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July 7, 2006

Ms. Colleen Dale
Secretary and Chief Regulatory Law Judge
Missouri Public Service Commission
P.O. Box 360
Jefferson City, Missouri 65102

Re: Union Electric Company d/b/a AmerenUE (AmerenUE), Case No. GR-2007-0003

Dear Ms. Dale:

Accompanying this letter for filing in Case No. GR-2007-0003 via the Commission's Electronic Filing and Information System (EFIS) are certain tariff sheets consisting of gas rate schedules which are designed to increase AmerenUE's gross annual gas revenues by approximately \$10,852,000, exclusive of applicable gross receipts, sales, franchise or occupational fees or taxes. Case No. GR-2007-0003 was established on July 3, 2006 upon AmerenUE's filing of a Motion to Open Case and Motion to Establish Protective Order in anticipation of filing these rate schedules. The rate schedules bear a date of issue of July 7, 2006, and an effective date of August 6, 2006.

The test year employed by the Company is the 12 months ending June 30, 2006, using 9 months of actual data and 3 months of forecasted data, as well as certain pro forma adjustments to include known and measurable items through September 30, 2006. The Company intends to file, on or before September 30, 2006, supplemental direct testimony to the extent needed to take into account actual results from the last three months of the test year (April, May and June 2006). The Company also proposes to update the test year through September 30, 2006 for appropriate known and measurable items.

The rate increase sought by this filing is driven by several factors. These include infrastructure improvements and increases in operating expenses and other costs associated with providing safe and reliable gas service to AmerenUE's approximately 125,000 natural gas customers in Missouri.

Also included in this filing is a letter from Steven R. Sullivan, Sr. Vice President, General Counsel and Secretary, which sets forth a list of the rate schedules being provided and explains the purpose of the filing. This filing also includes all of the Minimum Filing Requirements prescribed by 4 CSR 240-3.030(3)(B). The depreciation study required by 4 CSR 240-3.235 is included as Schedule JFW-G1 to the direct testimony of Company witness John F. Wiedmayer,

and the database and property unit catalog have been submitted to the Commission's Staff, as required by that Rule.

As required by 4 CSR 240-2.065(1), this filing includes AmerenUE's direct testimony relating to this general rate increase request. Direct Testimony is provided by the following witnesses:

| | |
|---------------------|--|
| Richard J. Mark | Low Income Programs, Customer Service |
| Scott A. Glaeser | Combining PGA Rates, Gas Supply |
| Stephen R. Colyer | Gas Operations, Plant Additions, ISRS |
| Gary S. Weiss | Revenue Requirement |
| Kathleen C. McShane | Return on Equity |
| Lee R. Nickloy | Cost of Capital, Capital Structure |
| C. Kenneth Vogl | Pensions, OPEBs |
| Michael Adams | Cash Working Capital |
| Wilbon L. Cooper | Rate Design |
| William M. Warwick | Class Cost of Service Study |
| James R. Pozzo | Weather Normalization and Normalized Billing Units |
| John F. Wiedmayer | Depreciation |

A separate document entitled "AmerenUE Direct Testimony Executive Summaries" is also being filed concurrently herewith.

As required by 4 CSR 240-3.225, the Company, as part of this filing, is also providing to the Commission's Staff and the Office of the Public Counsel a depreciation study and property unit catalog, which is attached to Mr. Wiedmayer's testimony as Schedule JFW-G1.

I request that you please bring this filing to the attention of the appropriate Commission personnel and see that a copy of all correspondence, notices, orders or other communications in connection with this matter and proceeding are furnished to the following persons:

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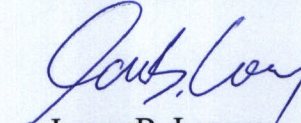
Ms. Colleen Dale

July 7, 2006

Page 3 of 3

Thank you for your assistance with this filing. Should you have any questions, please contact me.

Sincerely,



James B. Lowery

cc: MPSC General Counsel
Office of the Public Counsel

AmerenUE

Steven R. Sullivan
Senior Vice President,
General Counsel & Secretary

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July 7, 2006

Ms. Colleen Dale
Secretary and Chief Regulatory Law Judge
Missouri Public Service Commission
P.O. Box 360
Jefferson City, Missouri 65102

Re: Union Electric Company d/b/a AmerenUE (AmerenUE)
Case No. GR-2007-0003

Dear Ms. Dale:

Accompanying this letter for filing via the Commission's Electronic Filing and Information System (EFIS) are tariff sheets consisting of revised rate schedules which are designed to increase AmerenUE's gross annual gas revenues by approximately \$10,852,000, exclusive of applicable gross receipts, sales, franchise or occupational fees or taxes.

AmerenUE's revenue requirement was determined based upon a test year ending June 30, 2006, using 9 months of actual data and 3 months of forecasted data, as well as certain pro-forma adjustments to include known and measurable items through September 30, 2006. The Company intends to file, on or before September 30, 2006, supplemental direct testimony to the extent needed to take into account actual results from the last three months of the test year (April, May and June 2006). The Company also proposes to update the test year through September 30, 2006 for appropriate known and measurable items.

Also included herein or in Schedules to this Letter is the information required by 4 CSR 240-3.030(3)(B) and 4 CSR 240-3.225, as follows:

3(B)1. The aggregate amount of annual revenue which would result from the application of the rates proposed in the attached rate schedules would be \$10,852,000 more than the annual revenue under the existing rates. This would represent a 18.3% increase on base revenues and a 6.4% increase on total revenues, including PGA revenues.

3(B)2. See Schedule 1

3(B)2. See Schedule 2

3(B)3. See Schedule 3

3(B)4. See Schedule 4

3(B)5. See Schedule 5

3(B)6. See attached Press Release being issued by AmerenUE concurrently with this filing.

3(B)7. The rate increase sought by this filing is needed for the following reasons:

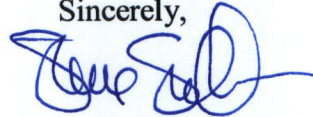
- Infrastructure improvements;
- Increased operating expenses, including wages and employee benefits.

The gas rate schedules being changed or added are a part of the testimony of Wilbon L. Cooper and can be found in Mr. Cooper's Schedule WLC-G1. A summary of these tariffs is attached to this letter as Schedule 6.

All of the rate schedules bear an issue date of July 7, 2006, to be effective August 6, 2006.

Thank you for seeing that these rate schedules are properly filed.

Sincerely,



cc: Missouri Public Service Commission General Counsel
Office of the Public Counsel



AMERENUE - COUNTIES SERVED - GAS

AUDRAIN
BOLLINGER
BOONE
BUTLER
CALLAWAY
CAPE GIRARDEAU
COLE
COOPER
DENT
GASCONADE
HOWARD
LINCOLN
MILLER
MISSISSIPPI
MONITEAU
MONTGOMERY
MORGAN
PHELPS
PIKE
RALLS
RANDOLPH
ST. CHARLES
SALINE
SCOTT
STODDARD
WARREN

AMERENUE - COMMUNITIES SERVED - GAS

| | |
|----------------|----------------|
| Advance | Jefferson City |
| Ashland | Jonesburg |
| Auxvasse | Kelso |
| Bell City | Laddonia |
| Bellflower | Lohman |
| Blackwater | Louisiana |
| Bloomfield | Marble Hill |
| Boonville | Martinsburg |
| Cairo | Mexico |
| California | Moberly |
| Cape Girardeau | Moscow Mills |
| Center | Nelson |
| Centertown | New Bloomfield |
| Centralia | New Franklin |
| Clark | New London |
| Clarksville | Old Monroe |
| Columbia | Olean |
| Curryville | Prairie Home |
| Delta | Renick |
| Dexter | Rocheport |
| Eldon | Russellville |
| Elsberry | St. Martins |
| Essex | Scott City |
| Farber | Silex |
| Fisk | Stover |
| Flint Hill | Sturgeon |
| Foley | Troy |
| Foristell | Truesdale |
| Franklin | Truxton |
| Glenallen | Vandalia |
| Hallsville | Vandiver |
| Hartsburg | Vanduser |
| Hawk Point | Versailles |
| Higbee | Wardsville |
| High Hill | Warrenton |
| Holts Summit | Wellsville |
| Huntsville | Wentzville |
| Jamestown | Winfield |
| | Wright City |

UNION ELECTRIC COMPANY
Missouri Gas Operations
Number of Customers Affected by General
Category of Service and Rate Classification*
As of June 30, 2006

| <u>Service and Rate Classification*</u> | <u>Number of Customers</u> |
|--|-----------------------------------|
| Residential Service | |
| UE Legacy System | 107,143 |
| Rolla System | 3,347 |
| Residential Service Total | 110,490 |
| General Service | |
| UE Legacy System | 12,232 |
| Rolla System | 464 |
| General Service Total | 12,696 |
| Interruptible Service | 15 |
| Transportation Service | |
| Standard Transportation | |
| UE Legacy System | 238 |
| Rolla System | 4 |
| Standard Transportation Total | 242 |
| Large Volume Transportation | 18 |
| Transportation Service Total | 260 |
| Special Contract | 16 |
| TOTAL CUSTOMERS | <u>123,476</u> |

* Union Electric Company's general categories of service and rate classifications for natural gas service are substantially the same.

UNION ELECTRIC COMPANY
Missouri Gas Operations
Average Annual Change Requested in Dollars
and Percentage Change from Current Rates*

| <u>Service and Rate Classification**</u> | <u>Average Annual Change</u> | <u>Percentage Change</u> |
|---|-------------------------------------|---------------------------------|
| Residential Service | | |
| UE Legacy System | \$ 74 | 7.6% |
| Rolla System | \$ 122 | 12.3% |
| Residential Service Total | \$ 76 | 7.8% |
| General Service | | |
| UE Legacy System | \$ 161 | 4.0% |
| Rolla System | \$ 306 | 6.2% |
| General Service Total | \$ 166 | 4.1% |
| Interruptible Service | \$3,020 | 0.9% |
| Standard Transportation Service | | |
| UE Legacy System | \$ (34) | (0.1)% |
| Rolla System | \$ 1,256 | 17.6% |
| Standard Transportation Total | \$ (13) | 0.0% |
| Large Transportation Service | | |
| UE Legacy System | \$ (99) | 0.0% |

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

** Union Electric Company's general categories of service and rate classifications for natural gas service are substantially the same.

UNION ELECTRIC COMPANY
Missouri Gas Operations
Proposed Annual Aggregate Change and
Percentage Change in Revenues from Current Rates*

| <u>Service and Rate Classification**</u> | <u>Annual Aggregate Change</u> | <u>Percentage Change</u> |
|---|---------------------------------------|---------------------------------|
| Residential Service | | |
| UE Legacy System | \$ 7,946,737 | 7.6% |
| Rolla System | \$ 407,458 | 12.3% |
| Residential Service Total | \$ 8,354,195 | 7.8% |
| General Service | | |
| UE Legacy System | \$ 1,965,854 | 4.0% |
| Rolla System | \$ 141,962 | 6.2% |
| General Service Total | \$ 2,107,816 | 4.1% |
| Interruptible Service | \$ 45,558 | 0.9% |
| Transportation Service | | |
| Standard Transportation | | |
| UE Legacy System | \$ (8,074) | (0.1)% |
| Rolla System | \$ 5,024 | 17.6% |
| Standard Transportation Total | \$ (3,050) | 0.0% |
| Large Volume Transportation | \$ (1,786) | 0.0% |
| Other Gas Revenues*** | \$ 349,825 | 16.2% |
| TOTAL | <u>\$ 10,852,558</u> | **** <u>6.4%</u> |

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

** Union Electric Company's general categories of service and rate classifications for natural gas service are substantially the same.

*** Includes revenues from late payments, special contract customers, and Miscellaneous Charges.

**** Excludes assumed price of gas for Transportation Service customers.



Ameren *UE* News Release

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**CONFIDENTIAL DRAFT 7/6/06
For Immediate Release**

**To Cover Rising Operating Costs and Investments in Critical Energy
Infrastructure and Service Reliability, AmerenUE Files
Request for Natural Gas Rate Increase**

ST. LOUIS, MO., July 7, 2006—Citing major investments in the infrastructure of its natural gas business and rising operating expenses, AmerenUE, an operating company of Ameren Corporation (NYSE:AEE), today filed a request with the Missouri Public Service Commission (MoPSC) for an \$11 million increase in natural gas delivery rates for its approximately 125,000 Missouri gas customers. Since delivery rates account for only a portion of customers' total natural gas bills—about one-third for residential customers—AmerenUE's proposed increase of 18.3 percent in delivery rates would result in an increase in total gas revenues of about 6.4 percent.

For a typical residential customer, AmerenUE's request would mean an average increase of about \$6 per month, excluding taxes. But the request will not have any immediate effect on customers' gas bills, since it must first go through the process of MoPSC review and hearings. A decision is expected no later than June 2007.

In its rate filing, AmerenUE is seeking to recover expenses associated with more than \$40 million of investments in gas system improvements and expansions designed to improve service reliability and keep pace with growing customer needs. Improvements include significant replacement of old cast iron mains and unprotected steel service lines that have been completed since AmerenUE's last gas rate case in 2003.

* more *

Add One

“Since July 1, 2003, AmerenUE has replaced about 70 miles of old cast iron and unprotected steel gas mains and more than 3,300 service lines with modern polyethylene pipe, largely to comply with state regulations,” said Gary L. Rainwater, chairman, president and chief executive officer, Ameren Corporation.

“In addition, we have added about 215 miles of new gas mains and more than 10,000 service connections to accommodate new growth. AmerenUE customers are receiving the benefits of these expenditures, but current rates do not reflect these higher costs,” Rainwater said.

Gas delivery rates reflect the cost of constructing, operating and maintaining AmerenUE’s natural gas system, but not the cost of natural gas itself. The delivery costs usually account for about a third of a typical residential customer’s total gas bill, excluding taxes. The remainder consists of the Purchased Gas Adjustment (PGA), which reflects the commodity cost of natural gas from the company’s suppliers.

AmerenUE’s delivery charges are regulated, and any changes must be approved by the MoPSC through a rate case. Supplier costs for natural gas are not regulated, and go up or down based on supply and demand. These supplier costs are passed on to customers through the PGA without “markup” by AmerenUE. The MoPSC reviews PGA costs for prudence and accuracy, but changes do not require the filing of a formal rate case.

In its rate filing, the company is also seeking to equalize the way the PGA is calculated for all its customers. Presently, the PGA differs among the four different geographic regions of Missouri where AmerenUE provides gas service, due to differences in pipeline suppliers in these areas.

“This change is designed to benefit all of our customers by creating a common PGA rate applicable to all AmerenUE gas customers. The purpose is to more effectively integrate our centralized gas purchasing and price-hedging strategies that are designed to reduce price volatility in the cost of gas from our suppliers,” Rainwater said.

* more *

Add Two

To help customers reduce their energy costs, AmerenUE provides a range of energy-saving tips on the Ameren Web site: www.ameren.com. AmerenUE also offers a **Budget Billing Plan** that enables customers to minimize the impact of rate changes and big seasonal changes in energy use by spreading their energy costs out over the entire year. Customers can sign up for Budget Billing through the Ameren Web site or by calling **1-800-55-ASK-UE (1-800-552-7583)**.

AmerenUE is a subsidiary of St. Louis-based Ameren Corporation. The Ameren companies serve 2.4 million electric customers and nearly one million natural gas customers in a 64,000-square-mile area of Missouri and Illinois.

#

Forward-Looking Statements

Statements made in this release, which are not based on historical facts, are “forward-looking” and accordingly, involve risks and uncertainties that could cause actual results to differ materially from those discussed. Although such “forward-looking” statements have been made in good faith and are based on reasonable assumptions, there is no assurance that the expected results will be achieved. These statements include (without limitation) statements as to future expectations, beliefs, plans, strategies, objectives, events, conditions and financial performance. In connection with the safe harbor provisions of the Private Securities Litigation Reform Act of 1995, the company is providing this cautionary statement to identify important factors that could cause actual results to differ materially from those anticipated. The factors discussed elsewhere in this release and the company’s past and subsequent filings with the Securities and Exchange Commission could cause actual results to differ materially from management expectations suggested in such forward-looking statements.

The following tariff sheets issued by Union Electric Company d/b/a AmerenUE are being filed as a revision to P.S.C. Schedule No. 2, Schedule of Rates for Gas Service:

| <u>Sheet No.</u> | <u>Filed</u> | <u>Cancelling</u> | <u>Sheet No.</u> | <u>Filed</u> | <u>Cancelling</u> |
|------------------|-------------------------|-------------------------|------------------|--------------------------|--------------------------|
| 2 | 3 rd Revised | 2 nd Revised | 20.15 | 1 st Revised | Original |
| 3.1 | Original | | 20.16 | 1 st Revised | Original |
| 5 | 6 th Revised | 5 th Revised | 20.17 | 1 st Revised | Original |
| 6 | 5 th Revised | 4 th Revised | 20.18 | 1 st Revised | Original |
| 6.1 | Original | | 20.19 | 1 st Revised | Original |
| 7 | 5 th Revised | 4 th Revised | 20.20 | 1 st Revised | Original |
| 8 | 4 th Revised | 3 rd Revised | 20.21 | 1 st Revised | Original |
| 9 | 2 nd Revised | 1 st Revised | 20.22 | 1 st Revised | Original |
| 9.1 | 1 st Revised | Original | 22 | 7 th Revised | 6 th Revised |
| 10 | 8 th Revised | 7 th Revised | 24 | 6 th Revised | 5 th Revised |
| 11 | 5 th Revised | 4 th Revised | 26 | 7 th Revised | 6 th Revised |
| 12 | 7 th Revised | 6 th Revised | 27 | 7 th Revised | 6 th Revised |
| 13 | 6 th Revised | 5 th Revised | 28 | 9 th Revised | 8 th Revised |
| 13.1 | 3 rd Revised | 2 nd Revised | 29 | 10 th Revised | 9 th Revised |
| 13.2 | Original | | 29.5 | 1 st Revised | Original |
| 14 | 7 th Revised | 6 th Revised | 29.6 | 1 st Revised | Original |
| 15 | 9 th Revised | 8 th Revised | 29.7 | 1 st Revised | Original |
| 16 | 7 th Revised | 6 th Revised | 29.8 | 1 st Revised | Original |
| 16.1 | 3 rd Revised | 2 nd Revised | 29.9 | 3 rd Revised | 2 nd Revised |
| 16.2 | 1 st Revised | Original | 30 | 92 nd Revised | 91 st Revised |
| 16.3 | 1 st Revised | Original | 30.1 | 5 th Revised | 4 th Revised |
| 16.4 | 1 st Revised | Original | 31 | 98 th Revised | 97 th Revised |
| 16.5 | 1 st Revised | Original | 32 | 93 rd Revised | 92 nd Revised |
| 16.6 | 1 st Revised | Original | 36 | 3 rd Revised | 2 nd Revised |
| 18 | 3 rd Revised | 2 nd Revised | 37 | 4 th Revised | 3 rd Revised |
| 18.1 | 2 nd Revised | 1 st Revised | 38 | 5 th Revised | 4 th Revised |
| 19 | 2 nd Revised | 1 st Revised | 41 | 1 st Revised | Original |
| 20.1 | 1 st Revised | Original | 42 | 1 st Revised | Original |
| 20.2 | 1 st Revised | Original | 42.1 | Original | |
| 20.3 | 1 st Revised | Original | 44.1 | Original | |
| 20.4 | 1 st Revised | Original | 44.2 | Original | |
| 20.5 | 1 st Revised | Original | 51 | 1 st Revised | Original |
| 20.6 | 1 st Revised | Original | 55.1 | 1 st Revised | Original |
| 20.7 | 1 st Revised | Original | 63 | 3 rd Revised | 2 nd Revised |
| 20.8 | 1 st Revised | Original | 69 | 2 nd Revised | 1 st Revised |
| 20.9 | 1 st Revised | Original | 69.1 | 1 st Revised | Original |
| 20.10 | 1 st Revised | Original | 69.2 | 1 st Revised | Original |
| 20.11 | 1 st Revised | Original | 69.3 | 1 st Revised | Original |
| 20.12 | 1 st Revised | Original | 72 | 1 st Revised | Original |
| 20.13 | 1 st Revised | Original | 73 | 1 st Revised | Original |
| 20.14 | 1 st Revised | Original | 74 | 1 st Revised | Original |