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JUL 17 2000

Missouri Public  
Service Commission

M E M O R A N D U M

TO: Missouri Public Service Commission Official Case File,  
Case No. GR-2000-579, File No. 200100021, Union Electric Company  
d/b/a AmerenUE

FROM: Kim J. Elvington, Gas Department - Tariffs/Rate Design *fm*

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Utility Operations Division/Date General Counsel's Office/Date

SUBJECT: Staff Recommendation for AmerenUE's Request for a One-time  
Waiver and an Unscheduled Summer Season PGA Filing Effective  
July 24, 2000.

DATE: July 14, 2000

On July 10, 2000, Union Electric Company d/b/a/ AmerenUE (AmerenUE or Company) of St. Louis, Missouri filed three tariff sheets proposed to become effective July 24, 2000. The tariff sheets were filed to reflect unscheduled changes in AmerenUE's Purchased Gas Adjustment (PGA) factors as the result of changes in the estimated cost of natural gas for the remaining summer season. The summer season includes the months of April through October.

In conjunction with the filing of these tariff sheets, AmerenUE filed a MOTION FOR WAIVER TO MAKE AN UNSCHEDULED SUMMER PURCHASED GAS ADJUSTMENT FILING (Motion). This Motion requests a one-time waiver from the PGA Clause of AmerenUE's tariff due to escalations in the market price of gas since its scheduled summer filing. In addition, AmerenUE cites the following two reasons for approval of this one-time waiver:

1. Send the correct price signal to its customers that will more closely reflect current gas costs;
2. Mitigate the under-recovery of gas costs this summer which would reduce the possibility of a higher Actual Cost Adjustment (ACA) for the next ACA period.

For the area served by Panhandle Eastern Pipe Line Company, which includes the cities of Columbia, Jefferson City, Mexico, and Wentzville, the net effect of these changes will increase the firm PGA factor for the remainder of the summer season to \$0.6083 per Ccf from a summer season firm PGA factor of \$0.4380 per Ccf.

For the area served by Texas Eastern Transmission Corporation, which includes the city of Cape Girardeau, the net effect of these changes will

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increase the firm PGA factor for the remainder of the summer season to \$0.5213 per Ccf from a summer season firm PGA factor of \$0.3384 per Ccf.

For the area served by Natural Gas Pipeline Company, which includes the city of Advance, the net effect of these changes will increase the firm PGA factor for the remainder of the summer season to \$0.4335 per Ccf from a summer season firm PGA factor of \$0.2474 per Ccf.

Case No. GR-2000-579, under which these changes were filed, was established to track the Company's PGA factors to be reviewed in its 1999-2000 ACA filings. A final Commission decision in AmerenUE's ACA Case No. GR-99-396 for its 1998-1999 ACA period is still pending. Interim subject to refund status should be maintained pending final Commission decisions in Case Nos. GR-99-396 and GR-2000-579.

The Commission's Gas Department - Tariffs/Rate Design Staff (Staff) has reviewed the Motion and agrees that the one-time waiver request be granted. Staff has also reviewed the PGA filings and has determined that, with the exception of the one-time waiver request to file an unscheduled summer PGA, this filing was calculated in conformance with AmerenUE's PGA Clause. Staff is of the opinion that good cause for approval of these tariff sheets on less than thirty days notice is demonstrated by AmerenUE's Commission-approved PGA clause allowing for ten (10) business days notice for PGA change filings. Therefore, Staff recommends the Commission grant the one-time waiver as requested by the Company on July 10, 2000, and approve the following tariff sheets to become effective July 24, 2000, interim subject to refund:

P.S.C. MO. No. 2

80<sup>th</sup> Revised SHEET No. 30 Cancelling 79<sup>th</sup> Revised SHEET No. 30  
86<sup>th</sup> Revised SHEET No. 31 Cancelling 85<sup>th</sup> Revised SHEET No. 31  
81<sup>st</sup> Revised SHEET No. 32 Cancelling 80<sup>th</sup> Revised SHEET No. 32

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              Steven R. Sullivan - Vice President and General Counsel (AmerenUE)  
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