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STATE OF MISSOURI PUBLIC SERVICE COMMISSION

At a Session of the Public Service Commission held at its office in Jefferson City on the 25th day of June, 1997.

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.)		

ORDER APPROVING INTERIM RATES

Union Electric Company (UE) of St. Louis, Missouri, submitted three tariff sheets to the Commission on June 11, 1997, carrying an effective date of June 27, 1997. The tariff sheets are designed to change Purchased Gas Adjustment (PGA) factors due to a change in the cost of natural gas charged in all of its districts. Additionally, the Transportation Service factors will change for Reserved in all of its districts and Non-Reserved Services will change in one district.

The area served by Panhandle Eastern Pipe Line Company will experience a net increase in UE's annualized revenues of approximately \$1.5 million. The impact on a typical residential space heating customer using 28 Ccf of natural gas in the month of July will be an increase of \$0.71, or 3.9%.

The area served by Texas Eastern Transmission Corporation will experience a net increase in UE's annualized revenues of approximately \$0.5 million. The impact on a typical residential space heating customer using 28 Ccf of natural gas in the month of July will be an increase of \$0.94, or 4.9%.

The area served by Natural Gas Pipeline will experience a net increase in UE's PGA factors due to a change in UE's weighted average cost of purchased gas and sales volumes. The impact on a typical residential space heating customer using 28 Ccf of natural gas in the month of July will be an increase of \$0.99, or 5.4%.

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 June 27, 1997. Staff stated that UE's PGA Clause allows for fifteen (15) days notice for filings reflecting PGA changes. Staff recommended that the tariff sheets be approved on an interim basis, subject to refund, until the Commission makes its final determinations in 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 is 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 June 27, 1997, interim subject to refund.

IT IS THEREFORE ORDERED:

1. That the tariff sheets submitted on June 11, 1997, by Union Electric Company of St. Louis, Missouri, are approved on an interim basis, subject to refund, to become effective on June 27, 1997. The tariff sheets approved are:

P.S.C. Mo. No. 2

71st Revised SHEET No. 30, Cancelling 70th Revised SHEET No. 30

76th Revised SHEET No. 31, Cancelling 75th Revised SHEET No. 31

72nd Revised SHEET No. 32, Cancelling 71st Revised SHEET No. 32

2. That this order shall become effective June 27, 1997.

BY THE COMMISSION

Cecil I. Wright Executive Secretary

Caldwell

(SEAL)

Zobrist, Chm., Drainer, Crumpton, Murray, Lumpe, CC., Concur.

ALJ: Luckenbill