

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

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

Concurring Opinion of Commissioner Clayton

This Commissioner concurs in the approval of the Stipulation and Agreement relating to the general terms and conditions of the AmerenUE natural gas rate case. The revenue increase appears to be justified and is supported by the record. The agreement is supported by all of the parties suggesting a certain degree of satisfaction as to fairness of prices as well as fairness of the rate design. While this case will implement consolidated PGA areas with a level of uncertainty, the parties, including the Office of Public Counsel, are comfortable that risk has been appropriately shared among the various regions of state.

However, this Commissioner notes for the record, and in full disclosure to the parties, upon the filing of compliance tariffs by AmerenUE, that a Motion To Suspend Tariff Sheets will be well-taken by this Commissioner for P.S.C. Mo. No. 2, SHEET No. 42.1. This tariff language was agreed to by the parties reflecting concerns with unsustainable growth in the natural gas delivery system. The new language authorizes the utility to unilaterally deny service to certain customers. During the March 15, 2007, Agenda session during which the Stipulation was reviewed and approved, AmerenUE representatives suggested several examples of such a large-

use customer. New or existing manufacturers, new or existing ethanol plants or any other large scale consumer of natural gas that attempts to convert from being a transportation customer to a regular customer in the AmerenUE service territory, would be subject to denial of service by AmerenUE. It should be noted that AmerenUE's natural gas service is largely, if not entirely, in out-state Missouri.

While concerns over the security of supply are important factors in evaluating new service, this Commissioner cannot permit the utility to have unilateral control over which projects will be approved and which will be rejected, especially in rural parts of the state. Any concerns over supply issues and increases in demand should be considered, but this Commission should have the final review and say over whether such projects are approved. A private company cannot be given the power to restrict or discourage economic development in areas with the most need of new economic activity.

Therefore, this Commissioner will request that the compliance tariffs associated with this case be placed on the agenda of a future meeting of the Commission and that a motion be entertained to reject the tariff sheets associated with the denial of service.

Respectfully submitted,


Robert M. Clayton III
Commissioner

Dated at Jefferson City, Missouri,
on this 16th day of March, 2007.