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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 30th
day of October, 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 or Company) of St. Louis, Missouri, submitted three tariff sheets to the Commission on October 17, 1997, carrying an effective date of October 31, 1997. 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 winter season. The winter season includes the months of November through March. In two districts this filing will implement a refund factor for the firm and interruptible customers. Additionally, the Transportation Service factors will increase for Reserved Service in two districts and decrease for Reserved Service in one district. On October 28, 1997, UE filed two substitute tariff sheets correcting typographical errors.

Although the net effect of these changes will increase the current PGA factors, the area served by Panhandle Eastern Pipe Line Company will decrease the 1997-1998 winter season revenues by approximately \$3.4 million as compared to the 1996-1997 winter season revenues. The impact on a typical residential space heating customer using 888 Ccf of natural gas in the winter season will be a decrease of \$40.27, or 8.0%.

Although the net effect of these changes will increase the current PGA factors, the area served by Texas Eastern Transmission Corporation will decrease the 1997-1998 winter season revenues by approximately \$458,800 as compared to the 1996-1997 winter season revenues. The impact on a typical residential space heating customer using 888 Ccf of natural gas in the winter season will be a decrease of \$26.28, or 5.0%.

Although the net effect of these changes will increase the current PGA factors, the area served by Natural Gas Pipeline will decrease the 1997-1998 winter season revenues by approximately \$46,600 as compared to the 1996-1997 winter season revenues. The impact on a typical residential space heating customer using 888 Ccf of natural gas in the winter season will be a decrease of \$29.65, or 5.0%.

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, as substituted, to become effective on October 31, 1997. 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, as substituted, to become effective October 31, 1997 on an interim basis, subject to refund, pending final Commission decisions in UE's ACA Cases No. GR-96-430 and GR-97-545.

The Commission has reviewed the tariff sheets, as substituted, 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, as substituted, should be approved to become effective on and after the requested effective date of October 31, 1997, interim subject to refund.

IT IS THEREFORE ORDERED:

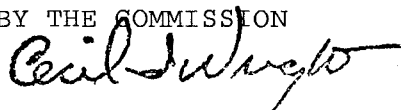
1. That the tariff sheets submitted on October 17, 1997, as substituted, by Union Electric Company of St. Louis, Missouri, are approved on an interim basis, subject to refund, to become effective on October 31, 1997. The tariff sheets approved are:

P.S.C. Mo. No. 2

73rd Revised SHEET No. 30, Cancelling 72nd Revised SHEET No. 30
79th Revised SHEET No. 31, Cancelling 78th Revised SHEET No. 31
74th Revised SHEET No. 32, Cancelling 73rd Revised SHEET No. 32

2. That this order shall become effective on October 31, 1997.

BY THE COMMISSION



Cecil I. Wright
Executive Secretary

(S E A L)

Lumpe, Ch., Crumpton, Murray,
and Drainer, CC., Concur.

Luckenbill, Deputy Chief Regulatory Law Judge