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September 20, 2001

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Mr. Dale Hardy Roberts
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Missouri Public Service Commission
P. O. Box 360
Jefferson City, MO 65102

FILED²
SEP 20 2001
Missouri Public
Service Commission

RE: Case No. GA-2001-657

Dear Mr. Roberts:

Enclosed for filing in the above-captioned case are an original and eight (8) conformed copies of a **STAFF RECOMMENDATION**.

This filing has been mailed or hand-delivered this date to all counsel of record.

Thank you for your attention to this matter.

Sincerely yours,

Lera L. Shemwell
Associate General Counsel
(573) 751-7431
(573) 751-9285 (Fax)

LLS:sw
Enclosure
cc: Counsel of Record

**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI**

FILED²

SEP 20 2001

Missouri Public
Service Commission

In the Matter of the Application of Union)
Electric Company (d/b/a AmerenUE) for a)
Certificate of Public Convenience and)
Necessity Authorizing it to Construct,)
Install, Own, Operate, Control, Manage)
and Maintain Natural Gas Pipeline)
Facilities and a Gas Distribution System)
for the Public in the City of Flint Hills,)
Missouri and its Vicinity, as an Expansion)
of its Presently Certificated Area.)

Case No. GA-2001-657

STAFF RECOMMENDATION

COMES NOW the Staff of the Missouri Public Service Commission and for its
recommendation states:

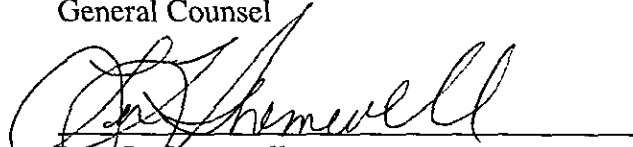
1. On May 30, 2001, Union Electric Company d/b/a AmerenUE (AmerenUE) of St. Louis, Missouri, filed an Application pursuant to 4 CSR 240-2.060(4) with the Missouri Public Service Commission (Commission).
2. The Application requests that the Commission grant AmerenUE a certificate of public convenience and necessity (CCN) authorizing it to construct, install, own, operate, control, manage and maintain a natural gas transmission and distribution system for the public in the City of Flint Hill, Missouri, and its vicinity, as an expansion of its existing certificated area in St. Charles County.
3. In the attached Memorandum, labeled Appendix A, the Staff explains its reasons for recommending that the Commission grant the Unanimous Stipulation and Agreement.

WHEREFORE Staff recommends that the Commission approve the Unanimous Stipulation and Agreement as in the public interest and order Ameren to file revised tariff sheets

reflecting this proposed CCN, within thirty (30) days of the Commission's Order approving this Application.

Respectfully submitted,

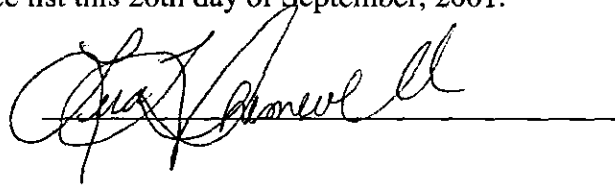
DANA K. JOYCE
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Missouri Bar No. 43792

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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 as shown on the attached service list this 20th day of September, 2001.



M E M O R A N D U M

TO: Missouri Public Service Commission Official Case File,
Case No. GA-2001-657, Union Electric Company d/b/a AmerenUE

FROM: ^{DAE by TMS JMS WW}
James A. Gray, Energy Department - Tariffs/Rate Design

[Signature] 09/19-2001

Project Coordinator Division/Date

[Signature] 9/20/01

General Counsel's Office/Date

SUBJECT: Staff Recommendation On Union Electric Company d/b/a AmerenUE's
Application For A Certificate Of Public Convenience And Necessity

DATE: September 14, 2001

On May 30, 2001, Union Electric Company d/b/a AmerenUE (AmerenUE) of St. Louis, Missouri, filed an APPLICATION (Application) with the Missouri Public Service Commission (Commission). The Application requests that the Commission grant AmerenUE a certificate of public convenience and necessity (CCN) authorizing it to construct, install, own, operate, control, manage and maintain a natural gas transmission and distribution system for the public in the City of Flint Hill, Missouri, and its vicinity, as an expansion of its existing certificated area in St. Charles County.

On June 16, 2001, Laclede Gas Company (Laclede) filed an APPLICATION TO INTERVENE (Intervention). On July 26, 2001, the Commission issued an ORDER GRANTING INTERVENTION, SCHEDULING PREHEARING CONFERENCE, AND DIRECTING FILING OF PROCEDURAL SCHEDULE granting Laclede an intervention. On September 14, 2001, AmerenUE, Laclede, the Office of Public Counsel, and the Commission Staff filed a STIPULATION AND AGREEMENT (S&A).

On August 23, 2000, the City of Flint Hill granted AmerenUE a franchise to provide natural gas service. The Commission has not issued a certificate to any other regulated natural gas utility to serve the City of Flint Hill.

AmerenUE filed its feasibility study (study) along with its Application. AmerenUE's study anticipates providing natural gas service to St. Theodore Catholic Church's parochial school and four small businesses in the first year. Additionally, AmerenUE anticipates providing natural gas service to 130 residential customers by the third year. AmerenUE states that it expects to serve subdivisions north of Wentzville and south of Flint Hill in the next four or five years. The study compared two different size pipe diameters. The project's projected costs were \$92,775 with a two-inch pipe and \$179,180 with a six-inch pipe. The projected revenues over the first three years are estimated to be \$86,595. AmerenUE decided to build a six-inch line to accommodate future growth in the next four or five years. AmerenUE anticipates extending this six-inch line south of the City of Flint Hill to accommodate future growth, build a loop around Flint Hill, and reinforce the natural gas service to the City of Wentzville.

The Staff has reviewed this Application and for the following reasons is of the opinion that granting this Application would be in the public interest:

1. The City of Flint Hill has granted AmerenUE a franchise,
2. The number of anticipated customers - St. Theodore's Catholic Church's parochial school, four small businesses, and 130 anticipated residential customers over three years generally makes the project feasible,
3. AmerenUE is willing and able to provide the requested service under existing tariff provisions,
4. Extending gas service would not jeopardize natural gas service to the Company's currently existing customers, and
5. The only intervenor, Laclede, has signed the S&A and does not object to this certificate request.

Therefore, Staff recommends that AmerenUE be granted a CCN to serve the City of Flint Hill and surrounding area as detailed in the S&A. Staff also recommends the Company file revised tariff sheets reflecting this proposed CCN, as contained in Exhibit A of the S&A in this case, within thirty (30) days of the Commission's Order approving this Application.

Service List for
Case No. GA-2001-657
Revised: September 20, 2001 (SW)

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