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In the matter of Union Electric Company's)
Purchased Gas Adjustment factors to be audited) Case No. GR-97-545
in its 1997-1998 Actual Cost Adjustment.)

Union Electric Company (UE or Company) of St. Louis, Missouri, submitted three tariff sheets to the Commission on March 19, 1998, carrying an effective date of April 1, 1998. The tariff sheets were filed to reflect scheduled changes in UE's Purchased Gas Adjustment (PGA) factors as the result of changes in the cost of natural gas for the upcoming summer season. The summer season includes the months of April through October.

The effect of these changes for the area served by Texas Eastern Transmission Corporation will decrease the firm PGA factor for the summer season to \$0.3915 per Ccf from a winter season firm PGA factor of \$0.4582 per Ccf. This represents an approximate 15% reduction in gas costs to consumers.

The Staff of the Commission (Staff) filed a memorandum stating that the changes in UE's PGA were calculated in conformance with the Company's approved PGA Clause and recommends that the Commission approve the tariff sheets to become effective on April 1, 1998. Staff stated that UE's PGA Clause allows for ten (10) business days notice for filings reflecting PGA changes. Staff recommends that the Commission approve the

tariff sheets to become effective April 1, 1998, on an interim basis, subject to refund, pending final Commission decisions in UE's ACA Case Nos. GR-96-430 and GR-97-545.

The Commission has reviewed the tariff sheets and Staff's recommendation, and finds that the tariff sheets conform to the Company's Commission approved PGA Clause and are therefore reasonable. After considering Staff's recommendation, and for good cause shown pursuant to Section 393.140(11), RSMo 1994, the Commission is of the opinion that the proposed tariff sheets should be approved to become effective on and after the requested effective date of April 1, 1998, interim subject to refund.

IT IS THEREFORE ORDERED:

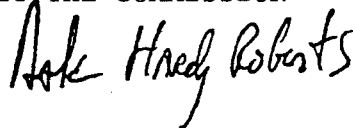
1. That the tariff sheets submitted on March 19, 1998, by Union Electric Company of St. Louis, Missouri, are approved on an interim basis, subject to refund, to become effective on April 1, 1998. The tariff sheets approved are:

P.S.C. Mo. No. 2

75th Revised SHEET No. 30, Cancelling 74th Revised SHEET No. 30
81st Revised SHEET No. 31, Cancelling 80th Revised SHEET No. 31
76th Revised SHEET No. 32, Cancelling 75th Revised SHEET No. 32

2. That this order shall become effective on April 1, 1998.

BY THE COMMISSION



Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge

(S E A L)

Lumpe, Ch., Murray, and
Drainer, CC., concur.

George, Regulatory Law Judge

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MAR 31 1998

COMMISSION COUNSEL
PUBLIC SERVICE COMMISSION