UE in Case No. EM-91-29. As a result of this meeting between Staff and UE, these parties reached agreement on all of the issues in Case No. EO-87-175 and some of the issues in Case No. EM-91-29. UE and Staff have advised the parties to Case No. EM-91-29 which are not also parties to Case No. EO-87-175 of the settlement in Case

No. EO-87-175 and the resolution of some of the issues between UE and Staff in Case No. EM-91-29.

As a result of the prehearing conference, all of the parties to Case No. EO-87-175 have agreed to a resolution of all of the issues in said case. Some of these parties are also parties to Case No. EM-91-29 and as a consequence have also agreed to a resolution of some of the issues in Case No. EM-91-29.

Accordingly, the following stipulations are hereby submitted to the Commission for its consideration and approval in resolution of Case No. EO-87-175:

1. The rates resulting from Case No. EO-87-175 shall be based on class revenue requirements which are changed from the test year levels as follows:

Small General Service (SGS) Class: decreased $6.0 million

Large General Service (LGS) Class: decreased $10.5 million

Primary (including interruptible assurance): decreased $13.5 million

The class revenue requirements for the residential and lighting classes shall remain at the test year levels, with UE to absorb the $30 million decrease allocated to the SGS, LGS and Primary classes.

2. The rate values, rate design and other tariff revisions to which the parties agree for purposes of this Stipulation are set forth in Appendix A to this Joint Stipulation and Agreement.

3. Except as otherwise provided herein, prior to January 1, 1993, no party shall file with the Commission, or encourage or assist in any filing, for a general increase or decrease in UE's Missouri electric revenues; provided, however, that (i) UE may file for a rate increase prior to that date if its return on Missouri electric rate base (as shown in one of its quarterly 12 month rate of return studies) falls below 9.5%; or if an unusual event which would have a significant adverse impact on electric operations occurs, such as: (1) an act of God; or (2) an extended outage of a major generating unit or units; or (3) a significant change in the federal or state tax laws; and (ii) any party may file with the Commission a request for consideration of changes in rate design and/or other tariff provisions; provided, however, that no such change shall result in any shift of revenues between classes, and provided further that if a request for consideration of changes in rate design and/or other tariff provisions is filed, any party may oppose such request and shall not be deemed to have consented to the establishment of a new docket to consider such request or to the proposals of the party making such request.

4. UE, Staff, Public Counsel, Laclede, Anheuser-Busch, Inc., Monsanto Company, General Motors Corporation, Chrysler Corporation, Emerson Electric Company, McDonnell Douglas Corporation, Ford Motor Company, Mallinckrodt, Inc., and American-National Can Company agree to recommend to the Commission the dismissal of pending Case No. GR-91-22 (Laclede seasonal differential proceeding).

5. In the event the Commission approves this Joint Stipulation and Agreement, UE shall file revised tariff sheets reflecting the provisions in Appendix A to take effect not later than twenty days after the date of the Commission Order.

6. With respect to the proposed purchase by UE of the Missouri electric properties of APL, which purchase is subject to Commission approval in Case No. EM-91-29, the amount of any acquisition premium (i.e., the amount of the purchase price above net book value) paid by UE to APL shall be treated below the line for ratemaking purposes in Missouri and shall not be sought to be recovered by UE in rates in any Missouri proceeding.

7. In the event UE does purchase the APL properties, as proposed in Case No. EM-91-29, for each of the four major customer classes of APL (i.e., General Purpose Residential, Small General Service, Large General Service and Large Power Service), the annual revenues from each such class recovered by UE from former APL customers shall not exceed the annual revenues recovered from each such class under the APL rates scheduled to take effect in Missouri by APL on March 21, 1991.

8. In the event UE does purchase the APL properties, as proposed in Case No. EM-91-29, the rates which UE is authorized to apply to the customers presently served by APL shall not be changed until UE's next general rate case, subject to the exceptions of Paragraph 3 above, or until a revenue requirement complaint case, subject to the provisions of Paragraph 3 above.

9. This Joint Stipulation and Agreement represents a negotiated settlement for the sole purpose of disposing of all of the issues in Case No. EO-87-175. Except as specified herein, the parties to this Joint Stipulation and Agreement shall not be prejudiced, bound by, or in any way affected by the terms of this Joint Stipulation and Agreement: (a) in any future proceeding; (b) in any proceeding currently pending under a separate docket; and/or (c) in these proceedings should the Commission decide not to approve this Joint Stipulation and Agreement or in any way condition its approval of same.

10. The prefiled testimony and schedules of the witnesses of the parties in Case No. EO-87-175 are hereby submitted for the record and shall be received into evidence without the necessity of said witnesses taking the stand. Because this is a negotiated settlement, the lack of cross examination and the lack of reference in this Joint Stipulation and Agreement shall not be taken as acquiescence by any of the parties to the positions taken by other parties in the testimony.

11. None of the parties to this Joint Stipulation and Agreement shall be deemed to have approved of or acquiesced in any ratemaking principle or any method of cost of service determination, or cost allocation underlying any of the issues for which provision is made in this Joint Stipulation and Agreement.

12. In the event the Commission accepts the specific terms of this Joint Stipulation and Agreement, the parties waive their respective rights to cross-examine witnesses with respect

to the prefiled testimony and schedules in Case No. EO-87-175 sponsored by the witnesses; their respective rights to present oral argument or written briefs, pursuant to Section 536.080(1), RSMo 1986; their respective rights pertaining to the reading of the transcript by the Commission, pursuant to Section 536.080(1), RSMo 1986; and their respective rights to judicial review, pursuant to Section 386.510, RSMo 1986.

13. The provisions of this Joint Stipulation and Agreement have resulted from extensive negotiations among the signatory parties and are interdependent. In the event that the Commission does not approve and adopt the terms of this Joint Stipulation and Agreement in total, it shall be void and no party shall be bound by any of the agreements or provisions hereof.

14. UE and Holnam agree to meet within 12 months of the date of this Joint Stipulation and Agreement to discuss Holnam's proposed modification to the "peak hours" period for measurement of Interruptible Power Demand under UE's Interruptible Rate 10(M) ("Hourly Period"). If UE and Holnam reach an agreement with respect to a modification of the Hourly Period ("Modification"), the Modification (including any agreed upon changes in rate values resulting therefrom) shall be filed with the Commission for the Commission's consideration; provided, however, that any party may oppose the Modification and shall not be deemed to have consented to the establishment of a new docket to consider the Modification or to the Modification itself. If, upon expiration of the 12 month period, no Modification has been filed with the Commission, Holnam, Inc. or Union Electric may

file with the Commission a request for consideration of a change in the Hourly Period in accordance with the provisions of Paragraph 3; provided, however, that if a request for consideration of a change in the Hourly Period is filed, any party may oppose such requested change and shall not be deemed to have consented to the proposals of the party making such request.

Respectfully submitted,

Jeffrey A. Keevil

Linda K. Gardner
Jeffrey A. Keevil

Attorneys for Staff of Missouri Public Service Commission

James J. Cook by JAK

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Lewis R. Mills

Lewis R. Mills, Jr.

Attorney for the Office of Public Counsel

Gerald T. McNeive Jr. by JAK

Gerald T. McNeive, Jr.

Attorney for Laclede Gas Company

Dated: October 19, 1990

CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing have been mailed or hand-delivered to all parties of record on this 19th day of October, 1990.

APPENDIX A

to Joint Stipulation and Agreement

Case No. EO-87-175

SERVICE CLASSIFICATION NO. 1(M)
RESIDENTIAL SERVICE RATE

*Rate Based on Monthly Meter Readings

Summer Rate (Applicable during 4 monthly billing periods of June through September)

Customer Charge	$ 5.75 per month
Energy Charge	8.674¢ per kWh

Winter Rate (Applicable during 8 monthly billing periods of October through May)

Customer Charge	$ 5.75 per month
Energy Charge - First 750 kWh	6.29¢ per kWh
- Over 750 kWh	4.16¢ per kWh

RCS Adjustment. The rates contained herein shall be subject to adjustments as provided for in Rider R.

Payments. Bills are due and payable within ten (10) days from date of bill and become delinquent after twenty-one (21) days from date of bill.

Term of Use. Initial period one (1) year, terminable thereafter on three (3) days' notice.

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.

*Indicates Change.

SERVICE CLASSIFICATION NO. 2(M)
SMALL GENERAL SERVICE RATE

*Rate Based on Monthly Meter Readings

Summer Rate (Applicable during 4 monthly billing periods of June through September)

Customer Charge	- Single Phase	$ 5.75 per month
	- Three Phase	$13.60 per month
Energy Charge		8.60¢ per kWh

Winter Rate (Applicable during 8 monthly billing periods of October through May)

Customer Charge	- Single Phase	$ 5.75 per month
	- Three Phase	$13.60 per month
Energy Charge	- Base Use	6.42¢ per kWh
	- Seasonal Use(1)	3.70¢ per kWh

(1) The winter seasonal energy use shall be all kWh in excess of 1,000 kWh per month and in excess of the lesser of a) the kWh use during the preceding May billing period, or b) October billing period, or c) the maximum monthly kWh use during any preceding summer month.

D.C. Service $7.16 per meter plus a surcharge of 0.82¢ per kWh. (Applicable only in downtown St. Louis, Missouri, to each kWh supplied at direct current.)

Payments. Bills are due and payable within ten (10) days from date of bill.

Term of Use. One (1) year, terminable thereafter on three (3) days' notice.

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.

*Indicates Change.

SERVICE CLASSIFICATION NO. 3(M)
LARGE GENERAL SERVICE RATE

*Rate Based on Monthly Meter Readings

Summer Rate (Applicable during 4 monthly billing periods of June through September)

Customer Charge:		$66.00 per month
Energy Charge:		
First 150 kWh per kW of Billing Demand	@	8.45¢ per kWh
Next 200 kWh per kW of Billing Demand	@	6.38¢ per kWh
All Over 350 kWh per kW of Billing Demand	@	4.27¢ per kWh
Demand Charge: Total Billing Demand	@	$3.96 per kW

Winter Rate (Applicable during 8 monthly billing periods of October through May)

Customer Charge:		$66.00 per month
Base Energy Charge:		
First 150 kWh per kW of Base Demand	@	5.32¢ per kWh
Next 200 kWh per kW of Base Demand	@	3.97¢ per kWh
All Over 350 kWh per kW of Base Demand	@	3.10¢ per kWh
Seasonal Energy Charge: Seasonal kWh	@	3.10¢ per kWh
Demand Charge: Total Billing Demand		$1.42 per kW

D.C. Service $7.16 per meter plus a surcharge of 0.82¢ per kWh. (Applicable only in downtown St. Louis, Missouri, to each kWh supplied to direct current.)

Payments. Bills are due and payable within ten (10) days from date of bill.

Term of Use. Three (3) years, terminable thereafter on three (3) days' notice.

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.

*Indicates Change.

SERVICE CLASSIFICATION NO. 3(M)
LARGE GENERAL SERVICE RATE

1. Rate Application. This rate is applicable to all secondary service to (1) any non-residential customer whose billing demand in any summer month exceeds 100 kW, or (2) at customer's request, to any other non-residential customer.

2. Character of Service Supplied. Company will specify and provide a standard single- and/or three-phase alternating current secondary service voltage. Direct current is supplied in limited quantities to existing premises in downtown St. Louis, Missouri.

*3. Demand

A. Billing Demand. The monthly billing demand shall be either the maximum demand measured during the month or, where elected by customer, the billing demand determined in accordance with Rider I, Off-Peak Demand Provisions, but in no event less than 100 kW.

B. Energy Billing Demand. Customer's billing demand shall be used to apportion customer's kilowatthours to the kWh per kW energy rate steps for metered demands of 100 kW or greater. Where metered demands are less than 100 kW, the metered demand shall be used as the billing demand for purposes of apportioning kilowatthours only.

C. Base Billing Demand. The Base Billing Demand shall be the lesser of a) the customer's billing demand established during the preceding May billing period, or b) October billing period, or c) the maximum billing demand established during the preceding summer billing period, but in no event less than 100 kW.

D. Seasonal Billing Demand. The Seasonal Billing Demand shall be the customer's winter billing demand in excess of the customer's Base Billing Demand.

E. Base and Seasonal Energy Apportioning. The kilowatthours for each winter billing period shall be apportioned to the Base and Seasonal Energy rate steps in the same proportion as customer's Base and Seasonal billing demands.

*Indicates Change.

SERVICE CLASSIFICATION NO. 3(M)
LARGE GENERAL SERVICE RATE (Cont'd.)

F. Demand Meters. When normal use of an existing customer or the estimated use of a new customer exceeds 25,000 kWh per month for two consecutive summer billing months, or Company has reason to believe that customer's summer demand exceeds 100 kW regardless of his kWh use, Company will install a demand meter for purposes of measuring customer's demand.

*4. Customers Without Prior Billing Determinants. Customers on this rate who did not establish a billing demand during preceding billing periods shall have all kilowatthours billed on the Base Energy rate steps during the succeeding winter billing periods. After subsequent billing periods are completed, the customer's billing during the preceding winter will be reviewed using the Base Billing Demand determined from the following May billing period and a refund given if appropriate.

5. Cumulation of Services. Service taken through each meter by the same customer on the same premises under this Service Classification will be cumulated for billing purposes. Unless otherwise required for Company's engineering or other reasons, any additional service requested by customer will be provided, subject to the Company's approval, under the provisions of Section III.Q - Special Facilities. Such additional service, if any, supplied through facilities installed on and after May 5, 1990, will not be cumulated or otherwise combined for billing purposes with any other service supplied to customer.

6. General Rules and Regulations. In addition to the above specific rules and regulations, all of Company's General Rules and Regulations shall apply to the supply of service under this rate.

*Indicates Change.

SERVICE CLASSIFICATION NO. 4(M)
SMALL PRIMARY SERVICE RATE

*Rate Based on Monthly Meter Readings

Summer Rate (Applicable during 4 monthly billing periods of June through September)

Customer Charge:	$210.00 per month
Energy Charge:	
First 150 kWh per kW of Billing Demand	@ 7.78¢ per kWh
Next 200 kWh per kW of Billing Demand	@ 5.87¢ per kWh
All Over 350 kWh per kW of Billing Demand	@ 3.93¢ per kWh
Demand Charge: Total Billing Demand	@ $3.16 per kW
Reactive Charge:	24¢ per kVar

Winter Rate (Applicable during 8 monthly billing periods of October through May)

Customer Charge:	$210.00 per month
Base Energy Charge:	
First 150 kWh per kW of Base Demand	@ 4.90¢ per kWh
Next 200 kWh per kW of Base Demand	@ 3.65¢ per kWh
All Over 350 kWh per kW of Base Demand	@ 2.85¢ per kWh
Seasonal Energy Charge: Seasonal kWh	@ 2.85¢ per kWh
Demand Charge: Total Billing Demand	$1.15 per kW
Reactive Charge:	24¢ per kVar

D.C. Service $7.16 per meter plus a surcharge of 0.82¢ per kWh. (Applicable only in downtown St. Louis, Missouri, to each kWh supplied at direct current.)

Payments. Bills are due and payable within ten days from date of bill.

Term of Use. Three (3) years, terminable thereafter on three (3) days' notice.

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.

*Indicates Change.

SERVICE CLASSIFICATION NO. 4(M)
SMALL PRIMARY SERVICE RATE

1. Rate Application. This rate is applicable to primary service supplied by the Company in Missouri.

2. Character of Service Supplied. Company will specify and supply a standard three-phase alternating current primary service voltage. Direct current is supplied in limited quantities to existing premises in downtown St. Louis, Missouri. Where Company supplies service at 34.5 kV or higher, the appropriate adjustments under Rider B will apply.

*3. Cumulation of Services. Service taken through each meter by the same customer on the same premises under this Service Classification will be cumulated for billing purposes. Unless otherwise required for Company's engineering or other reasons, any additional service requested by customer will be provided, subject to the Company's approval, under the provisions of Section III.Q - Special Facilities. Such additional service, if any, supplied through facilities installed on and after May 5, 1990, will not be cumulated or otherwise combined for billing purposes with any other service supplied to customer.

4. Demand Meters. Company will install demand meters for the measurement of demands.

*5. Demand

A. Billing Demand. The billing demand in any month will be the highest demand established during peak hours or 50% of the highest demand established during off-peak hours, whichever is highest during the month, but in no event less than 100 kW.

Peak hours and off-peak hours are defined as follows:

Peak hours: 10:00 A.M. to 10:00 P.M., Monday through Friday.

Off-peak hours: All other hours including the entire 24 hours of the following days:

New Year's Day	Independence Day	Thanksgiving Friday
Good Friday	Labor Day	Christmas Eve Day
Memorial Day	Thanksgiving Day	Christmas Day

All times stated above apply to the local effective time.

*Indicates Change.

SERVICE CLASSIFICATION NO. 4(M)
SMALL PRIMARY SERVICE RATE

B. Energy Billing Demand. Customer's billing demand shall be used to apportion customer's kilowatthours to the kWh per kW energy rate steps for metered demands of 100 kW or greater. Where metered demands are less than 100 kW, the metered demand shall be used as the billing demand for purposes of apportioning kilowatthours only.

C. Base Billing Demand. The Base Billing Demand shall be the lesser of a) the customer's billing demand established during the preceding May billing period, or b) October billing period, or c) the maximum billing demand established during any preceding summer billing period, but in no event less than 100 kW.

D. Seasonal Billing Demand. The Seasonal Billing Demand shall be the customer's winter billing demand in excess of the customer's Base Billing Demand.

E. Base and Seasonal Energy Apportioning. The kilowatthours for each winter billing period shall be apportioned to the Base and Seasonal Energy rate steps in the same proportion as customer's Base and Seasonal billing demands.

F. Customers Without Prior Billing Determinants. Customers on this rate who did not establish a billing demand during preceding billing periods shall have all kilowatthours billed on the Base Energy rate steps during the succeeding winter billing periods. After subsequent billing periods are completed, the customer's billing during the preceding winter will be reviewed using the Base Billing Demand determined from the following May billing period and a refund given if appropriate.

SERVICE CLASSIFICATION NO. 10(M)
INTERRUPTIBLE POWER RATE (cont'd.)

2. Supply Facilities (Cont'd.). Customer will, at its own expense, install and maintain, on its own premises, all lines, substation and utilization equipment for the proper use and control of the electric service supplied by the Company. If requested by Company, customer will also, at its own expense, provide suitable relays and signal system on its premises to operate the circuit breakers on the circuits supplying the Interruptible Power, such relays and signals to be arranged for automatic or remote control by Company's Load Dispatcher. Company will, at customer's expense, supply the control circuits to customer's premises to effect energizing of the relay system. Equipment installed for this purpose by customer shall be approved by Company's engineers and Company shall at all reasonable times be permitted free access to customer's premises for inspection of equipment and checking its operation.

*3. Rate Based on Monthly Meter Readings

Customer Charge $ 210.00 per month

Demand Charge:

	Summer (1)	Winter (2)
Assurance Power (3)		
All kW	$16.55 per kW	$7.52 per kW
All kWh	2.81¢ per kWh	2.48¢ per kWh
Interruptible Power (4)		
All kW	$ 8.275 per kW	$3.760 per kW
All kWh	2.81¢ per kWh	2.48¢ per kWh

Reactive Charge (5) 24¢ per kVar

(1) Applicable during 4 monthly billing periods of June through September.

(2) Applicable during 8 monthly billing periods of October through May.

(3) The kilowatts to be billed as Assurance Power in any month will be the higher of (a) the Assurance Power previously established by contract, or (b) the maximum demand in kilowatts during any period within the prior 12 months in which Company has notified customer to curtail load.

*Indicates Change.

UNION ELECTRIC COMPANY ELECTRIC SERVICE

P.S.C. MO., ILL. C.C., IA. ST. C.C. SCHEDULE NO. ______ SHEET NO. ______

CANCELLING SCHEDULE NO. ______ SHEET NO. ______

APPLYING TO MISSOURI SERVICE AREA

SERVICE CLASSIFICATION NO. 11(M)
LARGE PRIMARY SERVICE RATE

*Rate Based on Monthly Meter Readings

Summer Rate (Applicable during 4 monthly billing periods of June through September)

Customer Charge	$210.00	per month
Demand Charge	$ 16.55	per kW
Energy Charge	2.81¢	per kWh
Reactive Charge	24¢	per kVar

Winter Rate (Applicable during 8 monthly billing periods of October through May)

Customer Charge	$210.00	per month
Demand Charge	$ 7.52	per kW
Energy Charge	2.48¢	per kWh
Reactive Charge	24¢	per kVar

D.C. Service $7.16 per meter plus a surcharge of 0.82¢ per kWh. (Applicable only in downtown St. Louis, Missouri, to each kWh supplied at direct current.)

Payments. Bills are due and payable within ten (10) days from date of bill.

Term of Use. Three (3) years, terminable thereafter on three (3) days' notice.

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.

*Indicates Change.

P.S.C. MO. DATE OF ISSUE ______ DATE EFFECTIVE ______

ILL. C.C. DATE OF ISSUE ______ DATE EFFECTIVE ______

IA. ST. C.C. DATE OF ISSUE ______ DATE EFFECTIVE ______

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

NAME OF OFFICER TITLE ADDRESS

SERVICE CLASSIFICATION NO. 11(M)
LARGE PRIMARY SERVICE RATE

1. Rate Application. The rate shall be applicable, at customer's request, to all service at a primary voltage or higher, provided customer agrees to a minimum monthly billing demand of 5000 kilowatts.

2. Character of Service Supplied. Company will specify and supply a standard three-phase alternating current primary service voltage. Direct current is supplied in limited quantities to existing premises in downtown St. Louis, Missouri. Where Company supplies service at 34.5 kV or higher, the appropriate adjustments under Rider B will apply.

*3. Cumulation of Services. Service taken through each meter by the same customer on the same premises under this Service Classification will be cumulated for billing purposes. Unless otherwise required for Company's engineering or other reasons, any additional service requested by customer will be provided, subject to the Company's approval, under the provisions of Section III.Q - Special Facilities. Such additional service, if any, supplied through facilities installed on and after May 5, 1990, will not be cumulated or otherwise combined for billing purposes with any other service supplied to customer.

4. Demand Meters. Company will install demand meters for the measurement of demands.

5. Billing Demand. The billing demand in any month will be the highest demand established during peak hours or 50% of the highest demand established during off-peak hours, whichever is highest during the month, but in no event less than 5000 kW.

Peak hours and off-peak hours are defined as follows:

Peak hours: 10:00 A.M. to 10:00 P.M., Monday thru Friday.

Off-peak hours: All other hours including the entire 24 hours of the following days:

New Year's Day	Independence Day	Thanksgiving Friday
Good Friday	Labor Day	Christmas Eve Day
Memorial Day	Thanksgiving Day	Christmas Day

All times stated above apply to the local effective time.

*Indicates Change.

SERVICE CLASSIFICATION NO. 11(M)
LARGE PRIMARY SERVICE RATE

6. Reactive Charge. The charge specified in this rate shall be applicable to the kilovars by which the customer's average metered kilovars exceed the customer's kilovars at an average power factor of 90% lagging during the billing period. Such average kilovar billing units shall be determined in accordance with the following formula:

$$kVar = \left(\frac{kVarh}{kWh} - 0.4843\right)(kW)$$

where:

kVar = kilovar billing units
kVarh = metered kilovarhours
kWh = metered kilowatthours
kW = metered billing kilowatts
0.4843 = kilovar requirement at 90% lagging power factor.

Where in the Company's judgement application of the above formula would not be appropriate to full or partial self-generation customers, an alternative agreement, between Company and customers, for the payment of reactive supply facilities may be substituted for said formula.

7. General Rules and Regulations. In addition to the above specific rules and regulations, all of Company's General Rules and Regulations shall apply to the supply of service under this rate.

*Indicates Addition.

RIDER B

DISCOUNTS APPLICABLE TO SUBSTATIONS OWNED BY CUSTOMER OR LEASED BY CUSTOMER FROM THE COMPANY

* A. If a substation provided or leased by Customer transforms all or a part of the service from a delivery voltage of 138,000 volts or higher to 34,500 volts, 69,000 volts, or a primary service voltage, Company will allow a discount from its applicable rate schedule as follows:

Where demands are measured and service is metered at:

		Per kW(1)	Per kWh
a.	Delivery Voltage	$1.33	.10¢
b.	Primary, 34,500, or 69,000 Volts	$1.27	.08¢

* B. If a substation provided or leased by Customer transforms all or a part of the service from a delivery voltage of 34,500 or 69,000 volts to a primary service voltage, Company will allow a discount from its applicable rate schedule as follows:

Where demands are measured and service is metered at:

		Per kW(1)	Per kWh
a.	Delivery Voltage	$1.04	.06¢
b.	Primary or Secondary Voltage	$0.97	.04¢

(1) Per kW of billing demand.

*Indicates Change.

RIDER C*

ADJUSTMENTS OF METER READINGS FOR METERING AT A VOLTAGE NOT PROVIDED FOR IN RATE SCHEDULE

Where service is metered at a voltage other than the voltage provided for under the applicable rate schedule, an adjustment in both the kilowatthour and kilowatt meter readings for the total service will be made as follows:

1. Primary Delivery Metered at Secondary Voltage

   Add sixty-eight one hundredths of one percent (0.0068) to the secondary meter readings.

2. Secondary Delivery Metered at Primary Voltage

   Deduct sixty-eight one hundredths of one percent (0.0068) from the primary meter readings. Where Company provides additional distribution facilities beyond its primary meter (limited to existing connections) said service shall be billed on Company's Primary Service Rate and no Rider C adjustment shall apply.

Company shall not be required to provide any distribution facilities beyond the metering point except when required for engineering or other valid reasons.

*Indicates Change.

APPENDIX B

to Joint Stipulation and Agreement

Case No. EO-87-175

Appendix B

MISSOURI INDUSTRIAL ENERGY CONSUMERS ("MIEC")

AMERICAN NATIONAL CAN COMPANY
ANHEUSER-BUSCH COS., INC.
CHRYSLER MOTORS CORPORATION
CONTINENTAL CEMENT CORP.
EMERSON ELECTRIC COMPANY
FORD MOTOR COMPANY
GENERAL MOTORS CORPORATION
MALLINCKRODT, INC.
McDONNELL DOUGLAS CORPORATION
MONSANTO COMPANY
NOOTER CORPORATION
PPG INDUSTRIES, INC.
PEA RIDGE IRON ORE COMPANY