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August 27, 2001

**VIA FEDERAL EXPRESS**

Mr. Dale Hardy Roberts  
Secretary/Chief Regulatory Law Judge  
Missouri Public Service Commission  
Governor Office Building  
200 Madison Street, Suite 100  
Jefferson City, MO 65101



**FILED<sup>2</sup>**  
AUG 28 2001  
Missouri Public  
Service Commission

Re: In the Matter of the Joint Application of Gateway  
Pipeline Co., Inc., Missouri Gas Company and  
Missouri Pipeline Company and the Acquisition  
by Gateway Pipeline Company of the Outstanding  
Shares of UtiliCorp Pipeline Systems, Inc.  
Case No. GM-2001-585

Dear Mr. Roberts:

Enclosed for filing on behalf of AmerenUE in the above matter are an original and eight (8) copies of Position Statement of AmerenUE.

Please kindly acknowledge receipt of this filing by stamping as filed a copy of this letter and returning it to the undersigned in the enclosed, self-addressed, stamped envelope.

Sincerely,

A handwritten signature in cursive script that reads "Thomas M. Byrne".

Thomas M. Byrne  
Associate General Counsel

TMB:dla  
Enclosures

BEFORE THE MISSOURI PUBLIC SERVICE COMMISSION  
OF THE STATE OF MISSOURI

FILED<sup>2</sup>  
AUG 28 2001  
Missouri Public  
Service Commission

In the Matter of the Joint Application of )  
of Gateway Pipeline Co., Inc., Missouri )  
Gas Company and Missouri Pipeline ) CASE NO. GM-2001-585  
Company and the Acquisition by Gateway )  
Pipeline Company of the Outstanding )  
Shares of UtiliCorp Pipeline Systems, Inc. )

**Position Statement of AmerenUE**

COMES NOW Union Electric Company d/b/a AmerenUE ("AmerenUE"), and in accordance with the procedural schedule adopted by the Missouri Public Service Commission ("Commission") for this proceeding hereby submits its Position Statement on the issues contained in the Joint List of Issues filed by the Commission Staff on behalf of the Office of the Public Counsel, AmerenUE, Laclede Gas Company ("Laclede"), CMS Panhandle Eastern Pipe Line Company, and the Staff on August 17, 2001:

1. Should the request of the Joint Applicants for Gateway to acquire all of the stock of UPL be approved?

**AmerenUE Position:** AmerenUE has serious concerns that this proposed transaction may be detrimental to the customers of UPL, including AmerenUE, as well as the public interest. AmerenUE has five specific areas of concern explained in the Rebuttal Testimony of AmerenUE witness Julianne J. Heins: the continued operational reliability of the pipeline system, the financial viability of Gateway following the completion of the transaction, the potential for future rate changes that could adversely affect customers, potential diminution of service after completion of the transaction, and the timing of the closing of the proposed transaction, which could adversely affect customers over the critical winter months.

A. Would the sale be detrimental to the public interest?

**AmerenUE Position:** See AmerenUE position on Issue 1 above.

B. If so, are there conditions that the Commission could impose to reduce or eliminate any detriment?

**AmerenUE Postion:** If, in spite of the concerns expressed by AmerenUE and other parties to this proceeding, the Commission decides to approve this proposed transaction, it should at a minimum adopt the conditions recommended by Staff witness John D. Kottwitz on pages 3 and 4 of his Rebuttal Testimony, and the conditions recommended by Laclede witness Christopher C. Pflaum on pages 13-15 of his Rebuttal Testimony. In addition, as recommended by AmerenUE witness Heins, the Applicants should be required to consummate this transaction either before mid-October, 2001, or after April 1, 2002.

2. Does the condition that the Commission placed on UtiliCorp when it acquired these properties, that UtiliCorp would not connect the intrastate pipelines to the interstate Trans Mississippi Pipeline, apply to Gateway should the Commission approve the proposed transaction?

**AmerenUE Postion:** AmerenUE believes that unless this condition is waived by the Commission, it applies to Gateway.

A. If so, should the Commission waive this provision?

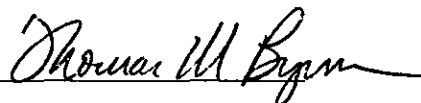
**AmerenUE Postion:** AmerenUE believes that the Commission should not waive this provision, since the interconnection of these pipelines may result in the Commission's loss of jurisdiction over these pipelines. In addition, the Commission should not waive this condition since the Applicants did not seek a waiver of this condition in their initial application.

B. Might the Commission lose jurisdiction over these pipelines? If so, how would the loss of jurisdiction affect the public interest?

**AmerenUE Position:** As stated in AmerenUE's position on Issue 2A, the Commission might lose jurisdiction over these pipelines if they are interconnected with the Trans Mississippi Pipeline. This loss of jurisdiction could adversely affect the public interest because the pipelines would then be subject to Federal Energy Regulatory Commission's ("FERC") policy which permits the bypass of local distribution companies by interstate pipelines, and the FERC's ratemaking procedures, which permit proposed rate increases to take effect almost immediately upon the filing of a rate case, subject to eventual refund based on the outcome of the case. In addition, if the pipelines were subject to FERC jurisdiction, any conditions that the Commission may have imposed on the pipelines' operations would no longer apply.

Respectfully submitted,

UNION ELECTRIC COMPANY  
d/b/a AmerenUE

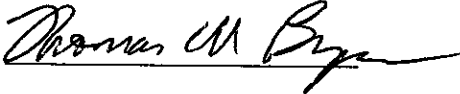
By 

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Dated: August 27, 2001

Certificate of Service

I hereby certify that copies of the foregoing have been mailed or hand-delivered to all counsel of record as shown on the attached service list this 27<sup>th</sup> day of August, 2001.



**CASE NO. GM-2001-585**

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