

**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI**

In the matter of Union Electric Company)
d/b/a AmerenUE's Gas Adjustment)
Factors to be reviewed in its 2001-2002)
Actual Cost Adjustment.) Case No. GR-2002-438

COME NOW the Staff (Staff) of the Missouri Public Service Commission, the Office of the Public Counsel, (OPC), Union Electric Company d/b/a AmerenUE (AmerenUE or Company) and submit the following Unanimous Stipulation and Agreement.

UNANIMOUS STIPULATION AND AGREEMENT

1. The purpose of this Actual Cost Adjustment (ACA) proceeding is for the Missouri Public Service Commission's Staff to review and make recommendations concerning AmerenUE's ACA and refund balances for the 2001-2002 period. Staff reviewed this ACA period under the purchased gas adjustment clause in AmerenUE's Commission approved natural gas tariff.
2. On October 17, 2002, AmerenUE submitted its filing containing the Company's calculations of the ACA and refund balances for the 2001-2002 period.
3. Staff reviewed the Company's calculations and submitted its Memorandum and Recommendations to the Commission on May 15, 2003.
4. On May 16, 2003, the Commission issued its Order Directing Response, giving AmerenUE thirty days to respond to Staff's filing.
5. In addition to proposing adjustments to AmerenUE's ACA balance, Staff documented continued concerns with the Company's methodology for estimating natural gas requirements for a peak day. These concerns were previously documented in Case Nos. GR-2001-488 and GR-2000-579. Staff's concern is that the method used by AmerenUE accurately

measures whether capacity is sufficient on its systems to meet firm customer, peak-day requirements for capacity and supply of natural gas, without overestimating the need for capacity. The Staff recommendation included a proposed adjustment of \$192,780 for the Jefferson City/Columbia service area related to excess capacity.

6. On June 16, 2003, AmerenUE filed a response to Staff's Recommendations, disagreeing with Staff's concerns regarding the Company's peak day models. Additionally, the Company disagreed with the proposed adjustment of \$192,780, but stated that, should the Commission concur with the Staff's conclusions regarding the disallowance of purported excess capacity, the Company believed that the disallowance should be calculated differently for a disallowance of \$42,187.

7. Staff and AmerenUE had discussions concerning submittal of updated reliability reports currently under review at the Company and potential settlement of the excess capacity issue for the Jefferson City/Columbia service area.

8. On July 21, 2003, the Parties notified the Commission that a settlement had been reached in this case.

9. The Parties were able to resolve all issues in this proceeding and have reached the following Stipulations and Agreements:

Stipulations and Agreements

10. AmerenUE shall decrease its gas costs in its next scheduled ACA filing by \$96,390 for the 2001-2002 ACA period. See Attachment A.

1. The Company shall provide to the Staff and OPC information related to its reliability analysis, including but not limited to:

- a. By October , 2003, the Company shall submit a summary of actual usage, actual heating degree days (HDD), and customer counts for five or more recent cold days for the Fisk/Lutesville, Cape Girardeau and Jefferson City/Columbia service areas. The summary shall compare the usage on these actual cold days to the usage estimated by the Company's peak day forecasting model for those days, and include a calculation of the percent over (under) estimation by the forecasting model. In addition, the summary shall list firm and interruptible volumes separately or show how the model treats these, and it shall provide an explanation when or if the modeled usage does not reasonably agree with the actual usage encountered. If the peak day model is re-evaluated based on these findings, the summary shall fully explain the Company's re-evaluation.
- b. By October 1, 2003, the Company shall submit to Staff a new Demand Study for the Cape Girardeau service area served by Texas Eastern Transmission LP's interstate natural gas pipeline. The Demand Study should address the concerns raised by Staff in the Reliability Summary Section of Staff's May 15, 2003 Memorandum and Recommendations.
- c. By November 3, 2003, the Company shall submit to Staff a new Demand Study for the Fisk/Lutesville service area served by Natural Gas Pipeline Company of America's interstate natural gas pipeline. The Demand Study should address the concerns raised by Staff in the Reliability Summary Section of Staff's May 15, 2003 Memorandum and Recommendations.
- d. By November 3, 2003, the Company shall submit to Staff a new Demand Study for the Jefferson City/Columbia service area served by Panhandle Eastern Pipe Line Company LLC's interstate natural gas pipeline. The Demand Study should address the

concerns raised by Staff in the Reliability Summary Section of Staff's May 15, 2003

Memorandum and Recommendations.

Reservations

12. This Stipulation and Agreement has resulted from discussions and negotiations among the Parties and the terms of this Stipulation and Agreement are interdependent. In the event the Commission does not adopt this Stipulation and Agreement in total, it shall be void and no Party shall be bound by any of the agreements or provisions. The stipulations herein are specific to the resolution of these proceedings, and all stipulations are made without prejudice to the rights of the Parties to take other positions in other proceedings.

13. This Stipulation and Agreement is being entered into solely for the purpose of disposing of all issues in this case. None of the Parties to this Stipulation and Agreement shall be deemed to have approved, accepted, agreed, consented or acquiesced to any accounting principle, ratemaking principle or cost of service determination underlying, or supposed to underlie any of the issues provided for herein.

14. All Parties further understand and agree that the provisions of this Stipulation and Agreement relate only to the specific matters referred to in the Stipulation and Agreement and no Party waives any claim or right which it otherwise may have with respect to any matters not expressly provided for in this Stipulation. All Parties further reserve the right to withdraw their support for the settlement in the event that the Commission modifies the Stipulation and Agreement in a manner which is adverse to the Party withdrawing its support and further, all Parties reserve the right to contest any such Commission order modifying the settlement in a manner which is adverse to the Party contesting such Commission order.

15. In the event the Commission accepts the specific terms of this Stipulation and Agreement, the Parties waive, with respect to the issues resolved herein: their respective rights pursuant to Section 536.070(2) RSMo 2000 to call, examine and cross-examine witnesses; their respective rights to present oral argument or written briefs pursuant to Section 536.080.1, RSMo 2000; their respective rights to the reading of the transcript by the Commission pursuant to Section 536.080.2, RSMo 2000; their respective rights to seek rehearing pursuant to Section 386.500, RSMo 2000; and their respective rights to judicial review pursuant to Section 386.510, RSMo 2000. If this Stipulation and Agreement is not approved by the Commission, the Parties request that a revised procedural schedule be established which provides for a hearing, to include the opportunity for cross-examination.

16. The Staff shall, within fourteen (14) days of the filing of this Stipulation and Agreement, file with the Commission suggestions or a memorandum in support of this Stipulation and Agreement and the other parties shall have the right to file responsive suggestions within ten (10) days of receipt of Staff's memorandum.

17. The Staff shall also have the right to provide, at any agenda meeting at which this Stipulation and Agreement is noticed to be considered by the Commission, whatever oral explanation the Commission requests, provided that the Staff shall, to the extent reasonably practicable, promptly provide other Parties with advance notice of when the Staff shall respond to the Commission's request for such explanation once such explanation is requested from Staff. Staff's oral explanation shall be subject to public disclosure, except to the extent it refers to matters that are privileged or protected from disclosure pursuant to Missouri statutes or any Protective Order issued in this case.

18. To assist the Commission in its review of this Stipulation and Agreement, the Parties also request that the Commission advise them of any additional information that the Commission may desire from the Parties relating to the matters addressed in this Stipulation and Agreement, including any procedures for furnishing such information to the Commission.

CONCLUSION

WHEREFORE, the undersigned Parties respectfully request that the Commission issue its Order:

- a) Approving all of the specific terms and conditions of this Stipulation and Agreement and approving the balances shown in Attachment A for the 2001-2002 ACA period,
- b) Granting such further relief as the Commission finds reasonable and just, and
- c) Closing this case.

Respectfully submitted,

DANA K. JOYCE
General Counsel



Lera L. Shemwell
Missouri Bar No. 43792
Senior General Counsel
Missouri Public Service Commission
P. O. Box 360
Jefferson City, MO 65102
(573) 751-7431 (Telephone)
(573) 751-9285 (Fax)
lshemwel@mail.state.mo.us

Attorney for the Staff of the Missouri Public
Service Commission



Thomas M. Byrne
Missouri Bar No. 33340
Associate General Counsel
Union Electric Company d/b/a AmerenUE

One Ameren Plaza
1901 Chouteau Ave.
P.O. Box 66149, MC 1310
St. Louis, MO 63166-6149
(314) 554-2514 (Telephone)
(314) 554-4014 (Fax)
tbyrne@ameren.com

Attorney for Union Electric d/b/a
AmerenUE



Douglas E. Micheel
Missouri Bar No. 38371
Senior Public Counsel
Office of the Public Counsel
200 Madison Street, Suite 650
P. O. Box 7800
Jefferson City, MO 65102
(573) 751-5560 (Telephone)
(573) 751-5562 (Fax)
dmicheel@mail.state.mo.us

Attorney for the Office of the Public
Counsel

Certificate of Service

I hereby certify that copies of the foregoing have been emailed, mailed, hand-delivered to all counsel of record this 7th day of August, 2003.



The following table reflects the (over)/under recovery of ACA and Refund balances for the 2001-2002 ACA period ending August 31, 2002:

	Balance per AmerenUE Filing	Staff Adjustments	Ending Balances
Natural Gas Pipeline Co. of America:			
Firm Sales ACA	\$ 55,391	\$(92)	\$ 55,299
Firm Refund	\$ 2,881		\$ 2,881
Panhandle Eastern Pipe Line Co:			
Firm Sales ACA	\$ 5,882,016	\$(92,170)	\$ 5,789,846
Interruptible Sales ACA	\$ 21,582	\$ 576	\$ 22,157
Transportation	\$(1,434)		\$(1,434)
Firm Refund	\$(49,953)		\$(49,953)
Interruptible Refund	\$(4,969)		\$(4,969)
Texas Eastern Transmission Corp:			
Firm Sales	\$ 1,275,075	\$(407)	\$ 1,274,668
Interruptible Sales	\$ 28,349	\$(97)	\$ 28,252
Firm Refund	\$(152)		\$(152)
Interruptible Refund	\$(306)		\$(306)

