

**STATE OF MISSOURI
PUBLIC SERVICE COMMISSION**

At a Session of the Public Service
Commission held at its office in
Jefferson City on the 21st day of
May, 2002.

In the Matter of Union Electric Company d/b/a AmerenUE's
Gas Adjustment Factors to be Reviewed in its 2000-2001
Actual Cost Adjustment Case No. GR-2001-488

In the Matter of Union Electric Company d/b/a AmerenUE's
Gas Adjustment Factors to be Reviewed in its 1999-2000
Actual Cost Adjustment Case No. GR-2000-579

ORDER APPROVING STIPULATION AND AGREEMENT

This order approves a stipulation and agreement submitted by Union Electric Company d/b/a AmerenUE and the Staff of the Commission regarding the 1999-2000 and 2000-2001 Purchased Gas Adjustment (PGA) and Actual Cost Adjustment (ACA) filings of AmerenUE.

On April 25, 2002, AmerenUE and Staff filed a stipulation and agreement that purports to resolve all issues regarding AmerenUE's 1999-2000 and 2000-2001 PGA/ACA filings. The Office of the Public Counsel did not join in the stipulation and agreement but the stipulation and agreement indicates that Public Counsel neither supports, nor opposes the stipulation and agreement. In any event, Commission Rule 4 CSR 240-2.115(1) provides that the Commission may treat a stipulation and agreement as a unanimous stipulation and agreement if no party requests a hearing. Commission Rule 4 CSR 240-2.115(3) allows a party seven days from the filing of a stipulation and agreement in which

to request a hearing. More than seven days have passed since the stipulation and agreement was filed and no party has requested a hearing. Therefore, the Commission will treat the stipulation and agreement as a unanimous stipulation and agreement.

Paragraph 18 of the stipulation and agreement requires Staff to file suggestions or a memorandum in support of the stipulation and agreement within fourteen days of the filing of the stipulation and agreement. Staff filed its memorandum in support of the stipulation and agreement on May 9. Paragraph 18 of the stipulation and agreement also provides that the other parties have a right to file responsive suggestions within ten days of receiving Staffs memorandum. More than ten days have passed since Staff filed its memorandum and no party has filed a response.

The stipulation and agreement requires AmerenUE to take the following actions:

1. AmerenUE shall decrease its gas costs in the next scheduled ACA filing by \$86,085.25 for the 1999-2000 ACA period and \$89,653.75 for the 2000-2001 ACA period for the Panhandle Eastern Pipe Line Company service area.

2. AmerenUE shall decrease its gas costs in the next scheduled ACA filing by \$254,261 to reflect an adjustment to the DCCB carrying costs claimed for the 2000-2001 ACA period.

3. No later than August 1, 2002, AmerenUE shall provide to the Staff certain information related to its reliability analysis, including but not limited to:

- a. A summary of actual usage, actual heating degree days (HDD), and customer counts for 5 or more recent cold days from the 2000/2001 and/or 2001/2002 winters for the Fisk/Lutesville, Cape Girardeau, and Columbia service areas;

b. A comparison of the usage on these actual cold days to the usage estimated by the Company's peak day forecasting model for those days, including a calculation of the percent over (under) estimation by the forecasting model. Firm and interruptible volumes shall be listed separately, and the Company shall show how the model treats these;

c. An explanation when the modeled usage does not reasonably agree with the actual usage encountered, and if the peak day model is re-evaluated based on these findings, an explanation of why this was done and the result of such re-evaluation; and

d. A calculation of customer growth for each service area. If this information continues to be based on an analysis of annual therms per sales customer class, the company shall include an explanation of how the usage is normalized for weather.

4. AmerenUE shall not include interruptible contracts as part of firm capacity for peak day deliverability requirements.

The stipulation and agreement also asks the Commission to approve specified account balances for both the 1999-2000 and the 2000-2001 periods. Those account balances are set out in Attachment A to the stipulation and agreement.

In the stipulation and agreement, contingent upon the Commission's acceptance of the stipulation and agreement, the parties waived their rights to cross-examine witnesses, to present oral argument or briefs, to have the transcript read by the Commission, and to rehearing and judicial review. The Commission has the legal authority to accept a

stipulation and agreement as offered by the parties as a resolution of issues raised in this case, pursuant to Section 536.060, RSMo 2000.

The requirement for a hearing is met when the opportunity for hearing has been provided and no proper party has requested the opportunity to present evidence.' Since no one has requested a hearing, the Commission may grant the relief requested based on the stipulation and agreement.

After reviewing the stipulation and agreement of the parties and Staff's memorandum in support of the stipulation and agreement, the Commission finds that the stipulation and agreement filed on April 25, 2002, should be approved.

IT IS THEREFORE ORDERED:

1. That the stipulation and agreement filed on April 25, 2002 by Union Electric Company d/b/a AmerenUE and the Staff of the Public Service Commission is hereby approved as a resolution of all issues in this consolidated case (See Attachment 1).
2. That this order shall become effective on May 31, 2002.
3. That this case shall be closed on June 1, 2002.

BY THE COMMISSION

(SEAL)

A stylized signature of Dale Hardy Roberts, featuring a large capital 'U' followed by the name 'Hardy' in a cursive script.

Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge

Simmons, Ch., Murray, Lumpe, Gaw and Forbis, CC., concur

Woodruff, Senior Regulatory Law Judge

¹ State ex rel. Rex Deffenderfer Enterprises, Inc. v. Public Service Commission, 776 S.W.2d 494, 496 (Mo. App. 1989).

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

FILED²
APR 25 2002
Missouri Public
Service Commission

In the matter of Union Electric Company)
d/b/a AmerenUE's Gas Adjustment)
Factors to be reviewed in its 1999-2000)
and its 2000-2001 Actual Cost)
Adjustment.)

Case No. GR-2001-488
as consolidated with
GR-2000-579

COME NOW the Staff (Staff) of the Missouri Public Service Commission (Commission) and Union Electric Company d/b/a AmerenUE (AmerenUE or Company) and submit the following unopposed Stipulation and Agreement.

STIPULATION AND AGREEMENT

1. The purpose of these Actual Cost Adjustment (ACA) proceedings is for the Missouri Public Service Commission Staff to review and make recommendations to the Commission concerning AmerenUE's ACA and refund balances for the 1999-2000 and the 2000-2001 periods. Staff reviewed the 1999-2000 ACA period (Case No. GR-2000-579) and the 2000-2001 ACA period (Case No. GR-2001-488) under the purchased gas adjustment clause in AmerenUE's natural gas tariff.

2. On October 16, 2000, AmerenUE submitted its filing containing the Company's calculations of the ACA and refund balances for the 1999-2000 period. Staff reviewed AmerenUE's calculations and submitted its Memorandum concerning the 1999-2000 filing on November 15, 2001.

3. In its May 23, 2001 Order Granting Motion to Consolidate, the Commission consolidated these ACA cases.

4. On October 16, 2001, AmerenUE filed its ACA calculations and refund balances for the 2000-2001 period. After reviewing AmerenUE's filing for this period, including evaluating

AmerenUE's calculations, billed revenues, actual gas costs, and reliability of the AmerenUE system in its various territories, Staff filed its Memorandum on February 7, 2002.

5. In addition to proposing adjustments to AmerenUE's ACA balance, Staff made a number of recommendations designed to assure that the method used for calculating required capacity on AmerenUE's system was a reasonably accurate method. Staff's concern is that the method used by AmerenUE accurately estimates the capacity needed on its systems to meet firm customer, peak day requirements for capacity and supply of natural gas, without overestimating the need for capacity.

6. On December 17, 2001 and February 22, 2002, AmerenUE responded to Staff's Memoranda. Among other things, it disagreed with Staff's disallowances and questioned some of the recommendations.

7. Staff and AmerenUE had several discussions concerning, among other things, the method or methods that should be used to determine reliability requirements on AmerenUE's system.

8. Following the filing of Staff's Memoranda and AmerenUE's replies, AmerenUE and Staff were able to resolve all issues in these proceedings and have reached the following Stipulations and Agreements:

Stipulations and Agreements

9. AmerenUE shall decrease its gas costs in its next scheduled ACA filing by \$86,085.25 for the 1999-2000 ACA period and \$89,653.75 for the 2000-2001 ACA period for the Panhandle Eastern Pipe Line Company service area.

10. AmerenUE shall decrease its gas costs in its next scheduled ACA filing by \$254,261 to reflect an adjustment to the DCCB carrying costs claimed for the 2000-2001 ACA period.

11. No later than August 1, 2002, AmerenUE shall provide to the Staff certain information related to its reliability analysis, including but not limited to:

- a. a summary of actual usage, actual heating degree days (HDD), and customer counts for 5 or more recent cold days from the 2000/2001 and/or 2001/2002 winters for the Fisk/Lutesville, Cape Girardeau, and Columbia service areas.
- b. a comparison of the usage on these actual cold days to the usage estimated by the Company's peak day forecasting model for those days, including a calculation of the percent over (under) estimation by the forecasting model. Firm and interruptible volumes shall be listed separately, and the Company shall show how the model treats these.
- c. an explanation when the modeled usage does not reasonably agree with the actual usage encountered, and if the peak day model is re-evaluated based on these findings, an explanation of why this was done and of the result of such re-evaluation.
- d. a calculation of customer growth for each service area. If this information continues to be based on an analysis of annual therms per sales customer class, the Company shall include an explanation of how the usage is normalized for weather.

12. AmerenUE shall not include interruptible contracts as part of firm capacity for peak day deliverability requirements.

Reservations

13. The Office of the Public Counsel has authorized Staff to state that it neither supports nor opposes this Stipulation and Agreement.

14. This Stipulation and Agreement has resulted from discussions and negotiations among the Parties and the terms of this Stipulation and Agreement are interdependent. In the event the Commission does not adopt this Stipulation and Agreement in total, it shall be void and no Party shall be bound by any of the agreements or provisions. The stipulations herein are specific to the resolution of these proceedings, and all stipulations are made without prejudice to the rights of the Parties to take other positions in other proceedings.

15. This Stipulation and Agreement is being entered into solely for the purpose of disposing of all issues in these cases. None of the Parties to this Stipulation and Agreement shall be deemed to have approved, accepted, agreed, consented or acquiesced to any accounting principle, ratemaking principle or cost of service determination underlying, or supposed to underlie any of the issues provided for herein.

16. All Parties further understand and agree that the provisions of this Stipulation and Agreement relate only to the specific matters referred to in the Stipulation and Agreement and no Party waives any claim or right which it otherwise may have with respect to any matters not expressly provided for in this Stipulation. All Parties further reserve the right to withdraw their support for the settlement in the event that the Commission modifies the Stipulation and Agreement in a manner which is adverse to the Party withdrawing its support and further, all Parties reserve the right to contest any such Commission order modifying the settlement in a manner which is adverse to the Party contesting such Commission order.

17. In the event the Commission accepts the specific terms of this Stipulation and Agreement, the Parties and the Office of the Public Counsel waive, with respect to the issues resolved herein: their respective rights pursuant to Section 536.070(2) RSMo 2000 to call, examine and cross-examine witnesses; their respective rights to present oral argument or written

briefs pursuant to Section 536.080.1, RSMo 2000; their respective rights to the reading of the transcript by the Commission pursuant to Section 536.080.2, RSMo 2000; their respective rights to seek rehearing pursuant to Section 386.500, RSMo 2000; and their respective rights to judicial review pursuant to Section 386.510, RSMo 2000. If this Stipulation and Agreement is not approved by the Commission, the Parties request that a revised procedural schedule be established which provides for a hearing, to include the opportunity for cross-examination.

18. The Staff shall within fourteen (14) days of the filing of this Stipulation and Agreement, file with the Commission suggestions or a memorandum in support of this Stipulation and Agreement and the other parties shall have the right to file responsive suggestions within ten (10) days of receipt of Staff's memorandum.

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

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

CONCLUSION

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

- a) Approving all of the specific terms and conditions of this Stipulation and Agreement and approving the following balances shown in Attachment A for the 1999-2000 and 2000-20001 ACA periods,
- b) Granting such further relief as the Commission should find reasonable and just, and
- c) Closing these cases.

Respectfully submitted,

DANA K. JOYCE
General Counsel


/s/ Lera L. Shemwell



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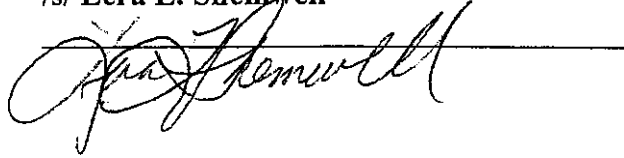
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Certificate of Service

I hereby certify that copies of the foregoing have been mailed or hand-delivered to all counsel of record this 25th day of April, 2002.

/s/ Lera L. Shemwell

A handwritten signature in cursive script, appearing to read "Lera L. Shemwell", is written over a solid horizontal line.

ATTACHMENT A

GR 2000-579

The following account balances should be included in AmerenUE's next ACA filing to reflect the (over)/under recovery of ACA and Refund balances to be (refunded)/collected from the ratepayers as of March 31, 2000:

	Balance per UE Filing	Staff Adjustments	Ending Balances
Natural Gas Pipeline Co. of America:			
Firm Sales ACA	\$(122,668)	\$(1,921)	\$(124,589)
Firm Refund	\$2,881		\$2,881
Panhandle Eastern Pipe Line Co:			
Firm Sales ACA	\$(659,957)	\$(86,085)	\$(746,042)
Interruptible Sales ACA	\$ 175,193		\$ 175,193
<u>Transportation</u>	\$87		\$87
Firm Refund	\$(115,375)		\$(115,375)
Interruptible Refund	\$(8,561)		\$(8,561)
Texas Eastern Transmission Corp:			
Firm Sales	\$ 1,141,263	\$62,855	\$ 1,078,408
Interruptible Sales	\$(165,935)	\$8,840	\$(157,095)
Firm Refund	\$(1,421)		\$(1,421)
Interruptible Refund	\$104		\$104
<u>Transportation Refund</u>	\$1,191		\$1,191

GR-2001-488

The following account balances should be included in AmerenUE's next ACA filing to the (over)/under recovery of ACA and Refund balances to be (refunded)/collected from the ratepayers as of March 31, 2001:

	Balance-UE Filing Adjusted for Staff Recommendations in GR-2000-579	Staff Adjustments	Ending Balances
Natural Gas Pipeline Co. of America: Firm Sales ACA	\$388,023	\$(7,994)	\$380,029
Firm Refund	<u>\$2,881</u>		<u>\$2,881</u>
Panhandle Eastern Pipe Line Co: Firm Sales ACA	<u>\$5,902,037</u>	<u>\$(219,265)</u>	\$ 5,682,772
Interruptible Sales ACA	<u>\$319,734</u>	<u>S(1,751)</u>	<u>\$317,983</u>
<u>Transportation</u>	<u>\$(6,163)</u>		<u>\$(6,163)</u>
Firm Refund	<u>\$(121,006)</u>		<u>\$(121,006)</u>
Interruptible Refund	<u>S(10,178)</u>		<u>\$(10,178)</u>
Texas Eastern Transmission Corp: Firm Sales	<u>\$3,638,007</u>	<u>\$(144,470)</u>	<u>\$3,493,537</u>
Interruptible Sales	<u>\$879,633</u>	<u>\$(49,946)</u>	<u>\$829,687</u>
Firm Refund	<u>\$(875)</u>		<u>\$(875)</u>
<u>Interruptible Refund</u>	<u>\$(208)</u>		<u>\$(208)</u>

Service List for
Case Nos. GR-2001-488 and GR-2000-579
(Consolidated)
Revised: April 25, 2002 (SW)

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