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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 28th day of May, 1997.

In the matter of Union Electric Company's)		
Purchased Gas Adjustment factors to be audited)	Case No.	GR-96-430
in its 1996-1997 Actual Cost Adjustment.)		

ORDER APPROVING INTERIM RATES

Union Electric Company (UE) of St. Louis, Missouri, submitted three tariff sheets to the Commission on May 14, 1997, carrying an effective date of May 29, 1997. The tariff sheets are designed to change UE's Total Purchased Gas Adjustment (Total PGA) factors. The Total PGA factors recover the cost of gas purchased for UE's sales customers. The Total PGA factors consist of three separate types of factors. The first is the Regular Purchased Gas Adjustment (RPGA) factor which is designed to recover the current cost of gas delivered to the Company's local distribution The second is the Refund Adjustment (RA) factor which is designed system. to distribute to sales customers monies refunded from upstream suppliers The third is the Actual Cost Adjustment (ACA) factor and transporters. which represents the annual reconciliation of gas cost revenue recovery with the actual cost of gas.

The area served by Panhandle Eastern Pipe Line Company will experience a net decrease in annualized revenues of approximately \$4,340,000. This district has proposed changes each of the RPGA, the RA and ACA factors. The impact of the Total PGA factor rate change on a typical residential space heating customer using 36 Ccf of natural gas in the month of June will be a decrease of \$1.10, or 4.9%. In the computation

of the PEPL district's Refund Adjustment factors, UE has retained \$50,713. In support of this retention, the Company cites the Stipulation and Agreement (Stipulation) approved by the Commission in UE's ACA Case No. GR-93-106. UE claims that the refunds it is currently distributing relate primarily to demand charges addressed in the Stipulation.

The area served by Texas Eastern Transmission Corporation will experience a net change in UE's annualized revenues of approximately \$116,400. This district has proposed changes in each of its RPGA, RA and ACA factors. The impact of the Total PGA factor change on a typical residential space heating customer using 36 Ccf of natural gas in the month of June will be a decrease of \$0.05, or 0.2%.

The area served by Natural Gas Pipeline will experience an decrease in annualized revenues of approximately \$9,500. The change to this district's Total PGA factor is due to the annual ACA factor filing and affects only the Firm Sales service customers. The impact of the Total PGA factor change on a typical residential space heating customer using 36 Ccf of natural gas in the month of June will be a decrease of \$1.99, or 8.4%.

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 May 29, 1997.

Staff stated that UE's PGA Clause allows for fifteen (15) days notice for filings reflecting PGA changes. Staff recommended that the tariff sheet be approved on an interim basis, subject to refund, until the Commission makes its final determination in Case No. GR-96-430.

Staff also requested permission to review UE's refund retention of \$50,713 in the applicable ACA filing in an effort to pass through the majority of the refunds as expeditiously as possible, because of the volume of supporting documentation presented and because of the probability of additional discovery needed by the Commission's Procurement Analysis Department (PAD).

Staff also requested permission to submit its evaluation and recommendation of the data contained in this ACA filing, on or before March 1, 1998.

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 request, 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 May 29, 1997, interim subject to refund.

IT IS THEREFORE ORDERED:

1. That the tariff sheets submitted on May 14, 1997, by Union Electric Company of St. Louis, Missouri, is approved on an interim basis, subject to refund, to become effective on May 29, 1997. The tariff sheets approved are:

P.S.C. MO. No. 2 70th Revised Sheet No. 30, Cancelling 69th Revised Sheet No. 30 75th Revised Sheet No. 31, Cancelling 74th Revised Sheet No. 31 71st Revised Sheet No. 32, Cancelling 70th Revised Sheet No. 32

- 2. That the Commission's Procurement Analysis Department review UE's retention of \$50,713 of refunds in the ACA audit of Case No. GR-96-430.
- 3. That the Commission's Procurement Analysis Department be given the time necessary to conduct its audit of this ACA period and submit its results and recommendation regarding this ACA on or before March 1, 1998.

4. That this order shall become effective May 29, 1997.

BY THE COMMISSION

Cail July

Cecil I. Wright
Executive Secretary

(S E A L)

Crumpton, Drainer, and Murray, CC., Concur. Zobrist, Chm., Absent. ALJ: Derque

Cancelling P.S.C. Mo. No. 2 69th Revised SHEET No. 30

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 for gas sold or delivered to customers in this portion of the Company's service area, are as follows:

Service Area Served by Panhandle Eastern:

	Firm Sales*	Interruptible Sales*	Transport: Reserved	Non-Reserved
RPGA:	37.04 ¢/Ccf	24.33 ¢/Ccf	15.85¢/Ccf	0.59¢/Ccf
ACA:	-1.74¢/Ccf	-0.25¢/Ccf		0.13¢/Ccf
<u>RA</u> : Eff: 5/29/97	-3.47¢/Ccf	-0.64¢/Ccf		
TOTAL PGA	31.83¢/Ccf	23.44¢/Ccf	<u>15.85¢/Ccf</u>	0.72¢/Ccf

* Indicates Change

DATE OF ISSUE May 14, 1997 DATE EFFECTIVE May 29, 1997 ISSUED BY C. W. Mueller President & CEO St. Louis, Missouri Name of Officer Title

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

UNION ELECTRIC COMPANY **GAS SERVICE**

MISSOURI SERVICE AREA Applying to ___

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 for gas sold or delivered to customers in this portion of the Company's service area, are as follows:

Service Area Served by Texas Eastern:

	Firm	Interruptible Transportation S		ation Service*
	Sales*	Sales*	Reserved	Non-Reserved
RPGA:	37.70 ¢/Ccf	26.97 ¢/Ccf	11.98¢/Ccf	0.00¢/ccf
ACA:	-1.74¢/Ccf	0.67¢/Ccf		
<u>RA</u> : Eff: 5/29/97	-0.10¢/Ccf	-0.01¢/Ccf		
TOTAL PGA	<u>35.86¢/Ccf</u>	27.63¢/Ccf	<u>11.98¢/Ccf</u>	0.00¢/Ccf

*Indicates Change

DATE OF ISSUE May 14, 1997 DATE EFFECTIVE May 29, 1997 ISSUED BY C. W. Mueller President & CEO St. Louis, Missouri Name of Officer

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

70th Revised SHEET No. 32

UNION ELECTRIC COMPANY **GAS SERVICE**

Applying to	MISSOURI SERVICE AREA
Applying to	WIGOCOTT CERTICE ATTER

RIDER A

PURCHASED GAS ADJUSTMENT CLAUSE

PGA Statement

The PGAs (in $\ensuremath{^{\circ}/\text{Ccf}}$) to be applied to the Company's basic rate schedules on and after the effective date of this tariff for gas sold or delivered to customers in this portion of the Company's service area, are as follows:

Service Area Served by Natural Gas Pipeline:

	Firm	Interruptible	Transportation Service*		
	Sales*	Sales*	Reserved	Non-Reserved	
RPGA:	32.17 ¢/Ccf	22.90 ¢/Ccf	10.52¢/Ccf	0.00¢/Ccf	
ACA:	0.45¢/Ccf				
<u>RA</u> :				***************************************	
TOTAL PGA	32.62¢/Ccf	22.90¢/Ccf	<u>10.52¢/Ccf</u>	<u>0.00¢/Ccf</u>	

* Indicates Change

DATE EFFECTIVE May 29, 1997 **DATE OF ISSUE** May 14, 1997

ISSUED BY

C. W. Mueller Name of Officer

President & CEO

St. Louis, Missouri