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STATE OF MISSOURI
PUBLIC SERVICE COMMISSION

At a Session of the Public Service Commission held at its office in Jefferson City on the 10th day of August, 1999.

In the Matter of Union Electric Company's Purchased Gas Adjustment Factors to be Audited in its 1997-1998 Actual Cost Adjustment.	))))	**Case No. GR-97-545**

ORDER ESTABLISHING ACA BALANCE AND CLOSING CASE

This case was opened for the purpose of receiving the 1997-98 Purchased Gas Adjustment filings and Actual Cost Adjustment filing of Union Electric Company (UE or Company). On July 29, 1999, the Procurement Analysis Department of the Staff of the Commission (Staff) filed a memorandum indicating that Staff has reviewed the 1997-1998 Actual Cost Adjustment (ACA) filing of UE filed October 16, 1998. Staff stated that UE's filing contains the Company's calculations of the ACA and Refund and recovery balances. Staff's review consisted of analysis of the billed revenues and actual gas costs included in the company's computation of the ACA rates.

Staff stated that UE separates its gas operations into the following pipeline service areas: Panhandle Eastern Pipe Line (PEPL), Texas Eastern Transmission Corporation (TETCO) and Natural Gas Pipeline Company of America (NGPL). PEPL serves approximately 79,900 customers in the Jefferson City/Columbia area. TETCO serves approximately 19,000 customers in the Cape Girardeau area, and NGPL serves approximately 2000 customers in the town of Advance. Staff further stated that a comparison of billed revenue recovery with actual gas costs will result in an over-recovery or under-recovery of the ACA and Refund balances. Staff also noted that an examination of UE's gas purchasing practices was also performed to determine the prudence of the Company's purchasing decisions. Based upon its review, Staff indicated that no adjustments to the ACA or refund balances were necessary.

Staff recommended that the Commission issue an order requiring UE to establish the ACA account balances in its next ACA filing to reflect the over or under ACA and refund balances to be refunded to the ratepayers or collected from the ratepayers as of March 31, 1998. Staff also recommends that the Company be ordered to file a written response to Staff's recommendation within 30 days. On August 3, UE filed its response stating that UE concurs with Staff's recommendation.

The Commission has reviewed the memorandum filed by Staff and the response filed by the Company. The Commission determines that the ending balances shown on Staff's recommendation are reasonable and should be approved. The Commission further determines that this case should be closed.

IT IS THEREFORE ORDERED:

1. That Union Electric Company establish the Actual Cost Adjustment account balances in its next Actual Cost Adjustment filing to reflect the over or under Actual Cost Adjustment and refund balances to be refunded to the ratepayers or collected from the ratepayers as of March 31, 1998:

	Balance per UE Filing	Staff Adjustments	Ending Balances
Natural Gas Pipeline Co. of America: Firm Sales ACA	$ (159,832)		$ (159,832)
Firm Refund	$ 2,881		$ 2,881
Panhandle Eastern Pipe Line Co: Firm Sales ACA	$ (2,579,152)		$(2,579,152)
Interruptible Sales ACA	$ 68,450		$ 68,450
Transportation	$ 11,363		$ 11,363
Firm Refund	$ (710,278)		$ (710,278)
Interruptible Refund	$ (19,802)		$ (19,802)
Texas Eastern Transmission Corp: Firm Sales	$ (545,065)		$ (545,065)
Interruptible Sales	$ (18,747)		$ (18,747)
Transportation	$ (354)		$ (354)
Firm Refund	$ (8,729)		$ (8,729)
Interruptible Refund	$ (622)		$ (622)
Transportation Refund	0		0

2. That this order shall become effective on August 20, 1999.

3. That this case may be closed on August 23, 1999.

BY THE COMMISSION

Dale Hardy Roberts

Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge

(S E A L)

Lumpe, Ch., Schemenauer, and Drainer, CC., concur
Crumpton and Murray, CC., absent

Register, Regulatory Law Judge