

Docket No.: 03-0707
Bench Date: 2/24/05
Deadline: N/A

MEMORANDUM

TO: The Commission

FROM: Ian Brodsky, Administrative Law Judge

DATE: February 2, 2005

SUBJECT: Illinois Commerce Commission
On Its Own Motion
-vs-
Union Electric Company

Reconciliation of revenues collected under gas adjustment charges with actual costs prudently incurred.

RECOMMENDATION: Enter the attached Order approving the reconciliation.

UE provides natural gas service in Illinois to customers in Alton and adjacent areas. This proceeding involves the reconciliation of revenues collected through the Company's purchased gas adjustment ("PGA") tariffs, with the actual cost of gas supplies prudently incurred and recoverable under the PGA. The reconciliation period is the 2003 calendar year.

The Commission Staff reviewed the Company's reconciliation filing, as well as responses to data requests concerning the prudence of the Company's gas purchases. Staff recommends that the Company's proposed reconciliations be approved. The reconciliation finds a net under-recovery by UE for 2003 in the amount of \$51,452. This balance is assigned to Factor A.

The attached Order would approve the Company's proposed reconciliation. The approved reconciliation is contained in the Appendix to the Order.

IB:jt