STATE OF MISSOURI PUBLIC SERVICE COMMISSION

At a Session of the Public Service Commission held at its office in Jefferson City on the 23rd day of September, 1997.

In the matter of Union Electric Company's)
Purchased Gas Adjustment factors to be audited) Case No. GR-97-545 in its 1997-1998 Actual Cost Adjustment.)

ORDER APPROVING INTERIM RATES

Union Electric Company (UE or Company) of St. Louis, Missouri, submitted tariff sheets to the Missouri Public Service Commission (Commission) on September 11, 1997, carrying an effective date of September 26, 1997. The tariff sheets are designed to change Purchased Gas Adjustment (PGA) factors due to an increase in the cost of natural gas and the implementation of the Price Stabilization Charge in all of its districts.

On July 18, 1997, in a related case, Case No. GO-97-405, the Commission approved a <u>Stipulation and Agreement</u> (Stipulation) which provides, among other things, for a Price Stabilization Charge. In order to implement the Price Stabilization Charge in this filing, a revision of the PGA is necessary.

The area served by Panhandle Eastern Pipe Line Company will experience a net increase in UE's annualized revenues of approximately \$1.9 million. The impact on a typical residential space heating customer using 42 Ccf of natural gas in the month of October will be an increase of \$0.86, or 3.4%.

The area served by Texas Eastern Transmission Corporation will experience a net increase in UE's annualized revenues of approximately \$0.7 million. The impact on a typical residential space heating customer using 42 Ccf of natural gas in the month of October will be an increase of \$1.31, or 5.0%.

The area served by Natural Gas Pipeline will experience a net increase in UE's annualized revenues of approximately \$73,000. The impact on a typical residential space heating customer using 42 Ccf of natural gas in the month of October will be an increase of \$1.91 or 7.4%.

The Staff of the Commission (Staff) filed a memorandum stating that the changes in UE's PGA were calculated in conformance with the Company's approved PGA Clause and recommends that the Commission approve the tariff sheets to become effective on September 26, 1997. Staff stated that UE's PGA Clause allows for fifteen (15) days notice for filings reflecting PGA changes. Staff recommended that the tariff sheets be approved on an interim basis, subject to refund, until the Commission makes its final determinations in Case Nos. GR-96-430 and GR-97-545.

The Commission has reviewed the tariff sheets and Staff's recommendation, and finds that the tariff sheets conform to the Company's Commission-approved PGA Clause and are therefore reasonable. After considering Staff's recommendation and for good cause shown pursuant to Section 393.140(11), RSMo 1994, the Commission is of the opinion that the proposed tariff sheets should be approved to become effective on and after the requested effective date of September 26, 1997, interim subject to refund.

IT IS THEREFORE ORDERED:

1. That the tariff sheets submitted on September 11, 1997, by Union Electric Company of St. Louis, Missouri, are approved on an interim basis, subject to refund, to become effective on September 26, 1997. The tariff sheets approved are:

P.S.C. Mo. No. 2 72nd Revised SHEET No. 30, Cancelling 71st Revised SHEET No. 30 78th Revised SHEET No. 31, Cancelling 77th Revised SHEET No. 31 73rd Revised SHEET No. 32, Cancelling 72nd Revised SHEET No. 32

2. That this order shall become effective September 26, 1997.

BY THE COMMISSION

Cecil I. Wright

Executive Secretary

(S E A L)

Lumpe, Chm., Drainer, and Murray, CC., Concur. Crumpton, C., Dissent.

ALJ: Luckenbill