

Exhibit No.:  
Issue: Rate Design  
Witness: Wilbon L. Cooper  
Type of Exhibit: Direct Testimony  
Sponsoring Party: Union Electric Company  
Case No.: GR-2007-0003  
Date Testimony Prepared: July 6, 2006

**MISSOURI PUBLIC SERVICE COMMISSION**

**CASE NO. GR-2007-0003**

**DIRECT TESTIMONY**

**OF**

**WILBON L. COOPER**

**ON BEHALF OF**

**UNION ELECTRIC COMPANY  
d/b/a AmerenUE**

**St. Louis, Missouri  
July, 2006**

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1 **DIRECT TESTIMONY**

2 **OF**

3 **WILBON L. COOPER**

4 **CASE NO. GR-2007-0003**

5 **I. INTRODUCTION**

6 **Q. Please state your name and business address.**

7 A. My name is Wilbon L. Cooper. My business address is One Ameren Plaza,  
8 1901 Chouteau Avenue, St. Louis, Missouri 63103.

9 **Q. By whom and in what capacity are you employed?**

10 A. I am employed by Ameren Services Company as the Manager of the Rate  
11 Engineering and Analysis Department. In this capacity, I provide rate engineering services  
12 to Union Electric Company d/b/a AmerenUE, ("Company" or "AmerenUE").

13 **Q. What is your educational background, work experience and duties of**  
14 **your position?**

15 A. I earned a Bachelor of Science degree in Electrical Engineering (BSEE) from  
16 the University of Missouri-Rolla.

17 I was employed as an Assistant Engineer in the Rate Engineering Department  
18 of Union Electric Company in June 1980. My work included assignments relating to the  
19 general analyses and administration of various aspects of Union Electric Company's electric,  
20 gas, and steam rates. In October 1989, I was appointed Supervising Engineer – Rate  
21 Analysis in the Rate Engineering Department of Corporate Planning at Ameren Services  
22 Company. In the latter position I was responsible for meeting the analytical requirements of  
23 the Company's retail gas and electric rates and wholesale electric rates, including load

1 research and various cost of service and rate design studies, as assigned. I was appointed to  
2 my present position of Manager of Rate Engineering and Analysis in March 2003.

3 I currently have responsibility for the general policies and practices associated  
4 with the day-to-day administration and design of Union Electric Company's electric and gas  
5 rate tariffs, riders and rules and regulations tariffs on file with the Missouri Public Service  
6 Commission and the Illinois Commerce Commission, and in the participation in various  
7 proceedings before these regulatory agencies. In addition, Rate Engineering and Analysis is  
8 responsible for conducting class cost of service and rate design studies, and participation in  
9 other projects of a general corporate nature, as requested by the Director – Regulatory Policy  
10 and Planning.

11 I have previously submitted testimony before the regulatory commissions of  
12 Missouri, Illinois, and Iowa.

## 13 II. PURPOSE AND SUMMARY OF TESTIMONY

14 **Q. What was your responsibility in the preparation of this case, and what is**  
15 **the extent and purpose of this testimony?**

16 **A.** My responsibility includes the overall coordination and preparation of a) the  
17 weather normalized test year sales and revenues along with other miscellaneous test year  
18 billing adjustments (which are addressed in more detail in the direct testimony of Company  
19 witness James R. Pozzo), b) the development of a fully allocated class cost of service study  
20 (addressed more fully in the direct testimony of Company witness William M. Warwick),  
21 and c) the design and development of the proposed individual customer class rates and  
22 associated tariffs. My testimony will specifically address only the rate design and certain

1 other tariff changes being proposed in this case. I have summarized my testimony and the  
2 testimony of Mssrs. Pozzo and Warwick in Attachment A attached hereto.

3 **Q. Have you prepared or have there been prepared under your direction**  
4 **and supervision a series of schedules for presentation to the Commission in this**  
5 **proceeding?**

6 A. Yes. In addition to Attachment A which is an Executive Summary of my  
7 testimony and the testimony of Mssrs. Pozzo and Warwick, I am sponsoring  
8 Schedules WLC-G1 through WLC-G4.

9 **Q. Please identify Schedule WLC-G1.**

10 A. Schedule WLC-G1 consists of eighty-two (82) tariff sheets which reflect the  
11 revised rates and miscellaneous tariff revisions being proposed by the Company for approval  
12 by the Commission in this proceeding. Such tariffs would provide an increase in the  
13 Company's net Missouri jurisdictional normalized test year revenue of approximately  
14 \$10.8 million, or 18.3%, over the annualized test year (12 months ending June 30, 2006)  
15 revenue realized from the tariffs which were effective at the time of filing.

16 **Q. Please identify Schedule WLC-G2.**

17 A. Schedule WLC-G2 shows the distribution of the proposed net revenue  
18 increase to the Company's various proposed customer service classifications, resulting from  
19 the proposed tariffs in Schedule WLC-G1, excluding gross receipts taxes levied on customer  
20 billings by the various municipalities within the Company's service area. This schedule  
21 provides data for the combined non-Rolla service area of the Company, the Rolla service  
22 area, and, also, on a total gas system basis.



1 AmerenUE. The Commission also authorized AmerenUE to file conformance tariffs, which  
2 included a continuation of Aquila's base rate structure and associated rates.

3 **Q. Please provide a brief summary of the Rolla rate structure and associated**  
4 **rates.**

5 A. The Company's legacy rates applicable to the Rolla System consist of:

6 1) General Natural Gas Service with a Residential Service group and a General Service  
7 group, 2) Large Volume Firm Sales Service, 3) Large Volume Interruptible Sales Service, 4)  
8 Large Volume Transportation Service, 5) Flexible Rates For Transportation Customers, 6)  
9 Special Transportation Contract Rates and 7) Natural Gas Transportation Service. The base  
10 rates for the General Natural Gas Service and the Natural Gas Transportation Service  
11 customers consist primarily of monthly customer charges and volumetric charges. The base  
12 rates for the Large Volume Interruptible Sales Service, Large Volume Transportation  
13 Service, and the Flexible Rates For Transportation Customers consist primarily of monthly  
14 customer charges, volumetric charges and demand charges. Lastly, the Special  
15 Transportation Contract Rate has no specific rate structure, as it allows the Company to enter  
16 into special transportation rate contracts with industrial or other large customers where it  
17 faces competition from alternate suppliers of natural gas.

18 **IV. RATE DESIGN**

19 **Q. Please define the term "rate design."**

20 A. The term "rate design" refers both to the process of establishing the individual  
21 and specific charges (e.g. monthly customer charges, cents per thousand cubic feet (Ccf) of  
22 gas, as well as to the actual structure of an individual class rate). The rate design or structure  
23 of a given rate class may range in complexity from the simple structure of the monthly

1 customer charge and flat charge per Ccf, within the Company's Residential Rate, to the more  
2 complex set of customer and blocked per Ccf charges for interruptible and assurance gas in  
3 the Company's Interruptible Service Rate. In all instances, however, the charges within each  
4 specific rate class are established such that the application of these individual charges to the  
5 total annual or test year customer class usage is designed to result in the collection of the  
6 annual revenue requirement of each of the Company's rate classes.

7 **Q. What were the Company's principal objectives in the design and**  
8 **development of the proposed individual customer class rates reflecting the Company's**  
9 **proposed full rate increase?**

10 A. The Company's principal objectives were a) to have total revenue from the  
11 proposed rates equal the annual test year revenue requirement of each proposed customer  
12 class; b) to have the design of each rate reflect the class cost of service study as nearly as  
13 practicable with due consideration to other general rate design principles, 3) to merge or  
14 combine the above-mentioned base rate structures of the Company's Rolla System to be  
15 consistent with the Company's existing base rate structure for the overwhelming majority  
16 (approximately 97%) of its natural gas customers, and 4) to combine or merge the four PGAs  
17 mentioned earlier into one PGA for the Company's entire Missouri natural gas operations.

18 **Q. Please explain the rationale supporting the Company's proposal to merge**  
19 **or combine the above-mentioned base rates of the Company's Rolla System to be**  
20 **consistent with the Company's existing base rate structure for the remaining or**  
21 **overwhelming majority (approximately 97%) of its natural gas customers?**

22 A. First, the rate classes and basic rate structures for the Rolla System customers  
23 are not materially different from the Company's rate classes and structures that are applicable



1 to the remaining 97% of its customers. Second, it is intuitive that natural gas consumption  
2 patterns for comparable customers in either group would be fairly homogeneous considering  
3 that all of the Company's weather sensitive natural gas customers are subject to similar  
4 weather patterns due to their geographic locations. It should be noted the Company's  
5 existing base rates applicable to the three non-Rolla System incongruent pipeline service  
6 areas are the same despite geographical distance separation comparable to that of the Rolla  
7 System. Considering the reasonable consistency between the non-Rolla System vs. Rolla  
8 System base rates, the application of the Company's current non - Rolla System base rates  
9 across three incongruent pipeline or geographic service areas, similar load or usage patterns  
10 between comparable Rolla System and non-Rolla System customers, the Commission's  
11 approval of the transfer or sale of the Rolla System by Aquila to AmerenUE without the  
12 necessity to maintain two sets of accounting books or records, and reasonable impacts of the  
13 Company's proposed rate increase between non-Rolla System and Rolla System shown on  
14 Schedules WLC-G2 and G3, it is now appropriate to adopt the non-Rolla system base rate  
15 tariffs and proposed charges for application to customers of the Rolla System. As a result,  
16 the Company's class cost of service study and rate design reflect the merging of Rolla system  
17 rate classes into the appropriate existing non-Rolla rate classes.

18 **Q. Mr. Cooper, earlier you mentioned the Company's goal to combine or**  
19 **merge its four PGAs into one PGA for the Company's entire Missouri natural gas**  
20 **operations. Please explain.**

21 A. AmerenUE witness Scott A. Glaeser's direct testimony explains the  
22 significant benefits of this combination or consolidation. The coupling of one set of base  
23 rates along with a combined PGA promotes simplicity and ease of customer understanding,

1 promotes uniformity of tariff application and results in more efficient and effective  
2 administration of the Company's retail natural gas rates in Missouri.

3 **Q. What is the first step in determining each proposed customer class' test**  
4 **year revenue requirement?**

5 A. The costs of serving each proposed customer class were developed in a study  
6 sponsored by Mr. Warwick in his direct testimony in this case. Such revenue requirements  
7 reflect Mr. Warwick's adjustments of proposed class revenue requirements to produce equal  
8 class rates of return. Schedule WLC-G4 (also Mr. Warwick's Schedule WMW-G1)  
9 summarizes the results of the Company's class cost of service study, indicating the rate of  
10 return on rate base currently being earned on the service being provided to each major retail  
11 customer class. The basic starting point for this study was AmerenUE witness Gary S.  
12 Weiss' test year jurisdictional cost of service study.

13 **Q. What general conclusions can be drawn from the information in Schedule**  
14 **WLC-G4?**

15 A. The Residential class is providing a below average rate of return at present  
16 rate levels, while the remaining classes are providing above average rates of return at present  
17 rate levels. Overall, as is suggested by the filing of this case, the Company is earning an  
18 inadequate return on its rate base.

19 **Q. Please identify Schedule WLC-G5.**

20 A. Schedule WLC-G5 summarizes the class revenue requirements necessary to  
21 give the Company an opportunity, based upon test year figures, to achieve an equal rate of  
22 return from each of its proposed customer classes. This information was developed from the  
23 cost of service data contained in Schedules WMW-G1 and WMW-G2 of Mr. Warwick's

1 direct testimony and is based upon the Company's proposed level of Missouri retail  
2 revenues.

3 **Q. Once the annual "cost-based" revenue requirements was developed by**  
4 **this process for all customer classes, would the design of specific rates for each**  
5 **customer class be the next and final step in the overall rate development process?**

6 **A.** If one were to base class rates solely on class cost of service, the response  
7 would be yes. However, the results of Mr. Warwick's study produced the following base or  
8 margin rate revenue increases by customer class:

Customer Class	<u>Cost of Service</u> <u>Based Rate Increase</u>
Residential	28%
General Service	16%
Interruptible Service	5%
Standard Transportation	-12%
Large Volume Transportation	-21%

9  
10 It should be reinforced that the above "increase" percentages do not reflect the true impact on  
11 a customer's bill. Typically, the base rate or margin component of a gas sales customer  
12 represents a third or less of the total bill. The remaining component of the bill is gas supply  
13 or PGA costs which typically represent two-thirds or more of a sales customer's bill. As a  
14 result, the percentage increases above should be divided by three for a rough estimate of the  
15 impact on total customer bills.

1           **Q.     Is the Company proposing the use of cost-based class revenue**  
2 **requirements in this case?**

3           A.     No, considering the cost-based 28% increase to the residential class and the  
4 12% and 21% reductions to the Standard Transportation (“ST”) and Large Volume  
5 Transportation (“LVT”) classes, respectively, the Company is proposing to maintain existing  
6 revenue levels for the ST and LVT classes and to reduce the cost-based Residential class’  
7 revenue requirement by the equivalent of the cost-based reductions to the ST and LVT  
8 classes. The Company recognizes the importance of cost-based rates, however, other rate  
9 principles may be used to guide rate design. These principles include, but are not limited to,  
10 rate impact and public acceptability. Residential customers have been hit hard by increases  
11 in healthcare costs, housing costs, gasoline, and natural gas commodity prices. Unlike some  
12 businesses, residential consumers have little to no opportunity to pass those increases on to  
13 others or, in many cases, to afford to invest in conservation or other energy sources. Due  
14 consideration to cost of service, rate impact, and public acceptability rate principles provide  
15 support for the reasonableness of the Company’s proposal. Under the Company’s proposal,  
16 ST and LVT classes would be no worse off than they are today, while residential customer  
17 will have their cost-based revenue requirement mitigated to some extent. With regard to the  
18 General Service and Interruptible Service rate classes, the Company’s proposed rate design  
19 tracks the cost of service based revenue requirements.

20           **Q.     Please identify Schedule WLC-G6.**

21           A.     Schedule WLC-G6 summarizes the class revenue requirements necessary to  
22 give the Company an opportunity, based upon test year figures, to achieve its proposed rate  
23 of return while recognizing the Company’s proposal to maintain existing revenue levels for

1 the ST and LVT classes and to reduce the cost-based Residential class' revenue requirement  
2 by the equivalent of the cost-based reductions to the ST and LVT classes.

3 **V. PRICING**

4 **Q. Mr. Cooper, how were the charges within the Residential Service Rate**  
5 **adjusted to recover the proposed class revenue requirements?**

6 A. The residential class monthly Customer Charge was increased to \$15.00,  
7 which moves closer to the full recovery of the approximately \$18.30 in customer-related  
8 costs that was quantified in the direct testimony of Mr. Warwick. The Company's proposal  
9 represents an increase of \$4.80 per month over its existing residential customer charge of  
10 \$10.20. The remainder of the residential class's proposed revenue requirement will be  
11 recovered through the volumetric Delivery Charge.

12 **Q. How were the charges within each non-residential rate schedule adjusted**  
13 **to recover each class's proposed class revenue requirement?**

14 A. The class Customer Charges were increased to levels which are closer to the  
15 full recovery of customer-related costs as quantified in the direct testimony of Mr. Warwick.  
16 The resulting class revenues provided by the proposed Customer Charges were subtracted  
17 from each class's cost-based revenue requirement as adjusted, where applicable, to effectuate  
18 the mitigation of the cost-based increased for the Residential class. The remaining revenue  
19 requirement for these classes was then recovered through the volumetric Delivery Charges  
20 while maintaining the existing rate design for application to all non-residential customers.  
21 This existing rate design for the non-Rolla System, non-residential class contains a uniform  
22 rate for the first 7,000 Ccf of monthly usage for all of the non-residential rate classes. The

1 Company is proposing to maintain this design to minimize any concerns relating to rate  
2 migration or rate continuity.

3 **Q. Do the proposed rates recover each class' respective cost of service based**  
4 **revenue requirement?**

5 A. The proposed rates for the General Service, and Interruptible Service classes  
6 recover each class's respective cost of service based revenue requirement. However, while  
7 the proposed rates for the Company's Residential, Standard Volume Transportation, and  
8 Large Volume transportation rates recover the cost-based revenue requirement on a  
9 combined basis, the individual class revenues do not match the cost of service based revenue  
10 requirement due to the mitigation of the proposed residential cost-based increase mentioned  
11 earlier.

12 **VI. MISCELLANEOUS TARIFF REVISIONS**

13 **Q. What other changes is the Company proposing to its tariffs?**

14 A. Mr. Glaser's direct testimony addresses in detail the Company's proposed  
15 tariff changes related to the consolidation of the Company's four PGA's into one, changes  
16 related to gas transportation provisions, and certain other minor tariff revisions. I will  
17 address tariff changes related to interest rates on customer deposits, seasonal reconnection  
18 charges, charges for special facilities, charges for customer benefit projects, and certain  
19 miscellaneous charges.

20 **Q. Please describe the tariff changes that are being proposed to modify the**  
21 **Company's payment of interest on customer deposits.**

22 A. The Company is proposing to modify its tariffs in order to index the interest  
23 rate that it is currently paying on customer deposits. The current interest rate in the

1 Company's tariff applicable to customer deposits is 9.5%, which is far in excess of current  
2 market rates for such interest-bearing investments as passbook savings accounts, certificates  
3 of deposit, money market funds, etc. Additionally, the current language is inconsistent with  
4 similar tariff provisions on interest on customer deposits for the Company's retail electric  
5 service in Missouri.

6 **Q. What specific revision in this tariff is the Company proposing?**

7 A. Rather than having the tariff contain a fixed interest rate which requires both  
8 Company and Commission action to make periodic updates, the Company is proposing that  
9 the rate of interest on deposits be calculated annually in November of each year, for use  
10 during the following calendar year. Per the Stipulation and Agreement in Missouri Public  
11 Service Commission Case No. EC-2002-1 (the Company's most recent electric rate case),  
12 "the rate of interest to be paid on customer deposits in each year should be one percentage  
13 point above the prime rate published in the Wall Street Journal as being in effect on the last  
14 business day of November of the prior year." The current rate for the year 2006 reflecting  
15 this provision is 8.00%. The specific tariff language being proposed is attached hereto as  
16 page 5 of Schedule WLC-G1. This language is virtually identical to that contained in the  
17 Company's Schedule No. 5 Schedule of Rates for Electric Service provisions pertaining to  
18 interest on customer deposits.

19 **Q. Please describe the tariff modification the Company is proposing to**  
20 **address seasonal disconnects of non-residential customers?**

21 A. The Company has performed seasonal disconnects and subsequent reconnects  
22 within a twelve month period at the request of customers served under the Residential and  
23 General Service classifications. Existing residential tariffs provide for the billing of a

1 Seasonal Use charge equal to the reconnection charge plus the residential customer charge  
2 for any remaining month(s) of the twelve month period. The Company's customer charges  
3 contemplate year round service and the billing of the remaining month(s) customer charges  
4 for months of discontinued service in these situations would effectively address this  
5 condition. Therefore, the Company is proposing the addition of similar Seasonal Use tariff  
6 language for its General Service Rate Class to promote equity and consistency in the  
7 administration of billing for this activity between the Residential Class and the General  
8 Service Class. The specific tariff language being proposed is contained on page 4 of  
9 Schedule WLC-G1 attached hereto.

10 **Q. Please describe the tariff modification the Company is proposing to**  
11 **address the treatment of costs associated with special or non-standard facilities installed**  
12 **at the request of customers.**

13 A. Occasionally, customers request certain special or non-standard gas  
14 distribution facility installations (e.g. loop feeds or non-standard gas delivery pressures).  
15 Currently, the Company's tariffs do not address these types of installations and, as a result,  
16 such requests are not accommodated. The Company would like to provide customer's this  
17 option and therefore is proposing to add an "Excess Facilities Installation" tariff provision to  
18 address these requests. This provision would, where the Company agrees to accommodate  
19 these requests, impose an upfront charge of 1.9 times the Company's costs of installing these  
20 facilities. Said charge or payment would cover the cost of the installation plus all ongoing  
21 operations, maintenance, and future replacement costs. The specific tariff language being  
22 proposed is contained on page 73 of Schedule WLC-G1 attached hereto. It should be noted



1 that similar tariff language addressing Special Facility Installations is contained in the  
2 Company's Schedule 5 – Schedule of Rates for Electric Service.

3 **Q. Please describe the tariff modification the Company is proposing to**  
4 **address “Customer Benefits Projects”.**

5 A. From time to time, customers request “Customer Benefits Projects” (e.g.  
6 temporary service for construction sites, service calls, relocation of existing facilities, etc.) or  
7 work of this type. Currently, the Company's tariffs do not specifically address the  
8 performance of these types of activities by Company personnel and the Company would like  
9 to clearly state the rules and requirements governing these types of projects. A tariff addition  
10 is being proposed that would essentially result in a “time and material” charge for the work  
11 done to accommodate these requests. Unlike Special Facility installations, the completion of  
12 work of a Customer Benefit project nature does not result in any increased long term  
13 operations and maintenance costs and, therefore, does not require the 0.9 “adder” included in  
14 the Special Facilities charge. The specific tariff language being proposed is contained on  
15 page 28 of Schedule WLC-G1 attached hereto.

16 **Q. Please describe the tariff modifications the Company is proposing to its**  
17 **Miscellaneous Charges tariff.**

18 A. First, the Company is proposing to update its Service Pipe Charges and  
19 Standard Reconnect Charges to reflect the current costs of performing these activities.  
20 Second, the Company is proposing to update its Service Relocation Charges to reflect its  
21 current average costs of performing this activity for residential relocations and to develop  
22 and assess similar charges for non-residential service relocations on an individual project or  
23 case-by-case basis. While costs associated with each residential service relocation are

1 relatively similar, non-residential service relocation costs can vary significantly and the use  
2 of a standard or average approach for this type does not adequately assess the costs to the  
3 appropriate cost causer. In addition, the Company is proposing to separately state the charge  
4 for meter relocations. The specific tariff changes being proposed are contained on page 19 of  
5 Schedule WLC-G1 attached hereto.

6 **Q. Does this conclude your direct testimony?**

7 A. Yes, it does.

In the Matter of Union Electric Company )  
d/b/a AmerenUE for Authority to File )  
Tariffs Increasing Rates for Natural Gas Service ) Case No. GR-2007-0003  
Provided to Customers in the Company's )  
Missouri Service Area. )


**STATE OF MISSOURI            )**  
   **) ss**  
**CITY OF ST. LOUIS          )**

1. My name is Wilbon L. Cooper. I work in St. Louis, Missouri, and I am employed by Ameren Services Company as Manager, Rate Engineering.

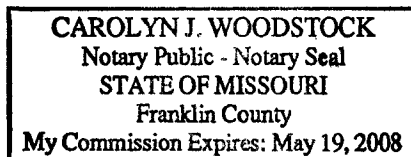
3. I hereby swear and affirm that my answers contained in the attached testimony to the questions therein propounded are true and correct.

Wilbon L. Cooper

Subscribed and sworn to before me this 0 day of July, 2006.

  
\_\_\_\_\_  
Notary Public

My commission expires: May 19, 2008



# EXECUTIVE SUMMARY

**Wilbon L. Cooper**

*Manager of the Rate Engineering Department  
Ameren Services Company*

\*\*\*\*\*

The purpose of my testimony, and that of my associates, Mr. James R. Pozzo and Mr. William M. Warwick, is to address the following areas of the case:

Sales/Revenues  
Class Cost of Service  
Rate Design  
Miscellaneous Tariff Revisions

## **Sales/Revenues**

Weather normalized sales, revenues and rate billing units, for the twelve month ending June 2006 test year, were developed by Mr. Pozzo and are provided in his Schedules for use in the subsequent design of final rates as a part of this case.

## **Class Cost of Service**

Mr. William Warwick has performed a fully embedded class cost of service study that produced cost of service based revenue requirements at equal class rates of return for the test year ended June 2006. Additionally, Mr. Warwick's study further delineated the study classified the costs as customer related or demand related for the development of specific rates within the classes. The class revenue requirements from this study result in the following base or margin rate percentage increases for the Company's major customer classes: Residential 28%, General Service 16%, Interruptible Service 5%, Standard Transportation Service (-12%), Large Volume Transportation Service (-21%).

It should be reinforced that the above “increase” percentages do not reflect the true impact on a customer’s bill. Typically, the base rate or margin component of a gas sales customer represents a third or less of the total bill. The remaining component of the bill is gas supply or PGA which typically represents two-thirds or more of a sales customer’s bill. As a result, the percentage increases above should be divided by three for a rough estimate of the total impact on customer bills.

### **Rate Design**

While cost based rates are the starting point in developing class revenue targets and rate design, considering the cost based 28% increase to the residential class and the 12% and 21% reductions to the Standard Transportation (“ST”) and Large Volume Transportation (“LVT”) classes, respectively, the Company is proposing to maintain existing revenue levels for the ST and LVT classes and to reduce the cost based Residential class’ revenue requirement by the equivalent of the cost based reductions to the ST and LVT classes. The Company recognizes the importance of cost based rates, however, other rate principles may be used to guide rate design. These principles include, but are not limited to, rate impact and public acceptability. Residential customers have been hit hard by increases in healthcare costs, housing costs, gasoline, and natural gas commodity prices. Unlike some businesses, residential consumers have little to no opportunity to pass those increases on to others or, in many cases, to afford to invest in conservation or other energy sources. Due consideration to cost of service, rate impact, and public acceptability rate principles provide support for the reasonableness of the Company’s proposal. Under the Company’s proposal, ST and LVT classes would be no “worse off” than they are today, while residential customers will have their cost based revenue requirement mitigated to some extent. With regard to the General Service and

Interruptible Service rate classes, the Company's proposed rate design tracks the cost of service based revenue requirements. Additionally, currently the Company has two sets of base or margin rates, one for the non-Rolla service areas and one for the Rolla service area. The Company is proposing to merge or combine the above-mentioned base rate structures of the Company's Rolla System to be consistent with the Company's existing base rate structure for the overwhelming majority (approximately 97%) of its natural gas customers.

### **Miscellaneous Tariff Revisions**

The Company is proposing several miscellaneous tariff revisions that are primarily of a housekeeping nature. These tariff language changes have been proposed to improve ease of customer understanding and administration. Additionally, certain changes are being proposed to address service conditions of which there are very limited applications.

# UNION ELECTRIC COMPANY GAS SERVICE

Applying to MISSOURI SERVICE AREA

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\* Indicates Change.

DATE OF ISSUE July 7, 2006 DATE EFFECTIVE August 6, 2006

ISSUED BY G. L. Rainwater Chairman, President & CEO St. Louis, Missouri  
Name of Officer Title Address

# UNION ELECTRIC COMPANY GAS SERVICE

Applying to \_\_\_\_\_ MISSOURI SERVICE AREA

\* SERVICE AREA SUPPLIED BY  
PANHANDLE EASTERN PIPE LINE COMPANY  
(Rolla System)

Communities of:

Owensville  
Rolla

Rural Territory

Salem

Counties of:

**DENT COUNTY**

<u>TOWNSHIP</u>	<u>RANGE</u>	<u>SECTIONS</u>
33 North	4 West	6, 7
33 North	5 West	1 - 12
33 North	6 West	1 - 5, 8 - 12
34 North	4 West	18, 19, 30, 31
34 North	5 West	3 - 10, 13 - 36
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35 North	7 West	1 - 3, 10 - 14, 23 - 26, 36

**GASCONADE COUNTY**

<u>TOWNSHIP</u>	<u>RANGE</u>	<u>SECTIONS</u>
42 North	5 West	21, 22, 27 - 29, 31 - 33

**PHELPS COUNTY**

<u>TOWNSHIP</u>	<u>RANGE</u>	<u>SECTIONS</u>
36 North	7 West	3 - 5, 8 - 10, 15 - 17, 20 - 22, 26 - 28, 33 - 35
37 North	7 West	4 - 9, 17 - 20, 28 - 30, 32, 33
37 North	8 West	1 - 3, 9 - 16, 22 - 27
38 North	7 West	19, 20, 29 - 33
38 North	8 West	23 - 27, 34 - 36

Orders granting the service territory take precedence in any discrepancies between them and the information listed above. More detail is available in the orders, and the above should not be relied upon for detailed territory boundaries.

\* Indicates Addition.

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Name of Officer Title Address



## UNION ELECTRIC COMPANY GAS SERVICE

Applying to MISSOURI SERVICE AREA

### RESIDENTIAL SERVICE RATE

Applicable to gas service to all residential customers as defined in Section I.H. of Company's Rules and Regulations. As indicated in Section IX., Resale of Service of Company's Rules and Regulations, this service may not be resold.

- \* 1. Monthly Customer and Volumetric Meter Reading Rates.
- |                  |                   |
|------------------|-------------------|
| Customer Charge: | \$15.00 per month |
| Delivery Charge: | 31.19 per Ccf     |
2. Minimum Monthly Charge. The Customer Charge.
3. Purchased Gas Adjustment. Applicable to all metered and/or billed Ccf, pursuant to the provisions of Rider A - Purchased Gas Adjustment Clause.
4. Yard Light Service. Any customer with an unmetered gas yard light will have 18 Ccf per month of gas added per light to each month's metered Ccf usage, for billing purposes. This unmetered yard light service is one of limited application. No new such unmetered service will be offered after February 18, 1998.
5. Seasonal Use. This schedule is a continuous service schedule. If service is disconnected at the request of the customer, and thereafter restored at the same location for the same occupant(s) within a twelve (12) month period following the date of the service disconnection, a reconnection charge will become due and payable when service is restored. The charge shall be computed by multiplying the Customer Charge by the number of months and fractions of months that service is disconnected, plus the Reconnection Charge as indicated in Section D. Miscellaneous Charges, Sheet No. 19.
6. Payments. Bills will be rendered at monthly intervals, are due and payable within ten (10) days from their date of rendition and become delinquent after twenty-one (21) days from their date of rendition. The date of rendition is the date of mailing by the Company. Late payment charges shall be determined pursuant to Section VIII.F. of Company's Rules and Regulations.

\*Indicates Change.

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## UNION ELECTRIC COMPANY GAS SERVICE

Applying to MISSOURI SERVICE AREA

### GENERAL SERVICE RATE

Applicable to gas service to non-residential customers. As indicated in Section IX., Resale of Service of Company's Rules and Regulations, this service may not be resold.

\* 1. Monthly Customer and Volumetric Meter Reading Rates.

Customer Charge	\$35.00 per month
Delivery Charge	
First 7,000 Ccf	26.20¢ per Ccf
Over 7,000 Ccf	15.40¢ per Ccf

2. Minimum Monthly Charge. The Customer Charge.

3. Purchased Gas Adjustment.

Applicable to all metered and/or billed Ccf, pursuant to the provisions of the Rider A - Purchased Gas Adjustment Clause.

\*\* 4. Seasonal Use.

This schedule is a continuous service schedule. If service is disconnected at the request of the customer, and thereafter restored at the same location for the same occupant(s) within a twelve (12) month period following the date of the service disconnection, a reconnection charge will become due and payable when service is restored. The charge shall be computed by multiplying the Customer Charge by the number of months and fractions of months that service is disconnected, plus the Reconnection Charge as indicated in Section D, Miscellaneous Charges, Sheet No. 19.

\*\*\* 5. Payments.

Bills will be rendered at monthly intervals and are due and payable within ten (10) days from their date of mailing, which due date shall be considered the delinquent date for this rate classification. Pursuant to Section VIII.F. of Company's Rules and Regulations, any portion of any bill, other than deposit arrears, remaining unpaid after the delinquent date will have a late payment charge added thereto.

\*Indicates Change.

\*\*Indicates Addition.

\*\*\*Indicates Reissue.

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## UNION ELECTRIC COMPANY GAS SERVICE

Applying to MISSOURI SERVICE AREA

### GENERAL SERVICE RATE

- \* 6 Term of Contract.  
Gas service will be provided under this rate for a period of not less than one year.
- \* 7. Tax Adjustment.  
Any license, franchise, gross receipts, occupation or similar charge or tax levied by any taxing authority on the amounts billed hereunder will be so designated and added as a separate item to bills rendered to customers under the jurisdiction of the taxing authority.
- \* 8. Rules and Regulations. Service will be rendered in accordance with the Company's Rules and Regulations for Gas Service on file with the Missouri Public Service Commission.

\*Indicates Reissue.

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# UNION ELECTRIC COMPANY GAS SERVICE

Applying to MISSOURI SERVICE AREA

## INTERRUPTIBLE SERVICE RATE WITH AN ASSURANCE GAS OPTION

1. Availability.

Whenever, in Company's sole judgment, gas is available for interruptible service, Company will make such service available to any qualified non-residential customer. To qualify, customer shall either provide adequate standby facilities and fuel for its use during periods when gas service is interrupted or shall give Company satisfactory evidence of its ability and willingness to curtail or cease operations during interruption. Gas service under other rates cannot be used for the same process, facility or equipment served under this rate. As indicated in Section IX. Resale of Service of Company's Rules and Regulations, this service may not be resold.

2. Character of Service.

All gas delivery under this rate will be subject to interruption under Section 9. hereof and all gas consumed by customer during periods of non-interruption will be billed at the Interruptible Gas Delivery Charge, except for Assurance volumes as provided below. As a part of the contract for interruptible service, customer may request the Company to provide a specified daily quantity of firm sales gas to be available during periods of interruption, to be categorized as Assurance Gas and billed by Company at the Interruptible Gas Delivery Charge plus the Assurance Gas Surcharge and the firm Purchased Gas Adjustment (PGA) factor rate. For billing purposes Assurance Gas volumes shall be considered the first through the meter. Customer will be required to contract with Company, by June 1 of the initial contract year, for the daily quantity of Assurance Gas desired. Customer must notify Company of any changes in such Assurance Gas Level by June 1 of subsequent contract extension years. All other gas consumed by customer during any period of interruption shall be considered and billed by Company as Unauthorized Gas.

\* 3. Monthly Customer and Volumetric Meter Reading Rates.

Customer Charge:	\$400.00 per month
Interruptible Gas Delivery Charge:	
First 7,000 Ccf	26.20¢ per Ccf
Over 7,000 Ccf	14.60¢ per Ccf
Assurance Gas Surcharge:	
First 250 Ccf per day	0.60¢ per Ccf
All Over 250 Ccf per day	0.73¢ per Ccf

\* Indicates Change.

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# UNION ELECTRIC COMPANY GAS SERVICE

Applying to MISSOURI SERVICE AREA

## INTERRUPTIBLE SERVICE RATE WITH AN ASSURANCE GAS OPTION

\* **Unauthorized Gas Use Charge:**

All volumes of natural gas taken by a customer in excess of the level of contracted daily Assurance Gas, during any period of curtailment called by the Company, is "unauthorized use" and will be assessed "Unauthorized Gas Use Charges". This charge shall be applicable to customers that are impacted by Critical Day and/or curtailment provisions. Company will provide customer no less than two (2) hours advance notification before assessing Unauthorized Gas Use Charges. Unauthorized Gas Use Charges shall be billed as follows:

Unauthorized Gas Use Charges:

- 1) \$6.00 (six dollars) for each Ccf of unauthorized use, plus
- 2) 150% (one hundred fifty percent) of the highest cost of gas purchased by the Company for supplying the service area in which the customer receives service, during the Unauthorized Gas Use Charge period (period of interruption), plus
- 3) all intrastate and/or interstate pipeline penalties and other charges incurred by the Company which are attributable to a customer's unauthorized use.

All intrastate and interstate pipeline penalties and other charges shall be attributed and assigned to the unauthorized gas used by the specific Interruptible Service customer.

All Unauthorized Gas Use Charge revenues billed to customers will be considered as gas cost recovery and will be used in the development of the Actual Cost Adjustment (ACA) factor of the Company's Purchased Gas Adjustment (PGA) Clause.

4. Minimum Monthly Charge. The Customer Charge.

5. Purchased Gas Adjustment.

Applicable to all metered and/or billed Ccf, pursuant to the provisions of Rider A - PGA Clause. The difference between the Interruptible Sales Total PGA factor and the Firm Sales Total PGA factor of Rider A shall apply to the monthly billed Assurance Gas Ccf. The Interruptible Sales Total PGA factor of Rider A shall apply to all of the monthly billed Ccf.

\* Indicates Change.

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# UNION ELECTRIC COMPANY GAS SERVICE

Applying to MISSOURI SERVICE AREA

## INTERRUPTIBLE SERVICE RATE WITH AN ASSURANCE GAS OPTION

6. Payments.

Bills will be rendered at monthly intervals and are due and payable within ten (10) days from their date of mailing, which due date shall be considered the delinquent date for this rate classification. Pursuant to Section VIII.F. of Company's Rules and Regulations, any portion of any bill, other than deposit arrears, remaining unpaid after the delinquent date will have a late payment charge added thereto.

7. Term of Contract.

Gas will be provided under this rate for a term of not less than one year. Said term shall continue on a year-to-year basis thereafter unless cancelled by either customer or Company in writing at least sixty (60) days prior to contract termination.

8. Tax Adjustment.

Any license, franchise, gross receipts, occupation or similar charge or tax levied by any taxing authority on the amounts billed hereunder will be so designated and added as a separate item to bills rendered to customers under the jurisdiction of the taxing authority.

\* 9. Rate Application.

Gas delivery under this rate shall be interrupted when in the Company's sole judgment it is necessary to limit the Company's system sendout or when the gas supply is limited by other system operating restrictions. Any interruption of service will be performed in accordance with the Curtailment of Service Schedule contained in the Company's Rules and Regulations.

Assurance Gas will be billed by Company during all months of the year as the first gas through the meter up to the Assurance Gas level. All additional gas consumed each day shall be considered as Interruptible Gas during non-interruptible periods and as Unauthorized Gas during periods of interruption.

\* Indicates Change.

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## UNION ELECTRIC COMPANY GAS SERVICE

Applying to MISSOURI SERVICE AREA

### INTERRUPTIBLE SERVICE RATE WITH AN ASSURANCE GAS OPTION

10. Rules and Regulations. Service will be rendered in accordance with the Company's Rules and Regulations for Gas Service on file with the Missouri Public Service Commission.

\*11. Critical Day

A. Critical Day Declaration

A Critical Day may be declared by the Company for a specific area or the Company's entire gas system whenever, in the Company's sole judgment, one of the following conditions occurs or is anticipated to occur:

1. Company experiences failure of transmission, distribution, or gas storage facilities
2. Transmission or distribution system pressures or other unusual conditions that may jeopardize the operation of Company's gas system
3. Company's transportation, storage, or supply resources are being used at or near their maximum rated, tariff, or contractual limits
4. Any of Company's transporters or suppliers declares the functional equivalent of a Critical Day or force majeure conditions.

B. Unauthorized Use Related to Critical Days

Unauthorized Use Related to Critical Days shall mean the unauthorized use of Company-supplied gas on a critical day. If such unauthorized use of gas occurs, the Company shall charge the customer, and the customer shall pay a penalty for all unauthorized use as set forth in Section 3 herein.

\*\*12. Discontinuation of Service

Regardless of the assessment of the aforementioned Unauthorized Gas Use Charge, the Company retains the right to terminate such unauthorized use by disconnecting the customer's service if necessary, including any Assurance Gas, to protect the reliability of service to other customers.

\* Indicates Addition.

\*\* Indicates Reissue.

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## UNION ELECTRIC COMPANY GAS SERVICE

Applying to MISSOURI SERVICE AREA

### NATURAL GAS TRANSPORTATION SERVICE

1. Availability.

This service schedule is available: 1) to all non-residential customers on a per meter basis and 2) on an experimental basis through June 30, 2007, to the premises of "Eligible School Entities," which are the eligible school entities as defined in Section 393.310 RSMo. Such service is applicable to individual customers that can individually secure and arrange for the delivery of sufficient supplies of natural gas to the Company's designated city gate and to the Eligible School Entities that can do so through aggregate contracts negotiated by and through a not-for-profit school association. The Company will not provide this service to any customer who uses such gas primarily to heat a premise that provides temporary or permanent living quarters for individuals, unless the customer demonstrates to the Company that it has contracted for primary firm capacity with the upstream supplying intrastate and/or interstate pipelines to meet the customer's peak needs, or unless the customer demonstrates to the Company that the customer has adequate and usable alternative fuel facilities to meet the customer's energy needs.

The "transportation customer" shall be responsible for the purchase and transportation of its gas needs to the Company's city gate which serves such customer.

The Company shall not sell gas to any of its transportation customers except as specifically provided for in this service classification.

\*2. Monthly Customer, EGM and Volumetric Meter Reading Rates. (5)

	<u>Standard Transportation (1)</u>	<u>Large Volume Transportation (2)</u>
Customer Charge:	\$48.00	\$1,500.00 per month
Electronic Gas Meter (EGM) Charges:		
Administrative Charge:	\$40.00	\$40.00 per month
Meter Equipment Charge (3):	Section G. Miscellaneous Charges Sheet No. 20.1, as applicable.	
Transportation Charge:		
First 7,000 Ccf	26.20¢ per Ccf	26.20¢ per Ccf
All Over 7,000 Ccf	12.54¢ per Ccf	11.86¢ per Ccf
Transportation Charge Adder:		
All Over 7,000 Ccf (4)	2.86¢ per Ccf	3.54¢ per Ccf

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## UNION ELECTRIC COMPANY GAS SERVICE

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### NATURAL GAS TRANSPORTATION SERVICE

- (1) A customer, at the date of its contract, whose annual transportation requirements are expected to be 600,000 Ccf or less.
- (2) A customer, at the date of its contract, whose annual transportation requirements are expected to be greater than 600,000 Ccf.
- (3) Not applicable, through June 30, 2007, to the individual meters of Eligible School Entities, as defined in paragraph 1. above, using less than one hundred thousand Ccfs annually.
- (4) Applicable only to Eligible School Entities.
- (5) In addition to the charges contained herein all Eligible School Entities shall pay all costs necessary to ensure that the Company, its other customers and local taxing authorities will not have or incur any negative financial impact as a result of the natural gas aggregation program established by Section 393.310, RSMo.

#### Authorized Gas Use Charge:

All Ccf of Company-owned gas consumed by customer with authorization from Company during periods of non-interruption of any sales service will be billed at the applicable service area's firm sales service Purchased Gas Adjustment (PGA) factor plus 40%. The payment of the Authorized Gas Use Charge will be in addition to the above Customer, EGM and Transportation Charges. Company will not actively market the sale of Company-owned gas to transportation customers and will sell such gas only in response to the transportation customer's request. Authorized Use gas shall not be available to a transportation customer for more than twenty (20) days out of any calendar month.

#### Unauthorized Gas Use Charge:

- \* All Ccf of Company-owned gas consumed by customer without authorization from Company, will be billed at the "Unauthorized Gas Use Charge". This charge shall be applicable to customers that are impacted by Critical Day and/or curtailment provisions. Company will provide Customer no less than two (2) hours advance notification before assessing Unauthorized Gas Use Charges. The payment of the Unauthorized Gas Use Charge will be in addition to all other charges specified in this rate. Regardless of the assessment of the Unauthorized Gas Use Charge, the Company retains the right to terminate such unauthorized use by disconnecting the customer's service if necessary to protect the reliability of service to other customers. Unauthorized Gas Use Charges shall be billed as follows:

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Applying to MISSOURI SERVICE AREA

### NATURAL GAS TRANSPORTATION SERVICE

#### Unauthorized Gas Use Charge:

- \* 1) \$6.00 (six dollars) for each Ccf of unauthorized use, plus
- 2) 150% (one hundred fifty percent) of the highest cost of gas purchased by the Company for supplying the service area in which the customer receives service, during the Unauthorized Gas Use Charge Period, plus
- 3) all intrastate and/or interstate pipeline penalties and other charges incurred by the Company which are attributable to a customer's unauthorized use.

All intrastate and interstate pipeline penalties and other charges shall be attributed and assigned to the unauthorized gas used by the specific transportation customer.

All Unauthorized Gas Use Charge revenues billed to customers will be considered as gas cost recovery and will be used in the development of the Actual Cost Adjustment (ACA) factor of the Company's Purchased Gas Adjustment (PGA) Clause.

- 3. Minimum Monthly Charge. The Customer Charge, EGM Administrative Charge and, as applicable, the EGM Meter Equipment Charge.
- 4. Purchased Gas Adjustment.  
All customers receiving transportation service will be subject to the provisions of the Company's PGA clause, Rider A. The ACA component of the Company's PGA clause shall be applicable to Eligible School Entities for the first twelve (12) months of their participation in the gas aggregation program.
- 5. Payments.  
Bills will be rendered at monthly intervals and are due and payable within ten (10) days from their date of mailing, which due date shall be considered the delinquent date for this rate classification. Pursuant to Section VIII.F. of Company's Rules and Regulations, any portion of any bill, other than deposit arrears, remaining unpaid after the delinquent date will have a late payment charge added thereto.
- 6. Term of Contract.  
Service hereunder shall be for a minimum period of one (1) year.
- 7. Tax Adjustment.  
Any license, franchise, gross receipts, occupation or similar charge or tax levied by any taxing authority on the amounts billed hereunder will be so designated and added as a separate item to bills rendered to the customers

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Applying to MISSOURI SERVICE AREA

### NATURAL GAS TRANSPORTATION SERVICE

under the jurisdiction of the taxing authority. For Eligible School Entities participating in aggregate purchasing contracts, all applicable taxes shall be computed based on billed revenues determined under paragraph 2. above. Additional applicable taxes shall also be levied and computed based upon the total actual gas supply and capacity release costs incurred on behalf of each of the accounts within the group of individual Eligible School Entities. Such additional taxes applicable to the latter accounts will be paid each month directly to the appropriate taxing authority by each school or by the school's agent.

8. Terms and Conditions.

- A. Transportation service under this schedule will be made available to customers upon request when the Company has sufficient distribution capacity to supply such service. If the Company determines that it does not have sufficient distribution capacity to provide the requested service it will, within 30 days of receiving a request for transportation service, provide to the customer requesting said service a written explanation of its capacity determination including a preliminary indication of changes to facilities necessary to effectuate such service, approximate cost to customer and time required to provide the requested service.
- \* B. Service under this schedule shall require execution of a Gas Transportation Service Contract ("Contract") between the Company and the customer requesting transportation service.
- \* C. Service will be provided only after requisite contracts and authority have been obtained by the customer to transport gas to the Company's facilities. Eligible School Entities participating in the experimental school natural gas aggregation program must make a written request for pipeline capacity release to the Company on or before close of business May 31, to be effective July 1, of each year. The Company will release its firm interstate pipeline transportation capacity, at its actual capacity cost, from the applicable interstate pipeline directly to the school or to the agent acting on behalf of the school for this program. Such release will be for a minimum term of one year and will be performed in accordance with the capacity release procedures and policies contained in the applicable interstate pipeline's Federal Energy Regulatory Commission approved tariff. Such release will be provided on a recallable basis, but the Company will not recall such capacity unless requested by the school or by the school's agent.
- D. All volumes of gas transported hereunder shall be of compatible pipeline quality

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Applying to MISSOURI SERVICE AREA

### NATURAL GAS TRANSPORTATION SERVICE

- E. Gas delivered under this schedule shall not be resold by the customer.
- F. Except as otherwise provided herein, gas transported for all current and future customers hereunder shall be metered by an electronic recording device with remote monitoring features for the recording of the customer's daily gas usage and real time flow data. The Company will install and the customer will pay for said meter at the monthly charge indicated in Section G. Miscellaneous Charges, Sheet No. 20.1. In addition, the customer shall arrange and pay for the installation and monthly costs of a commercial telephone line and 120 volt AC electrical power source, at a location designated by the Company, to facilitate the remote interrogation of the electronic recording meter by the Company.
- G. In addition to collection of the rates and charges provided for in Section 2. above, the Company shall retain two percent (2%) of the quantities of natural gas received from the customer for reimbursement in kind from the customer for shrinkage or line losses.
- \* H. Nominations
- The following provisions shall be utilized by customers for nomination of customer owned gas:
- (a) Customer's deliveries for any day shall not exceed one hundred fifty percent (150%) of customer's peak daily usage in the past 12 months.
  - (b) Customer may appoint a nominating agent, but customer retains responsibility for nominations as described herein.
  - (c) Nomination Deadlines
    - 1. Month Ahead: The customer or their designee shall enter each month's nomination in the Company's gas transportation system by no later than 11:30 a.m. CST on the first business day prior to the first day of the calendar month for which gas is being nominated.
    - 2. Day Ahead: The customer or their designee shall enter changes to nominations in the Company's gas transportation system by no later than 11:30 a.m. on the business day prior to the effective date of any subsequent change in the nomination. Such change in nomination shall be subject to approval by the Company.

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### NATURAL GAS TRANSPORTATION SERVICE

- \* 3. Intra-Day: Customer desiring a change of nomination for transportation of customer-owned gas after the day-ahead deadline specified in 2) above shall notify Company by 4:00 p.m. CST of the day, subject to confirmation by the pipeline. Company may accept such change to nomination if the Company determines in its sole discretion that such change to nomination will not adversely impact the operation of Company's gas system or adversely impact Company's purchase and receipt of gas for other service classifications. Intra-day nominations shall conform to Company's current gas transportation nomination form and must include customer's name, account number, MMBtu per day, nomination effective date, pipeline, pipeline contract number, shipper and contact information.
- \* I. Daily Balancing and Cash-out of Customer-Owned Gas - Daily transportation gas receipts and deliveries shall be maintained in balance by the customer to the maximum extent practicable. Any daily imbalance which does occur, not related to a Critical Day, shall be subject to the terms and conditions of this Section. Should one of the interstate/intrastate pipelines serving the Company, elect to allow balancing on their system for any of the Company's transportation customers, the customer's actual metered volumes grossed up for system losses will be allocated by the Company directly to the applicable interstate/intrastate pipeline company.

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## UNION ELECTRIC COMPANY GAS SERVICE

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### NATURAL GAS TRANSPORTATION SERVICE \*

Group Balancing of Customer-Owned Gas - On or after October 1, 2004, Group Balancing will be available to an entity ("Group Manager"), under contract with the Company, who represents one or more Natural Gas Transportation Service customer accounts ("Customer Group") on Company's Natural Gas Transportation Service tariffs. Group Balancing is a service provided by the Company that allows a Group Manager to deliver gas to the Company, on an aggregated basis, for two or more accounts that comprise the membership in a Customer Group. The Customer Groups' metered locations must all be served by the same interstate pipeline.

Customer shall provide written notification, no later than ten (10) business days prior to the beginning of the month in which service is to begin, to the Company, of its intent that its account be managed by a Group Manager. Customer must also provide written notification, no later than ten (10) business days prior to the end of the month in which service is intended to be terminated, of its intent to terminate participation in a Customer Group. Notwithstanding the foregoing notifications, a Customer's account must stay in a Customer Group for a minimum of one (1) billing cycle.

The Group Manager shall enter into a contract with Company for service hereunder on a form, prescribed by Company, which shall include without limitation, terms and provisions addressing contract term, customer account information, nomination and curtailment procedures, billing and payment, security/creditworthiness assurances, assignment limitations, and notices.

The Customer Group will be considered as one customer for purposes of calculating the daily balancing and cash-out provisions of this Section I. The Group Manager will be billed and is responsible for any such imbalance, Unauthorized Use Charges, and all intrastate and/or interstate pipeline penalties and other charges incurred by the Company which are attributable to a Customer Group's unauthorized use. All other transportation service tariff charges will be billed to the individual customer accounts, including but not limited to Customer Charges, Transportation Charges, Administrative Charges, and where applicable, Meter Equipment Charges and Transportation Charge Adder.

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## UNION ELECTRIC COMPANY GAS SERVICE

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### NATURAL GAS TRANSPORTATION SERVICE

Eligible School Entities', using less than one hundred thousand Ccfs annually, positive and negative imbalances will be netted and cashed-out on a monthly basis in accordance with the appropriate pricing provision under this Section I with the monthly PGA and the monthly average of the daily midpoint prices being used as the base for the determination of the cash-out imbalances.

- \* A negative imbalance is created when the customer's gas nominated to the Company as adjusted by the loss factor is less than the quantities of gas used by the customer. A negative imbalance during periods of a Company Critical Day Notification will be considered unauthorized use and billed at the Unauthorized Gas Use Charge set forth in Section 2. herein.

A negative imbalance during other times will be considered balancing use and will be billed at the following tiers and referred to as the "Balancing Gas Use Charge":

- \* Daily negative imbalances of 5% or less of nominations as adjusted by the loss factor will be billed at the greater of the applicable service area's firm sales service PGA factor or at the daily midpoint indexed commodity price as quoted in the publication "Platt's Gas Daily" for that date plus a transportation charge of \$0.150 per Ccf. Daily negative imbalances greater than 5% of nominations as adjusted by the loss factor will be billed at the greater of the applicable service area's firm sales service PGA factor plus 10% or at the daily midpoint indexed commodity price as quoted in the publication "Platt's Gas Daily" for that date plus a transportation charge of \$0.150 per Ccf.

- \* A positive imbalance is created when the customer's gas nominated to the Company as adjusted by the loss factor exceeds the quantities of gas used by the customer. The Company will purchase positive imbalances at the following tiers:

- \* Daily positive imbalances of 5% or less of nominations as adjusted by the loss factor will be purchased at the daily midpoint index commodity price as quoted in the publication "Platt's Gas Daily" for that date. Daily positive imbalances greater than 5% of nominations as adjusted by the loss factor will be purchased at ninety percent (90%) of the daily midpoint indexed commodity price as quoted in the publication "Platt's Gas Daily" for that date.

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## UNION ELECTRIC COMPANY GAS SERVICE

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### NATURAL GAS TRANSPORTATION SERVICE\*

The index will be specific for each service area as follows:

"Panhandle Eastern Pipe Line Co. - Panhandle, Tx.-Okla."  
"Texas Eastern Transmission Corp. - Texas Eastern, ELA"  
"Natural Gas Pipeline Co. of America - NGPL, Texok Zone"

In the absence of such published "Platt's Gas Daily" index, the Company will determine, subject to Commission's review in Company's Actual Cost Adjustment (ACA) filing, a suitable replacement source for such daily market price information.

The daily negative and positive imbalance billings so calculated will be applied to the customer's monthly bill. Net payments to customer will be included in the Company's PGA Clause ACA computation as purchased gas costs and net payments to Company will be included as revenue recovery.

- J. Except as specifically provided for herein, all of the Company's Rules and Regulations for natural gas service which are not in conflict herewith shall apply to service rendered hereunder.
- K. A contract existing between the Company and a customer on February 18, 1998 may continue in effect as an executed transportation contract, to the extent its provisions are not superseded by or in conflict with the provisions of this tariff, until such contract expires by its terms or is replaced by an executed transportation contract. Such existing contracts will be assigned to the Standard Transportation Rate if deliveries to the customer during the preceding calendar year totalled 600,000 Ccf or less and to the Large Volume Transportation Rate if deliveries during such period totalled in excess of 600,000 Ccf. For customers who do not have gas usage history for the preceding calendar year, such existing contracts will be assigned the applicable transportation rate based on estimated or projected deliveries.

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## UNION ELECTRIC COMPANY GAS SERVICE

Applying to MISSOURI SERVICE AREA

### NATURAL GAS TRANSPORTATION SERVICE

- \*L. The Company shall have the right to interrupt, curtail or discontinue transportation service, in whole or in part at any time for reasons of force majeure or when in the Company's sole judgment, capacity or operating conditions so require, or it is desirable or necessary to make modifications, repairs or operating changes to its system. The Company shall provide customer such notice of the interruption, curtailment or discontinuance of service as is reasonable under the circumstances. The Company shall not discriminate between transportation and sales customers for purposes of determining the order and priority of interruption. The Company shall not be liable for and the customer shall indemnify the Company against and hold the Company harmless from any and all damages, claims, suits, actions or proceedings whatsoever threatened or initiated as a result of any interruption, curtailment or discontinuance of transportation service invoked by the Company.
- \*\*M. All transportation service is firm in nature. If the Company's local distribution system capacity is inadequate to meet all of its demands for service, the services supplied under this schedule will be curtailed in accordance with the Curtailment of Service Schedule contained in the Company's Rules and Regulations.
- \*9. Rules and Regulations. Service will be rendered in accordance with the Company's Rules and Regulations for Gas Service on file with the Missouri Public Service Commission.

\*Indicates Reissue.  
\*\*Indicates Change.

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## UNION ELECTRIC COMPANY GAS SERVICE

Applying to MISSOURI SERVICE AREA

### NATURAL GAS TRANSPORTATION SERVICE

\*10. Critical Day.

A. Critical Day Declaration:

A Critical Day may be declared by the Company for a specific area or the Company's entire gas system whenever, in the Company's sole judgement, one of the following conditions occurs or is anticipated to occur.

1. Company experiences failure of transmission, distribution, or gas storage facilities
2. Transmission or distribution system pressures or other unusual conditions that may jeopardize the operation of Company's gas system
3. Company's transportation, storage, or supply resources are being used at or near their maximum rated, tariff, or contractual limits
4. Any of Company's transporters or suppliers declares the functional equivalent of a Critical Day or force majeure conditions

B. Unauthorized Use Related to Critical Days:

Unauthorized Use Related to Critical Days shall mean the unauthorized use of Company-supplied gas on a Critical Day. If such unauthorized use of gas occurs, the Company shall charge the customer, and the customer shall pay a penalty for all unauthorized use as indicated below.

If the Company declares a Critical Day for its gas system or for a specific area of its gas system and Customer or Customer Group has an imbalance on such Critical Day in the same direction as an imbalance for Company's gas system or area thereof that results in the Company incurring penalties or fees for the day from one or more pipelines, customer or Customer Group may be billed Unauthorized Gas Use charges set forth in Section 2 herein.

\*Indicates Change.

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## UNION ELECTRIC COMPANY GAS SERVICE

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### NATURAL GAS TRANSPORTATION SERVICE

\* C. Critical Day Notification:

The Company shall give notice to all Natural Gas Transportation Service customers impacted by the Critical Day of all Critical Day periods. Where feasible, notice shall be provided to the customer once Company receives such notice from the pipeline. The notice shall specify the expected duration of the Critical Day period. The means by which notification is given, whether by phone, fax, electronic mail, or some other means, shall be at the Company's option. Each holder of a Contract shall provide notification information, which may include but is not limited to a telephone number, fax number, or e-mail address, by which to receive notice on a 24-hour basis. The customer shall be deemed to have received notice upon issuance of the notice to the customer by the Company. The customer shall be deemed to have received notice if the telephone is not answered when called by the Company, or in the event of a mechanical breakdown or interruption of telephone service which prevents the call from being received.

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## UNION ELECTRIC COMPANY GAS SERVICE

Applying to MISSOURI SERVICE AREA

### ALTERNATIVE FUELS - TRANSPORTATION SERVICE

Company may charge any transportation customer which has an alternative energy source available to it a Transportation Charge lower than that specified in the Transportation Service rate. The Transportation Charge may be reduced by an amount up to but not exceeding the difference between the total cost of the gas to be transported and the total cost to the customer of the alternative energy, but in no event, will the average Transportation Charge be less than 4¢ per Ccf. An alternative energy source is one that does not require the use of Company's gas pipeline system.

The right to charge a lower Transportation Charge shall be exercised on a case-by-case basis at the sole discretion of the Company without Commission approval. Said right may be exercised only if the customer certifies to the Company (in a form acceptable to the Company) the following: (i) that it has operational, on-site alternative energy capability; (ii) without the Company's lower Transportation Charge, it would utilize the alternative energy source; (iii) the total cost of alternative energy; and (iv) the total unit cost of gas to be transported.

Transportation Service will be provided by the Company at the lower rate for a period not to exceed six (6) monthly billing periods subject to the right of the Company, exercised in accordance with this tariff, to extend said rate or a recalculated rate for an additional period or periods of up to six (6) monthly billing periods each. The Company may accept customer's certification provided above in extending any lower rate for subsequent six (6) month periods.

- \* All Rolla System customer's Special Contracts will be grandfathered as of the effective date of this tariff to the existing expiration date of customer's Special Contract, if the customer wishes to do so. Subsequent renewal applicability will be reviewed thereafter under the provisions herein.

Ratemaking treatment of any reduced transportation charges may be reviewed and considered by the Commission in subsequent rate proceedings.

Rules and Regulations. Service will be rendered in accordance with the Company's Rules and Regulations for Gas Service on file with the Missouri Public Service Commission.

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## UNION ELECTRIC COMPANY GAS SERVICE

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### SPECIAL CONTRACT RATES - TRANSPORTATION SERVICE

Company may, in instances where it faces bypass from interstate or intrastate pipelines, enter into special transportation rate contracts with industries or other large consumers on such terms and conditions as may be agreed upon by the parties and which, in the Company's sole discretion, are deemed necessary to retain services to an existing customer or, to reestablish service to a previous customer or to acquire new customers. The rates agreed upon by Company and customer shall not exceed the maximum transportation charges nor be less than 1.0¢ per Ccf. All executed contracts shall be furnished to the Commission staff and the Office of Public Counsel and shall be subject to the Commission's jurisdiction.

- \* All Rolla System customer's Special Contracts will be grandfathered as of the effective date of this tariff to the existing expiration date of customer's Special Contract, if the customer wishes to do so. Subsequent renewal applicability will be reviewed thereafter under the provisions herein.

The right to charge a lower Transportation Charge shall be exercised on a case-by-case basis at the discretion of the Company without Commission approval. Said right may be exercised only if the customer certifies to the Company (in a form acceptable to the Company), and the Company is convinced that: (i) bypass of Union Electric by an intrastate or interstate upstream pipeline is imminent; (ii) without the Company's lowering the Transportation Charge, the customer will bypass Union Electric; and (iii) the rate flexed is prudent given the level of customer's total cost to bypass.

Ratemaking treatment of any flexed Transportation Charges will be reviewed and considered by the Commission in subsequent rate proceedings.

Rules and Regulations. Service will be rendered in accordance with the Company's Rules and Regulations for Gas Service on file with the Missouri Public Service Commission.

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# UNION ELECTRIC COMPANY GAS SERVICE

Applying to MISSOURI SERVICE AREA

## MISCELLANEOUS CHARGES

\*A. Service Pipe Charges(1)

Sheet No. 50 Paragraph B - \$175.00 per connection (tap), plus \$4.30 per foot for all footage in excess of sixty (60) feet on customer's property. If for engineering reasons, the Company selects a route which results in more footage than the normal route to customer's meter, then the lesser distance shall be utilized for footage charges, if any.

\*B. Service and Meter Relocations(1)

Sheet No. 51 Paragraph E and Sheet No. 55.1-  
Residential - \$250.00 per connection (tap), plus \$8.50 per foot for all service pipe being relocated.  
Meter relocation only - \$250.00  
Non-Residential - Individual project estimated cost

C. Meter Testing Charges

Sheet No. 54 Paragraph F - Meters less than 500 cfh. (at ½ inch water column pressure drop) \$65.00 per meter. Meters greater than 500 cfh. (at ½ inch water column pressure drop) \$150.00 per meter

\*D. Reconnection Charges per Connection Point

Sheet Nos. 5, 6 and 68, Par. H-1 (Disconnection & Reconn.)  
\$65.00

E. Returned Check Charge

A charge of \$10.00 shall be assessed for any check submitted to the Company for payment for each occurrence where such check has been returned to the Company unpaid.

- (1) Service pipe installations are based on normal pre-development and unobstructed conditions. Additional costs due to changes in surface conditions, unanticipated subsurface conditions or anticipated subsurface conditions (rock and underground conflicts) will be charged to the customer.

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# UNION ELECTRIC COMPANY GAS SERVICE

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## MISCELLANEOUS CHARGES

G. Electronic Gas Meter (EGM) Equipment Charge

Sheet No. 10 Paragraph 2, Sheet No. 12 Paragraph 3 and Sheet No. 13 Paragraph F. - This EGM Meter Equipment Charge shall apply to transportation customers who enter into contracts with the Company for transportation service to be provided under the Company's Natural Gas Transportation Service tariff commencing after November 1, 2000.

Gas transported under the Natural Gas Transportation Service tariff shall be metered by an electronic recording device with remote monitoring features for the recording of the customer's daily gas usage and real time flow data. The transportation customer will pay the Company a monthly per meter charge for said metering as follows:

EGM Meter Equipment Charge.....\$21.00 per meter per month

\*H. Customer Benefit Projects

Where work is done by Company on Company and/or customer facilities for the benefit and/or convenience of the customer/customer designees, the costs of such nonstandard service shall be billed to customer on the basis of Company's cost quotation agreed to by customer prior to starting project. Such "Customer Benefit" work shall include, but not be limited to, temporary service for construction sites, service calls and cost estimates for new business extensions which in the Company's determination will require excessive time to prepare for the customer. When any advance payments are collected prior to starting a project to be based on actual costs, any over payment will be refunded to payee.

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P.S.C. Mo. No. 2  
Cancelling P.S.C. Mo. No. 2

1st Revised SHEET No. 20.2  
Original SHEET No. 20.2

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# UNION ELECTRIC COMPANY GAS SERVICE

Applying to MISSOURI SERVICE AREA

RIDER A  
PURCHASED GAS ADJUSTMENT CLAUSE

\* APPLICABILITY

The Purchased Gas Adjustment (PGA) Clause applies to all sales and transportation services provided under all natural gas rate schedules and contracts, including sales to transportation customers. For purposes of this clause, the term "cost of gas" shall be as defined under Section I.B.

Any increase or decrease in any PGA factor, including the Actual Cost Adjustment (ACA) factor, resulting from the application of this Rider A, shall be applied prorata to customers' bills for service rendered on and after the effective date of the change. Bills which contain multiple PGA rate changes, including the ACA component of such rate changes, during a customer's billing period shall be prorated between the old and new rates in proportion to the number of days in the customer's billing period that such rates were in effect.

I. PURCHASED GAS COST ADJUSTMENT

A. Filing of the PGA

The Company shall be allowed to make up to four (4) PGA filings during each calendar year. One such filing will be effective in November of each year, but no more than one PGA filing shall become effective in any two consecutive calendar months unless specifically ordered by the Commission. Such PGA filings shall be made at least ten (10) business days prior to their effective dates.

All PGA filings shall be accompanied by detailed work-papers supporting the filing in an electronic format. Sufficient detail shall be provided so the level of hedging that is used to develop the gas supply commodity charge for the PGA factor can be determined.

B. Contents of PGA Filings - When proposing revisions to its filed PGA factors, the Company shall file PGA tariff sheets with the Commission for approval which consist of:

The Regular Purchased Gas Adjustment (RPGA) Factor - A  $\text{\$/Ccf}$  factor to reflect the current estimate of the annualized cost of various natural gas services purchased by the Company, including but not limited to firm and interruptible gas supply, gathering services, firm and interruptible transportation service, storage services, gas price volatility mitigation instruments, including but not limited to, financial instruments, and any service which bundles or aggregates these various services.

\*Indicates Change.



# UNION ELECTRIC COMPANY GAS SERVICE

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RIDER A  
PURCHASED GAS ADJUSTMENT CLAUSE

**\*II. DETERMINATION OF REGULAR PURCHASED GAS ADJUSTMENT (RPGA)**

The RPGA will be determined in accordance with the following:

A. Commodity-Related Charges

The commodity-related charges shall include but not be limited to producer gas supply commodity charges, pipeline transmission and gathering commodity charges, expected costs or cost reductions to be realized for the entire applicable period, storage withdrawals, gas purchases under fixed-price contracts, and the Company's cost of gas price volatility mitigation instruments, including but not limited to, financial instruments, except for call options for which only cost reductions expected to be realized during the months covered by the Company's PGA filing shall be reflected. A commodity-related per unit ¢/Ccf factor shall be determined by dividing commodity-related costs by total sales volumes during the base period.

B. Demand-Related (Capacity, Reservation, Space, Deliverability) Charges

For the purpose of the computations herein "demand-related" shall mean gas costs relating to fixed pipeline transportation and storage charges, fixed gas supply charges, and other FERC-authorized fixed charges.

1. Purchased Gas

For each natural gas supply purchased during the base period multiply the number of units of demand purchased during the base period by their respective charge(s) in effect on the first day of the filing month and divide by firm sales volumes during the base period.

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PURCHASED GAS ADJUSTMENT CLAUSE\*

C. Other Costs of Gas

The total amounts of any costs, different from those referred to above, associated with the supply, transportation and/or storage service of natural gas during the base period under a rate, tariff or contract subject to regulation by the FERC or successor agency, divided by total sales and/or transported volumes, as applicable, during the base period. These costs include, but are not limited to, costs billed as take-or-pay and transition charges.

D. Determination of Class RPGA Factors

The RPGA factor for the firm sales rate classifications of natural gas service shall be calculated by summing the factors determined in Sections II.A. through II.C. above.

The RPGA factor for the interruptible sales rate classification of natural gas service shall be calculated by summing the factors determined in Sections II.A., II.B.4., and II.C. above plus 1.25¢ per Ccf.

The RPGA factor for the transportation rate classification shall be as calculated in Section II.C. above.

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PURCHASED GAS ADJUSTMENT CLAUSE

**III. ACTUAL COST ADJUSTMENT (ACA) ACCOUNT:**

- \* An ACA account shall be maintained for the Company's service area. Said account shall be credited by the amount of any gas costs recovered through the action of this Rider in excess of actual gas costs incurred by the Company, and debited by the amount of any such recovered gas costs which is less than actual gas costs incurred by the Company. Such reconciliation of gas costs incurred and recovered shall be for the twelve (12) month period ending with August of each year, as defined herein.
- \* Such excess or deficiency in total gas cost recovery for each sales rate classification and transportation rate classification shall be determined by a monthly comparison of the actual cost of gas for each month, including the prior period's ACA balance to the gas cost revenues recovered for the corresponding revenue month.
  1. Demand-related costs applicable to "Purchased Gas" supply service, "Purchased Seasonal/Peaking Storage" service, "Supplemental Gas" service and "Transportation" of peaking storage service shall be allocated to the firm sales rate classifications.
  2. Demand-related costs applicable to pipeline "Transportation" service and "Purchased Balancing Storage" service shall be allocated to firm sales and interruptible sales rate classifications. The interruptible sales customers will be allocated a portion of such "Transportation" demand costs. The balance of demand costs will then be allocated to the firm sales rate classification.

\* Indicates Change.

# UNION ELECTRIC COMPANY GAS SERVICE

Applying to MISSOURI SERVICE AREA

## RIDER A

### PURCHASED GAS ADJUSTMENT CLAUSE

- \*3. Commodity-related costs applicable to "Purchased Gas" supply service, "Purchased Seasonal/Peaking Storage" service, "Purchased Balancing Storage" service and "Transportation" service shall be allocated to each sales rate classification based on the ratio of each such classes' respective actual sales to the sum of total sales for the related revenue month.
4. "Other Cost of Gas" incurred shall be allocated as applicable to each sales rate classification and transportation rate classification based on the ratio of each such classes' respective actual sales and transported volumes to the sum of such sales and transported volumes for the related revenue month.
- \*5. Any refunds which the Company receives in connection with natural gas services purchased, together with any interest included in such refunds, will be refunded to the Company's applicable customers unless otherwise ordered by the Commission. Such refunds shall be credited to the ACA account in the month received and shall be a part of the overall ACA interest calculation.
- The refund amount will be allocated to each firm sales, interruptible sales and transportation rate classification based upon the same allocation of such costs as calculated during the base period in Section II. herein.
- \*6. The total gas cost recovered each month shall be equal to the product of the billed Ccf of each rate classification times the sum of the applicable RPGA and ACA factors. The RPGA factor will include, if applicable, the FAF factor.
7. For the ACA period ending with August of each year, the aggregate excess or deficiency in gas cost recovery as described above shall be accumulated to produce a cumulative balance of excess or deficiency of gas cost recovery by sales and transportation rate classifications. ACA factors shall be computed by dividing these cumulative balances by the estimated sales and transportation volumes during the subsequent twelve-month billing period of November - October, for each of the sales and transportation rate classifications. All actual ACA revenue recovered shall be debited or credited to the appropriate monthly balance of the ACA account.

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PURCHASED GAS ADJUSTMENT CLAUSE

- \*8. For each month during the ACA period and for each month thereafter interest, at a simple rate equal to the prime bank lending rate (as published in the Wall Street Journal on the first business day of the following month), minus two (2) percentage points ( but not less than zero) shall be credited to customers for any over-recovery of gas costs or credited to the Company for any under-recovery of gas costs. Interest shall be computed based upon the average of the accumulated beginning and ending monthly ACA account balances. The Company shall maintain detailed work-papers that provide the interest calculation on a monthly basis.
9. These ACA factors shall be rounded to the nearest 0.01¢/Ccf and applied to billings of each applicable sales and transportation rate classification, commencing in November of each year, and shall remain in effect until superseded by subsequent ACA factors calculated according to this provision.

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# UNION ELECTRIC COMPANY GAS SERVICE

Applying to MISSOURI SERVICE AREA

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NAME OF OFFICER TITLE ADDRESS

# UNION ELECTRIC COMPANY GAS SERVICE

Applying to MISSOURI SERVICE AREA

## RIDER A

### PURCHASED GAS ADJUSTMENT CLAUSE

#### PGA Statement

\* The PGAs (in ¢/Ccf) to be applied to the Company's basic rate schedules on and after the effective date of this tariff are as follows:

	<u>Firm Sales</u>	<u>Interruptible Sales</u>	<u>Transportation Service</u>
<u>RPGA:</u>	xx.xx¢/Ccf	xx.xx¢/Ccf	
<u>ACA:</u>	x.xx¢/Ccf	xx.xx¢/Ccf	x.xx¢/Ccf
<u>TOTAL PGA</u>	<u>xx.xx¢/Ccf</u>	<u>xx.xx¢/Ccf</u>	<u>x.xx¢/Ccf</u>

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Applying to MISSOURI SERVICE AREA

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### II. Characteristics of Service Supplied

- \* Gas service is supplied by Company as natural gas or equivalent with a nominal heating content of 1000 BTU per cubic foot and at a pressure of approximately seven inches of water column. Gas service at pressures in excess of seven inches of water column may be supplied at the option of the Company. If a request for pressure by the customer in excess of seven inches of water column is approved by the Company, the excess facilities charge per Section V.-Installation of Service Pipe will apply and be billed to the customer upon completion of the installation.

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### III. General Provisions

#### \* A. Application for Service

Any customer requesting gas service within Company's authorized service area will provide Company with appropriate information regarding the quantity and characteristics of the anticipated gas consumption and location of the premises to be served. Appropriate personal customer identification may be required at the request of the Company. When interruptible or transportation service is requested, a written agreement between customer and Company shall specify the gas service to be provided, the rate schedule applicable for such service and the minimum term during which service will be supplied by Company and consumed and paid for by customer. All gas service will be supplied subject to the provisions of the Company's tariffs applicable to the service requested and these Rules & Regulations, provided customer agrees to the use of the service supplied by Company for the minimum term specified in the tariff applicable to customer's gas service. Customers desiring gas service for periods less than the term specified in the applicable tariff may contract for such service under Company's applicable rate provided customer pays to Company in advance, the total cost of new or existing facilities, the total estimated cost of installation, connection, disconnection and removal of all facilities necessary for such service, less the estimated salvage value of any recoverable facilities.

The Company shall not be required to commence supplying service to a customer, or if commenced the Company may terminate such service, if at the time of application such customer or any member of his household (who have both received benefit from the previous service) is indebted to the Company for the same class of

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### III. General Provisions (Cont'd.)

- \*\* service previously supplied at such premises or any other premises until payment of, or satisfactory payment arrangements for, such indebtedness shall have been made.
- \* Application for firm system gas service will be granted only if in the Company's sole judgment, sufficient gas supplies, storage availability and/or pipeline capacity exists. If one or more of these parameters are insufficient, customer, at Company's discretion, may be granted service subject to contract arrangements which address only operational and system constraints. Rates charged under such contract arrangements shall be the applicable rates approved by the MPSC and currently in effect.

#### \*\* B. Form of Service Provided

Company will normally supply only one class of service to an individual premise under a single customer application for service. Where more than one class of service is required by customer or the Company's tariffs, each class of service shall be metered and billed separately.

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\* H. Penalty Charges from Interstate Pipelines:

If, on any day other than a Critical Day, Customers' excess usage of Company-supplied gas contributes to cause penalty charges from an interstate pipeline, the Company shall be reimbursed for the penalty charges incurred. The penalty charges shall include any penalty, storage, or other costs incurred by the Company or imposed on the Company by a pipeline as a result of any under or over delivery imbalance, daily, monthly or otherwise, caused by the Customer. To calculate the Customer's portion of any penalty charges, the Company shall first prorate such penalty charges between Company supplied gas Customers and gas transportation Customers as two groups.

The amount of the penalty charges allocated to the gas transportation Customers as a group shall then be allocated to individual transportation Customers. For purposes of this provision, the daily usage of a Customer without a daily recording device will be computed by dividing the Customer's total usage for the billing period by the number of days in the billing period. The Customer may be allocated that proportion of the transportation group's penalty charges equal to the amount the Customer's excess usage contributed to the creation of such charges as a percentage of the contribution of all transportation Customers to the creation of such charges.

The amount of the penalty charges allocated to the Company supplied gas Customers shall be paid by all Customers receiving gas supply from the Company.

The penalty charges shall be billed to the Customer in the billing period following the period the charges were incurred, and shall be in addition to all other applicable charges.

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\*I. Request for Conversion Between Company Supplied Gas Service and Gas Transportation Service

Customers that have contracted with the Company to transport Customer owned gas may request to receive Company supplied gas (PGA gas), if eligible, pursuant to Company tariffs. In addition, Customers receiving Company supplied gas (PGA gas) may request to contract with the Company to transport customer owned gas, if eligible, pursuant to Company tariffs. Items governing a request for change of gas supply are as follows:

- a. Requests for a change from transportation service to Company supplied gas service will be granted only if in the Company's sole judgment, sufficient gas supplies, storage availability and/or transportation capacity exists. If one or more of these parameters are insufficient, customer, at Company's discretion, may be granted a change of gas supply subject to contract arrangements which address only operational and system constraints. Rates charged under such contract arrangements shall be pursuant to the Company tariffs currently in effect.
- b. Written notification for conversion between Company supplied gas service and gas transportation service must be received by the Managing Supervisor of End User Transportation, from the customer, prior to July 1 each year to be effective November 1 or a later date that is mutually agreeable between the Customer and Company.
- c. Where a change of gas service is approved, customer shall remain on the requested gas supply service for a minimum of twelve (12) months.
- d. If additional facilities or changes to existing customer facilities are required in order to receive requested service, customer shall reimburse Company for all costs prior to initiation of service

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V. Installation of Service Pipe (Con'd.)

E. Service Relocations

Company will, upon request, relocate customer's service pipe following the payment by customer of the service pipe charges indicated on Sheet No. 19, Miscellaneous Charges and any additional cost associated with disconnecting and removing the existing service pipe, as applicable.

\* F. Excess Facilities Installations

Where customers request and Company agrees to provide facilities the Company does not normally provide during the course of business (excess facilities) customer shall be able to receive such non-standard facilities pursuant to this Section. Customers that request excess facilities shall pay a non-refundable contribution equal to 1.9 times the installation cost. This non-refundable contribution will cover the installation costs, ongoing operation and maintenance costs, replacement costs, and any removal costs associated with the facilities. A revenue test will not be used in the determination of the customers non-refundable contribution, nor will it be used as an offset to any amounts due as a non-refundable contribution.

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d. Whenever a gas meter is registering gas because of a leak in the meter, or in the union connection on the outlet side of the meter, or the connection between Company and customer piping, whichever is applicable, an estimate based upon the period of inaccuracy referred to above will be made of the registration which has been produced by the leakage and a corresponding credit will be allowed to customer. No credits shall be made because of the leakage or waste of gas from customer's piping and appliances beyond the applicable union or piping connection points described above.

e. "Average meter error" shall be determined in accordance with provisions set forth in rules of the Missouri Public Service Commission.

H. Minimum Billing Adjustment

No billing adjustment will be made where the amount of the adjustment is less than \$1.00.

\* I. Meter Relocations at Customer Request

Company will, upon request, relocate customer's meter following the payment by customer of the meter relocation charges indicated on Sheet No. 19, Miscellaneous Charges and any additional cost associated with disconnecting and removing the existing service pipe, as applicable.

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# UNION ELECTRIC COMPANY GAS SERVICE

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X. Deposit Practices (Cont'd.)

2. Deposit refunds - The credit of the residential customer will be established and the deposit and accrued interest, if any, will be refunded, or the guarantor released, upon satisfactory payment before the delinquency date of all undisputed charges for service for a period of twelve successive months, or customer has closed his account. The credit of the non-residential customer will be reviewed after three years and the deposit returned if in the opinion of the Company, the customer has established satisfactory credit. The Company may withhold refund of the deposit or release of the guarantor pending the resolution of a matter in dispute involving disconnection for nonpayment or unauthorized interference by the customer. The Company may apply all deposits subject to refund and accrued interest, if any, against undisputed utility charges provided the amount of the refund is identified and disclosed on the bill.
- \*3. Interest paid on deposits - Interest will be credited annually on all residential deposits. Interest will be either credited to the service account of the residential customer on an annual basis or paid upon the return of the deposit. Simple interest will be payable upon the return of a non-residential deposit held by the Company for six months or longer. Interest shall not accrue on any cash deposit after the date the deposit is applied to the customer's account, or Company has made a reasonable effort to return such deposit to the customer. The interest rate shall be 9.5% per annum through December 31, 2007. Effective January 1, 2008 and thereafter, interest will be paid at a per annum rate equal to the prime bank lending rate, as published in the Wall Street Journal for the last business day of November of the preceding calendar year, plus one percentage point.
4. Final billed accounts - Upon discontinuance or termination, other than for a change of service address, the deposit, with accrued interest, will be credited to the final bill and the balance, if any, will be returned within twenty-one (21) days of the rendition of the final bill.

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## UNION ELECTRIC COMPANY GAS SERVICE

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### XII. Curtailment of Service Schedule

#### A. Priorities of Service:

1. Purpose. The purpose of this rule is to establish the priority of service required to be provided by Company during periods of curtailments caused by natural gas supply deficiencies and/or pipeline capacity constraints.
2. Curtailment. During periods of natural gas supply deficiencies and/or capacity constraints on any part of the Company's distribution system, the Company will curtail or limit gas service to its customers on this part of the distribution system as provided in this rule. Curtailment may be initiated due to a supply deficiency, a limitation of pipeline capacity or a combination of both. For the purpose of this Rule, interruption of service to a particular customer due to the failure of the customer's transportation volumes to be delivered by the Company does not constitute curtailment under this Rule.
- \* 3. Priority Categories. Each customer's requirements shall be classified into priority categories. During periods in which the Company determines, in its sole discretion, that gas supply available to its system is, or will be, insufficient to meet Customer requirements the Company will endeavor to curtail or discontinue gas utility service in the following order of categorical steps, with curtailment to be directed and achieved whenever feasible in each step on a pro rata basis before proceeding to the next step. Curtailment will be terminated in reverse order as gas supplies permit. In extreme emergency or where an emergency involves an isolated segment of the Company's system, the Company may deviate from this plan.

For a Sales Service Supply Deficiency or a Local Distribution System Capacity Deficiency:

Category 1: Interruptible Sales Service  
Category 2: General Service Sales with Alternate Fuel Capability.

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Category 3: General Service Sales, Assurance Gas Sales, Natural Gas Transportation and public schools.

Category 4: Sales service to residential customers, public housing authorities, hospitals, and other human needs customers receiving firm sales service from the Company.

- \* 4. Curtailment Notification. The Company shall provide advance notification to the Commission and the public prior to application of such Plan. Notice shall be provided to the customer once the Company receives such notice from the pipeline during pipeline capacity constraints. Notification will include the extent of emergency, the volumes required to be curtailed and the time by which curtailment must occur. Notice shall be given to affected customers in Categories 1, 2 and 3 above by phone, fax, electronic mail, or some other means, at the Company's option. Notice shall be given to all other affected customers via mass media (radio and television). The customer shall be deemed to have received notice for example if the telephone is not answered when called by the Company, or in the event of a mechanical breakdown or interruption of telephone service which prevents the call from being received. Each customer shall provide the Company with one or more contact persons and respective phone numbers for notification purposes.
- \*\*5. Failure to Comply with Curtailment. Any customer failing to comply with curtailment of service under the above terms will be charged "Unauthorized Gas Use Charges" per the provisions detailed in the Natural Gas Transportation Service tariff and Interruptible Service tariff. Transportation customers who are curtailed and who have gas volumes being transported to the Company's distribution system shall use best efforts to maintain deliveries to the Company until after the curtailment has ended. The non-pipeline penalty portion of the Unauthorized Gas Usage charges may be waived by the Company, at the Company's sole discretion, upon written request by the customer if such charge results from unusual circumstances beyond the

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control of the customer. The customer's request must include the circumstances and cause of the excess consumption. This waiver shall become effective 20 days after the Company files a report with the Commission setting forth the circumstances and causes of the excess consumption, unless the Commission should otherwise order.

\* **B. Unauthorized Use Charges:**

If during any period of curtailment, any customer (sales or transportation) who takes a volume of gas in excess of the curtailment period volumes authorized to be used by such customer, said excess volumes shall be considered "unauthorized use". The Company shall bill all excess volumes pursuant to the Unauthorized Use Charges, as set forth on the Company's transportation and interruptible service tariff sheets.

The payment for unauthorized use gas by a customer shall not, under any circumstances, be considered as giving the customer the right to continue to take unauthorized use gas, nor shall such payments be considered as a substitute for any other remedies available to the Company for failure of the customer to curtail the customer's service in compliance with the terms of this tariff.

\* **C. Relief from Liability:**

The Company shall be relieved of all liabilities, penalties, charges, payments and claims and losses of whatever kind, contractual or otherwise, resulting from or arising out of the Company's failure to deliver all or any portion of the volumes of gas desired by a particular customer to the extent that such failure results from the curtailment/ implementation of the priority of service plan or curtailment procedures herein

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prescribed or from any other orders or directives of duly constituted authorities, including, but not limited to, all regulatory agencies having jurisdiction. If continuity of fuel supply is required by the customer, the customer should install and maintain whatever stand-by fuel and fuel burning equipment that may be needed.

\* D. Right to Purchase Gas Owned by Transportation Customers:

In the event that system integrity is threatened, the Company shall have the right to purchase the natural gas supplies owned by, or purchased on behalf of, any of its transportation customers to the extent the Company implements curtailment of natural gas service to customers pursuant to the Curtailment Plan described above and such gas is available for delivery to the Company under the terms of an existing transportation service contract. The Company's right to purchase gas owned by a customer shall be exercised by the Company only after the Company has exhausted reasonable efforts to obtain the necessary gas supplies from other sources and this right will be a part of the Transportation Contract with the Customer. Such right shall terminate once the gas supplies available to the company from other sources are sufficient to serve the needs of the customers in the other categories on whose behalf the purchase of customer-owned gas by the Company was made and the Company lifts the Critical Day Notice. The price to be paid by the Company for gas purchased under this provision shall be equal to the Customer's then current thermally equivalent cost of alternate fuel, or the then current price of gas as reported in the Platt's Gas Daily.

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\*XV. Pilot Programs

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AmerenUE  
SUMMARY OF PROPOSED MISSOURI GAS RATE REVISIONS  
TEST YEAR 12 MONTHS ENDED JUNE 2006

	Annual	Ccf	Revenue <sup>1</sup>			
	Bills		Present	Proposed	Change	%
Residential	1,325,878	74,811,373	\$ 107,416,566	\$ 115,770,761	\$ 8,354,195	7.8%
UE Legacy	1,285,718	72,939,552	\$ 104,110,845	\$ 112,057,582	\$ 7,946,737	7.6%
Rolla System	40,160	1,871,821	\$ 3,305,721	\$ 3,713,179	\$ 407,458	12.3%
General	152,341	39,324,104	\$ 51,545,020	\$ 53,652,836	\$ 2,107,816	4.1%
UE Legacy	146,779	37,927,671	\$ 49,241,262	\$ 51,207,116	\$ 1,965,854	4.0%
Rolla System	5,562	1,396,433	\$ 2,303,758	\$ 2,445,720	\$ 141,962	6.2%
Interruptible	181	4,934,583	\$ 5,124,822	\$ 5,170,380	\$ 45,558	0.9%
Transportation	3,120	46,155,278	\$ 41,861,962	\$ 41,857,126	\$ (4,836)	0.0%
Standard	2,904	16,080,018	\$ 15,187,344	\$ 15,184,294	\$ (3,050)	0.0%
UE Legacy	2,856	16,051,071	\$ 15,158,850	\$ 15,150,776	\$ (8,074)	-0.1%
Rolla System	48	28,947	\$ 28,494	\$ 33,518	\$ 5,024	17.6%
Large Volume	<u>216</u>	<u>30,075,260</u>	<u>\$ 26,674,618</u>	<u>\$ 26,672,832</u>	<u>\$ (1,786)</u>	0.0%
Subtotal	1,481,520	165,225,338	\$ 205,948,370	\$ 216,451,103	\$ 10,502,733	5.1%
Special Contracts	191	9,328,062	\$ 963,856	\$ 963,856	\$ -	0.0%
Other Revenues	<u>NA</u>	<u>NA</u>	<u>\$ 2,163,673</u>	<u>\$ 2,513,498</u>	<u>\$ 349,825</u>	<u>16.2%</u>
Total	<u>1,481,520</u>	<u>165,225,338</u>	<u>\$ 209,075,899</u>	<u>\$ 219,928,457</u>	<u>\$ 10,852,558</u>	<u>5.2%</u>

(1) Includes a weighted average PGA factor of 96.00¢/Ccf and 86.60¢/Ccf for Firm and Interruptible Service, respectively, for the UE Legacy area and \$1.35 for the Rolla System area and an assumed 75.00¢/Ccf gas for Transportation Service.

**AmerenUE**  
**MISSOURI GAS OPERATIONS**  
**TYPICAL MONTHLY BILL COMPARISON**  
**SERVICE AREA SUPPLIED BY PANHANDLE EASTERN**  
**RESIDENTIAL**

<u>Ccf</u>	<u>Proposed *</u>
10	\$27.41
20	\$39.82
30	\$52.23
40	\$64.65
50	\$77.06
60	\$89.47
70	\$101.88
80	\$114.29
90	\$126.70
100	\$139.11
110	\$151.52
120	\$163.94
130	\$176.35
140	\$188.76
150	\$201.17
160	\$213.58
170	\$225.99
180	\$238.40
190	\$250.82
200	\$263.23
210	\$275.64
220	\$288.05
230	\$300.46
240	\$312.87
250	\$325.28
260	\$337.69
270	\$350.11
280	\$362.52
290	\$374.93
300	\$387.34

\* Includes an average monthly PGA of 92.92¢/Ccf and excludes taxes

**AmerenUE**  
**MISSOURI GAS OPERATIONS**  
**TYPICAL MONTHLY BILL COMPARISON**  
**SERVICE AREA SUPPLIED BY TEXAS EASTERN**  
**RESIDENTIAL**

<u>Ccf</u>	<u>Proposed *</u>
10	\$29.18
20	\$43.37
30	\$57.55
40	\$71.74
50	\$85.92
60	\$100.11
70	\$114.29
80	\$128.47
90	\$142.66
100	\$156.84
110	\$171.03
120	\$185.21
130	\$199.40
140	\$213.58
150	\$227.77
160	\$241.95
170	\$256.13
180	\$270.32
190	\$284.50
200	\$298.69
210	\$312.87
220	\$327.06
230	\$341.24
240	\$355.42
250	\$369.61
260	\$383.79
270	\$397.98
280	\$412.16
290	\$426.35
300	\$440.53

\* Includes an average monthly PGA of \$1.1065/Ccf and excludes taxes

**AmerenUE**  
**MISSOURI GAS OPERATIONS**  
**TYPICAL MONTHLY BILL COMPARISON**  
**SERVICE AREA SUPPLIED BY NATURAL GAS PIPELINE**  
**RESIDENTIAL**

<u>Ccf</u>	<u>Proposed *</u>
10	\$25.94
20	\$36.89
30	\$47.83
40	\$58.77
50	\$69.72
60	\$80.66
70	\$91.60
80	\$102.54
90	\$113.49
100	\$124.43
110	\$135.37
120	\$146.32
130	\$157.26
140	\$168.20
150	\$179.15
160	\$190.09
170	\$201.03
180	\$211.97
190	\$222.92
200	\$233.86
210	\$244.80
220	\$255.75
230	\$266.69
240	\$277.63
250	\$288.58
260	\$299.52
270	\$310.46
280	\$321.40
290	\$332.35
300	\$343.29

\* Includes an average monthly PGA of 78.24¢/Ccf and excludes taxes

**AmerenUE**  
**MISSOURI GAS OPERATIONS**  
**TYPICAL MONTHLY BILL COMPARISON**

SERVICE AREA SUPPLIED BY PANHANDLE EASTERN  
RESIDENTIAL (ROLLA SYSTEM)

<u>Ccf</u>	<u>Proposed *</u>
10	\$31.59
20	\$48.18
30	\$64.77
40	\$81.36
50	\$97.95
60	\$114.54
70	\$131.13
80	\$147.71
90	\$164.30
100	\$180.89
110	\$197.48
120	\$214.07
130	\$230.66
140	\$247.25
150	\$263.84
160	\$280.43
170	\$297.02
180	\$313.61
190	\$330.20
200	\$346.79
210	\$363.38
220	\$379.97
230	\$396.55
240	\$413.14
250	\$429.73
260	\$446.32
270	\$462.91
280	\$479.50
290	\$496.09
300	\$512.68

\* Includes an average monthly PGA of \$1.347/Ccf and excludes taxes

**AmerenUE**  
**MISSOURI GAS OPERATIONS**  
**TYPICAL MONTHLY BILL COMPARISON**  
**SERVICE AREA SUPPLIED BY PANHANDLE EASTERN**  
**GENERAL SERVICE**

<u>Ccf</u>	<u>Proposed *</u>
50	\$94.56
100	\$154.12
150	\$213.69
200	\$273.25
250	\$332.81
300	\$392.37
350	\$451.93
400	\$511.49
450	\$571.06
500	\$630.62
1,000	\$1,226.23
1,500	\$1,821.85
2,000	\$2,417.47
2,500	\$3,013.08
3,000	\$3,608.70
3,500	\$4,204.32
4,000	\$4,799.93
4,500	\$5,395.55
5,000	\$5,991.17
5,500	\$6,586.78
6,000	\$7,182.40
6,500	\$7,778.02
7,000	\$8,373.63
7,500	\$8,915.25
8,000	\$9,456.87
8,500	\$9,998.48
9,000	\$10,540.10
9,500	\$11,081.72
10,000	\$11,623.33
15,000	\$17,039.50
20,000	\$22,455.67
25,000	\$27,871.83

\* Includes an average monthly PGA of 92.92¢/Ccf and excludes taxes

**AmerenUE**  
**MISSOURI GAS OPERATIONS**  
**TYPICAL MONTHLY BILL COMPARISON**  
**SERVICE AREA SUPPLIED BY TEXAS EASTERN**  
**GENERAL SERVICE**

<u>Ccf</u>	<u>Proposed *</u>
50	\$103.43
100	\$171.85
150	\$240.28
200	\$308.71
250	\$377.13
300	\$445.56
350	\$513.99
400	\$582.41
450	\$650.84
500	\$719.27
1,000	\$1,403.53
1,500	\$2,087.80
2,000	\$2,772.07
2,500	\$3,456.33
3,000	\$4,140.60
3,500	\$4,824.87
4,000	\$5,509.13
4,500	\$6,193.40
5,000	\$6,877.67
5,500	\$7,561.93
6,000	\$8,246.20
6,500	\$8,930.47
7,000	\$9,614.73
7,500	\$10,245.00
8,000	\$10,875.27
8,500	\$11,505.53
9,000	\$12,135.80
9,500	\$12,766.07
10,000	\$13,396.33
15,000	\$19,699.00
20,000	\$26,001.67
25,000	\$32,304.33

\* Includes an average monthly PGA of \$1.1065/Ccf and excludes taxes

**AmerenUE**  
**MISSOURI GAS OPERATIONS**  
**TYPICAL MONTHLY BILL COMPARISON**  
**SERVICE AREA SUPPLIED BY NATURAL GAS PIPELINE**  
**GENERAL SERVICE**

<u>Ccf</u>	<u>Proposed *</u>
50	\$87.22
100	\$139.44
150	\$191.66
200	\$243.88
250	\$296.10
300	\$348.32
350	\$400.54
400	\$452.76
450	\$504.98
500	\$557.20
1,000	\$1,079.40
1,500	\$1,601.60
2,000	\$2,123.80
2,500	\$2,646.00
3,000	\$3,168.20
3,500	\$3,690.40
4,000	\$4,212.60
4,500	\$4,734.80
5,000	\$5,257.00
5,500	\$5,779.20
6,000	\$6,301.40
6,500	\$6,823.60
7,000	\$7,345.80
7,500	\$7,814.00
8,000	\$8,282.20
8,500	\$8,750.40
9,000	\$9,218.60
9,500	\$9,686.80
10,000	\$10,155.00
15,000	\$14,837.00
20,000	\$19,519.00
25,000	\$24,201.00

\* Includes an average monthly PGA of 78.24¢/Ccf and excludes taxes



**AmerenUE**  
**MISSOURI GAS OPERATIONS**  
**TYPICAL MONTHLY BILL COMPARISON**

**SERVICE AREA SUPPLIED BY PANHANDLE EASTERN**  
**GENERAL SERVICE (ROLLA SYSTEM)**

<u>Ccf</u>	<u>Proposed *</u>
50	\$115.45
100	\$195.90
150	\$276.36
200	\$356.81
250	\$437.26
300	\$517.71
350	\$598.16
400	\$678.61
450	\$759.07
500	\$839.52
1,000	\$1,644.03
1,500	\$2,448.55
2,000	\$3,253.07
2,500	\$4,057.58
3,000	\$4,862.10
3,500	\$5,666.62
4,000	\$6,471.13
4,500	\$7,275.65
5,000	\$8,080.17
5,500	\$8,884.68
6,000	\$9,689.20
6,500	\$10,493.72
7,000	\$11,298.23
7,500	\$12,048.75
8,000	\$12,799.27
8,500	\$13,549.78
9,000	\$14,300.30
9,500	\$15,050.82
10,000	\$15,801.33
15,000	\$23,306.50
20,000	\$30,811.67
25,000	\$38,316.83

\* Includes an average monthly PGA of \$1.347/Ccf and excludes taxes

**AmerenUE**  
**MISSOURI GAS OPERATIONS**  
**TYPICAL MONTHLY BILL COMPARISON**  
**SERVICE AREA SUPPLIED BY PANHANDLE EASTERN**  
**INTERRUPTIBLE SERVICE**

<u>Ccf</u>	<u>Proposed *</u>
1,000	\$1,499.13
2,000	\$2,598.27
3,000	\$3,697.40
4,000	\$4,796.53
5,000	\$5,895.67
6,000	\$6,994.80
7,000	\$8,093.93
8,000	\$9,077.07
9,000	\$10,060.20
10,000	\$11,043.33
12,500	\$13,501.17
15,000	\$15,959.00
17,500	\$18,416.83
20,000	\$20,874.67
22,500	\$23,332.50
25,000	\$25,790.33
27,500	\$28,248.17
30,000	\$30,706.00
35,000	\$35,621.67
40,000	\$40,537.33
45,000	\$45,453.00
50,000	\$50,368.67
55,000	\$55,284.33
60,000	\$60,200.00
65,000	\$65,115.67
70,000	\$70,031.33
75,000	\$74,947.00
80,000	\$79,862.67
85,000	\$84,778.33
90,000	\$89,694.00
95,000	\$94,609.67
100,000	\$99,525.33

\* Includes an average monthly PGA of 83.71¢/Ccf and excludes taxes

**AmerenUE**  
**MISSOURI GAS OPERATIONS**  
**TYPICAL MONTHLY BILL COMPARISON**  
**SERVICE AREA SUPPLIED BY TEXAS EASTERN**  
**INTERRUPTIBLE SERVICE**

<u>Ccf</u>	<u>Proposed *</u>
1,000	\$1,660.40
2,000	\$2,920.80
3,000	\$4,181.20
4,000	\$5,441.60
5,000	\$6,702.00
6,000	\$7,962.40
7,000	\$9,222.80
8,000	\$10,367.20
9,000	\$11,511.60
10,000	\$12,656.00
12,500	\$15,517.00
15,000	\$18,378.00
17,500	\$21,239.00
20,000	\$24,100.00
22,500	\$26,961.00
25,000	\$29,822.00
27,500	\$32,683.00
30,000	\$35,544.00
35,000	\$41,266.00
40,000	\$46,988.00
45,000	\$52,710.00
50,000	\$58,432.00
55,000	\$64,154.00
60,000	\$69,876.00
65,000	\$75,598.00
70,000	\$81,320.00
75,000	\$87,042.00
80,000	\$92,764.00
85,000	\$98,486.00
90,000	\$104,208.00
95,000	\$109,930.00
100,000	\$115,652.00

\* Includes an average monthly PGA of 99.84¢/Ccf and excludes taxes

**AmerenUE**  
**MISSOURI GAS OPERATIONS**  
**TYPICAL MONTHLY BILL COMPARISON**  
**SERVICE AREA SUPPLIED BY PANHANDLE EASTERN**  
**STANDARD TRANSPORTATION SERVICE**

<u>Ccf</u>	<u>Proposed *</u>
500	\$594.00
1,000	\$1,100.00
1,500	\$1,606.00
2,000	\$2,112.00
2,500	\$2,618.00
3,000	\$3,124.00
3,500	\$3,630.00
4,000	\$4,136.00
4,500	\$4,642.00
5,000	\$5,148.00
5,500	\$5,654.00
6,000	\$6,160.00
6,500	\$6,666.00
7,000	\$7,172.00
7,500	\$7,609.70
8,000	\$8,047.40
8,500	\$8,485.10
9,000	\$8,922.80
9,500	\$9,360.50
10,000	\$9,798.20
10,500	\$10,235.90
11,000	\$10,673.60
11,500	\$11,111.30
12,000	\$11,549.00
12,500	\$11,986.70
13,000	\$12,424.40
13,500	\$12,862.10
14,000	\$13,299.80
14,500	\$13,737.50
15,000	\$14,175.20
15,500	\$14,612.90
16,000	\$15,050.60

\* Includes an average monthly gas cost of 75.00¢/Ccf and excludes taxes

**AmerenUE**  
**MISSOURI GAS OPERATIONS**  
**TYPICAL MONTHLY BILL COMPARISON**  
**SERVICE AREA SUPPLIED BY TEXAS EASTERN**  
**STANDARD TRANSPORTATION SERVICE**

<u>Ccf</u>	<u>Proposed *</u>
500	\$594.00
1,000	\$1,100.00
1,500	\$1,606.00
2,000	\$2,112.00
2,500	\$2,618.00
3,000	\$3,124.00
3,500	\$3,630.00
4,000	\$4,136.00
4,500	\$4,642.00
5,000	\$5,148.00
5,500	\$5,654.00
6,000	\$6,160.00
6,500	\$6,666.00
7,000	\$7,172.00
7,500	\$7,609.70
8,000	\$8,047.40
8,500	\$8,485.10
9,000	\$8,922.80
9,500	\$9,360.50
10,000	\$9,798.20
10,500	\$10,235.90
11,000	\$10,673.60
11,500	\$11,111.30
12,000	\$11,549.00
12,500	\$11,986.70
13,000	\$12,424.40
13,500	\$12,862.10
14,000	\$13,299.80
14,500	\$13,737.50
15,000	\$14,175.20
15,500	\$14,612.90
16,000	\$15,050.60

\* Includes an average monthly gas cost of 75.00¢/Ccf and excludes taxes

**AmerenUE**  
**MISSOURI GAS OPERATIONS**  
**TYPICAL MONTHLY BILL COMPARISON**

**SERVICE AREA SUPPLIED BY PANHANDLE EASTERN**  
**(ROLLA SYSTEM)**  
**SMALL VOLUME TRANSPORTATION SERVICE**

<u>Ccf</u>	<u>Proposed *</u>
500	\$594.00
1,000	\$1,100.00
1,500	\$1,606.00
2,000	\$2,112.00
2,500	\$2,618.00
3,000	\$3,124.00
3,500	\$3,630.00
4,000	\$4,136.00
4,500	\$4,642.00
5,000	\$5,148.00
5,500	\$5,654.00
6,000	\$6,160.00
6,500	\$6,666.00
7,000	\$7,172.00
7,500	\$7,609.70
8,000	\$8,047.40
8,500	\$8,485.10
9,000	\$8,922.80
9,500	\$9,360.50
10,000	\$9,798.20
10,500	\$10,235.90
11,000	\$10,673.60
11,500	\$11,111.30
12,000	\$11,549.00
12,500	\$11,986.70
13,000	\$12,424.40
13,500	\$12,862.10
14,000	\$13,299.80
14,500	\$13,737.50
15,000	\$14,175.20
15,500	\$14,612.90
16,000	\$15,050.60

\* Includes an average monthly gas cost of 75.00¢/Ccf and excludes taxes

**AmerenUE**  
**MISSOURI GAS OPERATIONS**  
**TYPICAL MONTHLY BILL COMPARISON**  
**SERVICE AREA SUPPLIED BY PANHANDLE EASTERN**  
**LARGE VOLUME TRANSPORTATION SERVICE**

<u>Ccf</u>	<u>Proposed *</u>
1,000	\$2,552.00
3,000	\$4,576.00
5,000	\$6,600.00
7,000	\$8,624.00
10,000	\$11,229.80
15,000	\$15,572.80
20,000	\$19,915.80
25,000	\$24,258.80
30,000	\$28,601.80
35,000	\$32,944.80
40,000	\$37,287.80
45,000	\$41,630.80
50,000	\$45,973.80
60,000	\$54,659.80
70,000	\$63,345.80
80,000	\$72,031.80
90,000	\$80,717.80
100,000	\$89,403.80
110,000	\$98,089.80
120,000	\$106,775.80
130,000	\$115,461.80
140,000	\$124,147.80
150,000	\$132,833.80
160,000	\$141,519.80
170,000	\$150,205.80
180,000	\$158,891.80
190,000	\$167,577.80
200,000	\$176,263.80
210,000	\$184,949.80
220,000	\$193,635.80
230,000	\$202,321.80
240,000	\$211,007.80

\* Includes an average monthly gas cost of 75.00¢/Ccf and excludes taxes

**AmerenUE**  
**MISSOURI GAS OPERATIONS**  
**TYPICAL MONTHLY BILL COMPARISON**  
**SERVICE AREA SUPPLIED BY TEXAS EASTERN**  
**LARGE VOLUME TRANSPORTATION SERVICE**

<u>Ccf</u>	<u>Proposed *</u>
1,000	\$2,552.00
3,000	\$4,576.00
5,000	\$6,600.00
7,000	\$8,624.00
10,000	\$11,229.80
15,000	\$15,572.80
20,000	\$19,915.80
25,000	\$24,258.80
30,000	\$28,601.80
35,000	\$32,944.80
40,000	\$37,287.80
45,000	\$41,630.80
50,000	\$45,973.80
60,000	\$54,659.80
70,000	\$63,345.80
80,000	\$72,031.80
90,000	\$80,717.80
100,000	\$89,403.80
110,000	\$98,089.80
120,000	\$106,775.80
130,000	\$115,461.80
140,000	\$124,147.80
150,000	\$132,833.80
160,000	\$141,519.80
170,000	\$150,205.80
180,000	\$158,891.80
190,000	\$167,577.80
200,000	\$176,263.80
210,000	\$184,949.80
220,000	\$193,635.80
230,000	\$202,321.80
240,000	\$211,007.80

\* Includes an average monthly gas cost of 75.00¢/Ccf and excludes taxes



**AmerenUE**  
MISSOURI GAS OPERATIONS  
CLASS COST OF SERVICE ALLOCATION STUDY  
12 MONTHS ENDED JUNE 2006

**TITLE: COST OF SERVICE SUMMARY (Current Rates)**

LINE #	ITEM	TOTAL				TRANSPORTATION SERVICE	
		MISSOURI	RESIDENTIAL	GENERAL	INTERRUPTIBLE	STANDARD	LARGE VOLUME
1							
2	<u>COST OF SERVICE SUMMARY</u>						
3							
4	GAS OPERATING REVENUE						
5	Sale of Gas	\$ 56,213,886	\$ 34,867,638	\$ 13,249,271	\$ 851,473	\$ 3,127,331	\$ 4,118,173
6	Special Contract Revenues	\$ 963,856	\$ 604,954	\$ 248,775	\$ 15,640	\$ 43,484	\$ 51,003
7	Other Operating Revenues	<u>\$ 2,163,673</u>	<u>\$ 1,713,678</u>	<u>\$ 341,156</u>	<u>\$ 13,633</u>	<u>\$ 44,896</u>	<u>\$ 50,310</u>
8							
9	TOTAL GAS OPERATING REVENUES	\$ 59,341,415	\$ 37,186,270	\$ 13,839,201	\$ 880,746	\$ 3,215,711	\$ 4,219,487
10							
11	EXPENSES:						
12	Total Gas O&M Expenses	\$ 29,708,819	\$ 21,427,122	\$ 5,747,010	\$ 311,536	\$ 1,020,776	\$ 1,202,375
13	Depreciation Expense	\$ 6,940,919	\$ 4,507,491	\$ 1,692,403	\$ 90,953	\$ 299,489	\$ 350,583
14	Taxes Other than Income Taxes	\$ 6,290,533	\$ 4,020,145	\$ 1,538,349	\$ 83,331	\$ 300,317	\$ 348,391
15							
16	INCOME TAXES	<u>\$ 8,340,910</u>	<u>\$ 5,275,701</u>	<u>\$ 2,073,584</u>	<u>\$ 111,861</u>	<u>\$ 407,409</u>	<u>\$ 472,355</u>
17							
18	NET UTILITY OPERATING INCOME	\$ 8,060,234	\$ 1,955,810	\$ 2,787,855	\$ 283,065	\$ 1,187,721	\$ 1,845,784
19							
20	RATE BASE	\$ 218,130,143	\$ 136,907,059	\$ 56,300,163	\$ 3,539,521	\$ 9,840,831	\$ 11,542,569
21							
22	RATE OF RETURN - REALIZED	3.70	1.43	4.95	8.00	12.07	15.99

AmerenUE  
MISSOURI GAS OPERATIONS  
SUMMARY OF CLASS COST OF SERVICE RESULTS  
12 MONTHS ENDED JUNE 2006

	Class Cost of Service Results			
	<u>Current Rates</u>	<u>Equal ROR</u>	<u>Change</u>	<u>%</u>
Residential	\$ 34,867,638	\$ 44,472,969	\$ 9,605,331	27.5%
General	\$ 13,249,271	\$ 15,357,522	\$ 2,108,251	15.9%
Interruptible	\$ 851,473	\$ 896,496	\$ 45,023	5.3%
Standard Transportation	\$ 3,127,331	\$ 2,754,812	\$ (372,519)	-11.9%
Large Volume Transportation	<u>\$ 4,118,173</u>	<u>\$ 3,235,410</u>	<u>\$ (882,763)</u>	-21.4%
Subtotal	\$ 56,213,886	\$ 66,717,209	\$ 10,503,323	18.7%
Special Contract	\$ 963,856	\$ 963,856	\$ -	0.0%
Other Revenues	<u>\$ 2,163,673</u>	<u>\$ 2,513,498</u>	<u>\$ 349,825</u>	<u>16.2%</u>
Total	<u>\$ 59,341,415</u>	<u>\$ 70,194,563</u>	<u>\$ 10,853,148</u>	<u>18.3%</u>

AmerenUE  
MISSOURI GAS OPERATIONS  
SUMMARY OF CLASS COST OF SERVICE RESULTS  
12 MONTHS ENDED JUNE 2006

	Class Cost of Service Results			
	<u>Current Rates</u>	<u>Mitigated</u>	<u>Change</u>	<u>%</u>
Residential	\$ 34,867,638	\$ 43,221,833	\$ 8,354,195	24.0%
General	\$ 13,249,271	\$ 15,357,087	\$ 2,107,816	15.9%
Interruptible	\$ 851,473	\$ 897,031	\$ 45,558	5.4%
Standard Transportation	\$ 3,127,331	\$ 3,124,281	\$ (3,050)	-0.1%
Large Volume Transportation	<u>\$ 4,118,173</u>	<u>\$ 4,116,387</u>	<u>\$ (1,786)</u>	0.0%
Subtotal	\$ 56,213,886	\$ 66,716,619	\$ 10,502,733	18.7%
Special Contract	\$ 963,856	\$ 963,856	\$ -	0.0%
Other Revenues	<u>\$ 2,163,673</u>	<u>\$ 2,513,498</u>	<u>\$ 349,825</u>	<u>16.2%</u>
Total	<u>\$ 59,341,415</u>	<u>\$ 70,193,973</u>	<u>\$ 10,852,558</u>	<u>18.3%</u>