Exhibit No.:	
Issues:	Coal Inventory; Incremental Overtime Expense for Callaway Refueling; Cost of Service ; Impact of Rule 4 CSR 240-10.020; Proposed New Alternative Regulation Plan
Witness:	Gary S. Weiss
Type of Exhibit:	Rebuttal Testimony
Sponsoring Party:	Union Electric
Case No.:	EC-2002-1
Date Testimony Prepared:	May 10, 2002

MISSOURI PUBLIC SERVICE COMMISSION

CASE NO. EC-2002-1

REBUTTAL TESTIMONY

OF

GARY S. WEISS

ON BEHALF OF

UNION ELECTRIC COMPANY
d/b/a AmerenUE

Exhibit No. 146
Date 7/10/02 Case No. EC-2002-1
Reporter KRM

St. Louis, Missouri
May, 2002

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REBUTTAL TESTIMONY

OF

GARY S. WEISS

CASE NO. EC-2002-1

Q. Please state your name and business address.

A. My name is Gary S. Weiss. My business address is One Ameren Plaza, 1901 Chouteau Avenue, St. Louis, Missouri 63103.

Q. By whom and in what capacity are you employed?

A. I am employed by Ameren Services Company as Supervisor of Regulatory Accounting in the Controllers' Function.

Q. What is your educational background, work experience and duties of your position?

A. The attached Appendix A summarizes my educational background, work experience and duties of my position.

PURPOSE OF TESTIMONY

Q. What is the purpose of your testimony?

A. The purpose of my testimony is to rebut the Staff's calculation of the coal inventory included in rate base and the amount of incremental overtime expense for the Callaway refueling included in the operating expenses in the cost of service. In addition, I am the sponsor of the Company's affirmative cost of service study and total revenue requirement. I provide the Company's revenue requirement reflecting the provisions of 4 CSR 240-10.020. Finally, I provide support for the Proposed Alternative Regulation Plan proposed by Company witness Warner Baxter.

Q. Have you prepared or have there been prepared under your direction and supervision a series of schedules for presentation to the Commission in this proceeding?

A. Yes. I am sponsoring Schedules 1 through 20.

Q. What is the subject matter of such schedules?

A. Schedules 1 through 19 constitute a cost of service study that develops the various elements to be considered in arriving at the proper level of rates for electric service. Schedule 20 shows the impact on the Company's revenue requirement if the provisions of 4 CSR 240-10.020 are followed. These matters will be discussed in detail later in my testimony. In addition, as part of my testimony, I have prepared an **Executive Summary** attached hereto as Appendix B.

Q. Are these schedules prepared on the same basis as schedules which were presented in connection with previous applications to this Commission for authority to increase electric rates?

A. Yes, except as otherwise noted, they are.

REBUTTAL OF CERTAIN STAFF ADJUSTMENTS

Coal Inventory

Q. How does Staff Witness Harrison calculate the coal inventory amount included in the Fuel Inventory on Staff Accounting Schedule 2?

A. On page 4, Lines 3-11 of his Direct Testimony Mr. Harrison explains his unique method of calculating the amount of coal inventory proposed by the Staff. Mr. Harrison starts with a five-year average of the 13-month average actual tons of coal inventory. He then develops a five-year average of the 12-month coal burned divided by

365 to determine the average number of days coal burned. Finally, Mr. Harrison takes the annualized dollar cost of coal burned for the test year as provided by Mr. Cassidy divided by 365 to determine the daily cost. This daily cost is then applied to the five-year average number of days coal burned to arrive at the coal inventory value of $33,249,350.

Q. Is the annual dollar cost of coal burned for the test year used by Mr. Harrison correct?

A. No. The dollar cost of coal burned for the test year used by Mr. Harrison has three main problems. First, the dollar cost used includes not only the coal cost but also the cost of all other fuels burned. Secondly, this fuel cost is based on the Staff's AmerenUE stand-alone production model case and does not reflect the total cost based on the Joint Dispatch Agreement. Thirdly, this fuel cost is based only on native load and not the total generation load. Thus, Mr. Harrison has understated the amount of actual fuel cost actual incurred during the test year. Therefore, using this cost to calculate the value of the coal inventory is incorrect. The actual cost of the coal inventory is higher than the incorrect cost used by Mr. Harrison.

Q. Was this same method of calculating the coal inventory utilized by Mr. Harrison in his July testimony?

A. No, in his July testimony Mr. Harrison utilized the traditional actual 13-month average coal inventory for the period ending December 30, 2000 of $43,061,285.

Q. Is a five year average of the actual 13-month average coal inventory with a five year average of the 12-month coal burned representative of the coal

inventory required today and when the new rates from this proceeding become effective?

A. No, it is an inappropriate method for calculating the coal inventory in the environment that Ameren operates in today. In today's environment of unpredictable replacement power prices and uncertain availability of replacement power and/or transmission service, any disruptions in coal supply is a very critical problem. As AmerenUE is experiencing capacity limitations and generating record amounts of power from its power plants, the actual amount of coal burned in increasing. Currently, almost ninety percent (90%) of Ameren's coal comes from the Powder River Basin in Wyoming, over 1,000 miles away. It takes one train of coal cars from seven to nine days to make a round trip from the plant to the mine. It is not possible to keep adding trains of coal cars as the railroads face congestion at the mines or on the rail system. These recent circumstances inhibit AmerenUE's ability to replenish depleted coal inventories in periods of peak demand. Thus, AmerenUE must maintain larger coal inventory balances today.

Q. Has the Company been reviewing its coal inventory policy and setting new inventory targets?

A. Yes. The Company has been reviewing its coal inventory policy and is looking at setting coal inventory targets based on a 55 day maximum burn.

Q. What level of coal inventory is the Company proposing be used for this case?

A. Since the Company's coal inventories are currently not at these coal inventory targets, the Company for this case recommends using the traditional 13-month average coal inventory based on the period ending September 30, 2001. The 13-month average coal inventory for the thirteen months ended September 30, 2001 represents 43 days of average coal burned. This actual level of coal inventory is significantly below the Company's target coal inventory. My Schedule 3-1 shows the 13-month coal inventory ending September 30, 2001 is $36,783,044.

Q. Are the actual tons of coal inventory calculated by Mr. Harrison in this case significantly different than the 13-month average for the thirteen months ended September 30, 2001?

A. No, for many of the reasons listed above, the Company has not been able to build its coal inventory levels to the appropriate levels required. However, Mr. Harrison's unique method of calculating the level of coal inventory will in most cases calculate a coal inventory level that is lower than the required level of coal inventory for the test year.

CALLAWAY INCREMENTAL OVERTIME

Q. What adjustment to the Callaway refueling incremental overtime cost is proposed in the testimony of Staff Witness Gibbs?

A. Mr. Gibbs is likewise using a historic average. Mr. Gibbs takes an average of the Callaway refueling incremental overtime cost for the last three refuelings adjusted to reflect wage increases. He calculates an average Callaway refueling incremental overtime cost of $6,428,198 compared to the actual Callaway refueling incremental overtime cost of $8,000,000 for the spring 2001 Callaway refueling. Since the Callaway refuelings only occur every eighteen months only two-thirds of the refueling cost are reflected in the operating expenses for the test year by both the Staff and the Company.

Q. Why does the Company believe the Callaway refueling incremental overtime cost for the spring 2001 Callaway refueling are the appropriate cost to use *instead of the Staff's three refueling average?*

A. As stated in the Rebuttal Testimony of Company witness Garry L. Randolph the Callaway Plant is becoming older and is requiring additional maintenance to be performed during the refueling outages. Thus, the Callaway refueling outage time and expense costs for the spring 2001 refueling are more indicative of the future Callaway refueling outage expenses than earlier refuelings.

COMPANY'S AFFIRMATIVE COST OF SERVICE AND REVENUE REQUIREMENT

Q. What is the test year used by the Company in its affirmative cost of service study and revenue requirement?

A. The Company's affirmative cost of service and revenue requirement is based on the test year for the twelve months ended June 30, 2001 updated for certain material items with known changes through September 30, 2001. The test year for the twelve months ended June 30, 2001 was ordered by the Commission on December 6, 2001 in its Order Establishing Test Year And Procedural Schedule. The updated period through September 30, 2001, was subsequently approved by the Commission on January 3, 2002 in its Order Approving Jointly Filed Revised Procedural Schedule.

Q. Will you please enumerate the schedules you are presenting.

A. These schedules include individual cost of service statements identified as Schedules 1 through 19 and Schedule 20 reflecting Rule 4 CSR 240-10.020 as follows:

- Schedule 1 – Original Cost of Plant by functional classification at September 30, 2001 per book and pro forma with the allocation of pro forma total electric plant to Missouri jurisdiction.
- Schedule 2 - Reserves for Depreciation and Amortization by functional classification at September 30, 2001 per book and pro forma with the allocation of the pro forma total electric reserve for depreciation and amortization to Missouri jurisdiction.
- Schedule 3 – Average Fuel Inventories and Average Materials and Supplies Inventory at September 30, 2001 per book and pro forma with the allocation of the pro forma electric inventories to Missouri jurisdiction.
- Schedule 4 – Average Prepayments at September 30, 2001 per book and pro forma with the allocation of the pro forma electric prepayments to Missouri jurisdiction.
- Schedule 5 – Missouri Jurisdictional Cash Requirement (Lead/Lag Study) at September 30, 2001.
- Schedule 6 – Missouri Jurisdictional Interest Expense Cash Requirement, Federal Income Tax Cash Requirement and State Income Tax Cash Requirement at September 30, 2001.
- Schedule 7 - Customer Advances for Construction, Customer Deposits, and Deferred Pension Liability reductions to rate base at September 30, 2001 applicable to Missouri jurisdiction.
- Schedule 8 – Accumulated Deferred Taxes on Income at September 30, 2001 and allocation to Missouri jurisdiction.

- Schedule 9 - Normalized Electric Operating Revenues for Total Electric and Missouri Jurisdiction for the twelve months ended September 30, 2001 per book and pro forma.
- Schedule 10 – Electric Operating and Maintenance Expenses, by functional classifications for the year ending June 30, 2001 updated through September 30, 2001 for certain known items, per book and pro forma. A description of each of the pro forma adjustments is included. Also the allocation of the total electric pro forma operating and maintenance expenses to Missouri jurisdiction.
- Schedule 11 – Depreciation and Amortization Expenses, applicable to Electric Operations, by functional classification for the year ending June 30, 2001, update to reflect the depreciable plant balances at September 30, 2001 and the Company's proposed new depreciation rates. A description of the pro forma adjustments and the allocation of the total electric pro forma depreciation and amortization expenses to Missouri jurisdiction.
- Schedule 12 – Taxes Other Than Income Taxes, for the year ending June 30, 2001 per book and pro forma. A description of the pro forma adjustments and the allocation of the total electric pro forma taxes other than income to Missouri jurisdiction.
- Schedule 13 – Income Tax Calculation per book, pro forma and at the Claimed Rate of Return. A listing of the income tax deductions for total electric and Missouri jurisdiction. A description of the pro forma adjustments

and the total electric pro forma and at claimed return income tax calculations for Missouri jurisdiction are also shown.

- Schedules 14– The Current Deferred Income Taxes and Deferred Investment Tax Credit for total electric and Missouri jurisdiction.
- Schedule 15 - The development of the fixed (demand) allocation factor for Missouri jurisdiction.
- Schedule 16 - The development of the variable allocation factor for Missouri jurisdiction.
- Schedule 17 - The development of the labor allocation factor for Missouri jurisdiction.
- Schedule 18 - The Original Cost Rate Base at September 30, 2001 applicable to Missouri jurisdiction and the Missouri jurisdictional Cost of Service for the pro forma twelve months ended June 30, 2001 updated for certain known changes through September 30, 2001.
- Schedule 19 - Increase Required to Produce 10.137% Return on Net Original Cost Rate Base for the pro forma twelve months ended June 30, 2001 updated for certain known changes through September 30, 2001.
- Schedule 20 - Missouri Jurisdictional Return reflecting Rule 4 CSR 240-10.020 Income on Depreciation Fund Investment.

Q. What do you mean by Cost of Service?

A. The Cost of Service of a utility is the sum of operating and maintenance expenses, depreciation expense, taxes and a fair return on the net value of property used and useful in serving its customers. A cost of service is based on a test year. In order that the test year reflect conditions existing at the end of the year as well as significant changes that are known or reasonably certain of occurring, it is necessary to make certain "pro forma" adjustments.

A cost of service represents the revenue requirement or the funds that must be collected by the Company if it is to pay employees and suppliers, satisfy tax liabilities, and provide a return to investors. To the extent that revenues are below the cost of service, a rate increase is required.

Q. Please explain Schedule 1.

A. Schedule 1-1 shows the recorded original cost of electric plant by functional classifications at September 30, 2001. It also reflects the pro forma adjustments necessary to eliminate from the electric plant accounts, portions of General Plant facilities applicable to gas operations. Schedule 1-2 takes the pro forma total electric plant and allocates to the Missouri jurisdiction.

Q. Are the Company's plant accounts recorded on the basis of original cost as defined by the Uniform System of Accounts prescribed by this Commission?

A. Yes, they are.

Q. Please explain the elimination of items of General Plant applicable to utility operations.

A. General Plant facilities such as general office buildings and equipment, the central warehouse, the general garage, computers and office equipment, are used in all utility operations. For convenience, such facilities are accounted for as electric plant, and this adjustment eliminates the portion of the multi use general plant applicable to gas operations.

Q. After making the pro forma adjustments which you have described, what is the total original cost of electric plant and the Missouri jurisdictional amount?

A. The total original cost of electric plant at September 30, 2001 is $8,946,658,050 with the Missouri jurisdictional amount being $8,286,200,634.

Q. Please explain Schedule 2.

A. Schedule 2-1 shows the reserve for depreciation and amortization at September 30, 2001, by functional groups. It also indicates the pro forma adjustments. Schedule 2-2 takes the total electric pro forma balance and allocates to Missouri jurisdictional.

Q. What pro forma adjustments were made to the reserve for depreciation?

A. Pro forma adjustment 1, see Schedule 2-1, eliminates the depreciation reserve for the multi use general plant applicable to gas operations and corresponds to adjustment 1 made to the plant accounts in Schedule 1-1.

The pro forma accumulated provision for depreciation and amortization applicable to electric is $3,902,323,244 and the Missouri jurisdictional amount is $3,591,330,097.

Q. Please explain Schedule 3.

A. Schedule 3 shows the average investment in fuel inventories and materials and supplies at September 30, 2001. Fuel consists of nuclear fuel, coal and minor amounts of oil, shredded tires, petroleum coke and propane used for electric generation. General materials and supplies include such items as poles, cross arms, wire, cable, line hardware and general supplies. A thirteen-month average is used for everything but the nuclear fuel. An eighteen-month average is used for the nuclear fuel since the Callaway Plant is refueled every eighteen months.

Q. What is the pro forma materials and supplies applicable to electric operations?

A. The pro forma materials and supplies applicable to total electric operations, as shown on Schedule 3-2, amounts to $163,491,154 with the amount applicable to Missouri jurisdiction being $145,603,470.

Q. Will you please explain the average prepayments shown on Schedule 4?

A. Certain taxes, rents, insurance, assessments of state regulatory commissions, freight on coal, extended warranties, fiber optic services and coal car leases are paid in advance. The average monthly total electric balance of prepayments after eliminating the portion applicable to gas operations is $10,905,347. The prepayments allocated to Missouri jurisdiction are $9,826,809 as shown on Schedule 4-2.

Q. Please explain Schedule 5.

A. Schedule 5 shows the calculation of the Missouri jurisdictional cash requirement (lead/lag study) for the twelve months ended June 30, 2001 with updates of certain known items through September 30, 2001 of $21,446,527. The development of the various revenue and expense lags is explained in the testimony of Company witness Michael J. Adams.

Q. What appears on Schedule 6?

A. The Missouri jurisdictional interest expense cash requirement, the federal income tax cash requirement and the state income tax cash requirement are shown on Schedule 6. The payment lags for these items are developed in the testimony of Company witness Michael J. Adams. The payment lags for the interest expense and federal income taxes are less than the revenue lag and thus resulted in a positive cash requirement for the Missouri jurisdiction of $1,134,000 for interest expense and $3,334,000 for federal income taxes. However, the payment lag for state income taxes is greater than the revenue lag and results in a negative cash requirement for the Missouri jurisdiction of $614,000.

Q. What items are shown on Schedule 7?

A. The Missouri jurisdictional balances at September 30, 2001 for customer advances for construction, customer deposits, and deferred pension liability are shown on Schedule 7.

Customer Advances for construction are cash advances made by customers which are subject to refund to the customer wholly or in part. These advances were made in connection with extensions of locally used facilities for ultimate consumers and are therefore directly assignable to the jurisdiction in which the facilities are located. The Missouri jurisdictional balance of customer advances for construction at September 30, 2001 is $11,710,567.

Customer deposits are cash deposits made by customers which are subject to refund to the customer if the customer develops a good payment record. The Company pays interest on the deposits, which is shown as a customer account expense on

Schedule 10. The deposits are directly assignable to the jurisdiction in which the customer receives service. The Missouri jurisdictional balance of customer deposits at September 30, 2001 is $13,041,477.

Deferred pension liability represents the difference between the amount charged to expense for pensions and the amount actually paid into the pension fund by the Company. The pension expense is calculated according to FAS 87 while the level of funding is based on a method determined by the Employee Retirement Income Security Act of 1974 (ERISA). Although both methods employ actuarial techniques, they can arrive at different amounts. Since the Company has been charging more to pension expense than it has been funding, the Company has use of customer supplied funds. The amount of deferred pension liability applicable to the Missouri jurisdiction at September 30, 2001 is $36,288,686 and is treated as a reduction to rate base.

Q. Please explain Schedule 8.

A. Schedule 8 lists the accumulated deferred income taxes applicable to total electric and Missouri jurisdiction at September 30, 2001.

Effective January 1, 1976, the Company began normalizing the current income tax benefit arising from liberalized (accelerated) depreciation on property added in all jurisdictions in 1975 and subsequent years.

Also on January 1, 1976, the Company began normalizing the tax effect of construction related timing differences. The normalized tax benefits involved here result from a current deduction for income taxes of items which are capitalized for book purposes. These include the interest portion of the Allowance for Funds Used During

Construction, expenses and pensions capitalized and payroll, property and use taxes capitalized. In addition the Company has normalized all other tax timing differences.

The sales for resale rates did not reflect normalization prior to 1978. Therefore, in calculating the sales for resale cost of service, pre-1978 accumulated deferred income taxes are not deducted from their rate base.

Currently the Company has deferred income taxes in Accounts 190, 282 and 283. As shown on Schedule 8 the total electric accumulated deferred income tax balance at September 30, 2001 is a net $887,090,986 and the Missouri jurisdictional amount is $819,595,436. The net deferred income taxes are a deduction to the rate base.

Q. What is the Company's Missouri jurisdictional pro forma net original cost electric rate base at September 30, 2001?

A. The Missouri jurisdictional electric rate base is $3,994,965,177 consisting of:

Original Cost of Property & Plant	$8,286,200,634
Reserve for Depreciation & Amortization	3,591,330,097
Net Original Cost of Property & Plant	4,694,870,537
Average Materials & Supplies	145,603,470
Average Prepayments	9,826,809
Cash Requirement (Lead/Lag)	21,446,527
Interest Expense Cash Requirement	1,134,000
Federal Income Tax Cash Requirement	3,334,000
State Income Tax Cash Requirement	(614,000)
Customer Advances for Construction	(11,710,567)
Customer Deposits	(13,041,477)
Deferred Pension Liability	(36,288,686)
Accumulated Deferred Taxes on Income:	(819,595,436)
Total Missouri Jurisdictional Electric Rate Base	$3,994,965,177

Q. Please explain Schedule 9.

A. Schedule 9 shows total electric and Missouri jurisdictional operating revenues per book and pro forma for the twelve months ending September 30, 2001. The actual revenues through September 30, 2001 are known.

Q. Why did the Company decide to update the revenues through September 30, 2001?

A. The Company believes by updating the kWh sales and revenues through September 30, 2001 the most current peak summer months are included. With increasing demands and sales it is important to use the latest actual normalized sales and revenues as possible to reflect the revenues and sales at the time the new rates become effective.

Q. Are the revenues from interchange sales included on Schedule 9?

A. No, the Company has traditionally treated the revenues from interchange sales as a reduction to the production expenses. On Schedule 10-1, Line 4, Net Purchased and Interchange Power and Line 13, Capacity Costs have been reduced for the revenues received form interchange sales.

Q. Please explain the pro forma adjustment to the Missouri jurisdictional operating revenues on Schedule 9.

A. The following pro forma adjustments are shown on Schedule 9: (1) The gross receipts taxes were eliminated from revenues and from expenses, as they are add-on taxes that are just a pass through for the Company. (2) The unbilled revenues were eliminated to reflect the book revenues on a billing cycle basis. (3) The revenues were reduced to reflect normal weather. The actual sales and revenues for the twelve months ended September 30, 2001 were higher than normal. See the testimony of Company witness Richard A. Voytas for the weather normalization methodology utilized by the Company. (4) The revenues for a wholesale customer, City of Rolla, were eliminated as the City of Rolla left the service of AmerenUE on January 1, 2002. (5) A large Illinois customer, Laclede Steel, declared bankruptcy and greatly reduced its operations during the test year. Therefore, the revenues for Laclede Steel were reduced to reflect their current level of revenue.

Q. What are system revenues included on Schedule 9?

A. System revenues are rents received from rental of buildings, agricultural land and interchange facilities plus the transmission service charges. These revenues are removed from the jurisdiction where received and then the total is allocated to jurisdictions based on the fixed allocation factor. The system revenues are shown on Schedules 18 and 19 as a reduction to the revenue requirement and not as revenues since they are not generated from the provision of electric service to jurisdictional customers.

Q. What are the Missouri jurisdiction pro forma electric operating revenues for the twelve months ended September 30, 2001?

A. The Missouri jurisdiction pro forma electric operating revenues for the twelve months ended September 30, 2001 are $1,852,185,461 excluding the allocation of system revenues.

Q. Please describe what is shown on Schedule 10.

A. The total electric operating and maintenance expenses for the twelve months ended June 30, 2001,with certain expenses updated through September 30, 2001 are shown per books by functional classification, a listing of the pro forma adjustments, and finally the allocation of the total electric pro forma operating and maintenance expenses to Missouri jurisdiction appear on Schedule 10.

Q. What total electric operating and maintenance expenses were updated through September 30, 2001?

A. The actual production expenses through September 30, 2001 are known. The revenues and kWh sales were updated through September 30, 2001 and in order to provide a proper matching of revenues and expenses the cost of producing these kWhs must also be updated through September 30, 2001. The remaining operating and maintenance expenses were not updated, as the actual June 30, 2001 level is considered appropriate. The June expenses largely reflect the "per book" expenses of the Company and do not reflect arbitrary adjustments to the actual costs incurred by the Company.

Q. Will you please explain the pro forma adjustments of electric operating expenses for the year ending June 30, 2001 with certain known items updated through September 30, 2001?

A. Details of the pro forma adjustments of operating expenses appear on Schedule 10-3.

Item 1 reflects the increased labor expense from annualizing the average 3.93% wage increase for management employees effective April 1, 2001 and the 3% wage increase for the Company's union employees effective July 1, 2001 per the labor contracts. The annualized increase in the total electric operating labor resulting from the above increases is $7,803,120. The incentive compensation was subtracted out of the calculation as the wage increases only apply to base wages.

Item 2 is the reduction in the fuel expense due to eliminating the unbilled kWh sales to arrive at cycle billed kWh sales.. The unbilled kWh sales are recorded on the books of the Company. Company witness Timothy Finnell took this adjustment for the unbilled kWh sales along with the other adjustments to kWh sales in Items 3 and 4 below and input them into the Company's Prosym Model to calculate the impact on the fuel expense. The impact on the fuel expense from removing the unbilled kWh is a reduction in the fuel expense of $3,372,137.

Item 3 is the reduction in the fuel expense to reflect a normal level of kWh sales for the twelve months ended September 30, 2001. The actual sales were higher than normal. The variation of actual kWh sales to weather normalized kWh sales were calculated by Company witness Voytas. Then Company witness Timothy D. Finnell took the weather adjusted kWh sales along with the other adjustments to the kWh sales and input them into the Company's Prosym Model to calculate the impact on the fuel cost. The impact on total electric fuel expense to reflect normal kWh sales is a reduction in the fuel expense of $29,470,821.

The reduction in fuel expense from the lost kWh sales to the City of Rolla and Laclede Steel for the 12 months ended September 30, 2001 are reflected in Item 4. As in Items 2 and 3, Company witness Finnell ran these lost kWh sales along with the other kWh adjustments through the Company's Prosym Model to calculate the impact on the fuel cost. The impact on total electric fuel expense to reflect the lost kWh sales is a reduction in the fuel expense of $4,777,151.

Item 5 is a reduction to the production expense to remove one-third of the spring 2001 Callaway Nuclear Plant refueling expense. This adjustment is made as the

Callaway Plant is only refueled every eighteen months. Therefore, in order to reflect only twelve months of operating and maintenance expenses, it is necessary to only include two-thirds of the Callaway Plant refueling expense. The production expenses are reduced by $7,700,000 for outside contractors maintenance expenses, $2,666,667 for incremental overtime expense and $6,036,000 for the additional cost of replacement power. This is a total adjustment of $16,402,667. It is appropriate to include two-thirds of the latest Callaway Plant refueling expense in the test year, as this is the annualized current level of expense related to a Callaway Plant refueling. As Company witness Garry L. Randolph states in his Rebuttal Testimony, the last Callaway refueling outage time and expense are more indicative of the future Callaway refueling outage expenses than earlier refuelings.

Item 6 adjusts the transmission expenses to reflect a four year amortization of the withdrawal fee paid by Union Electric to the Midwest ISO during the twelve months ended June 30, 2001. The total Union Electric payment to the Midwest ISO was $12,502,800. The annual amortization based on a four-year amortization period is $3,125,700. Therefore, the transmission expenses were reduced by $9,377,100 or the difference between $12,502,800 and $3,125,700. The testimony of Company witness David Whiteley provides information on the payment to the Midwest ISO.

Interest expense at 9% on customer deposits is added to the customer accounting expenses by Item 7. The customer deposit balance at September 30, 2001 is deducted from the rate base. The interest expense added to the customer accounting expenses is $1,238,940.

Item 8 reduces administrative and general expenses by $1,000,000 for the estimated cost of goodwill advertising.

Item 9 increases administrative and general expenses by $835,667 to reflect the six year amortization of the Year 2000 (Y2K) expenses that were recorded as a regulatory asset per the MPSC Report and Order in Case No. EO-96-14 effective January 4, 2000. The Company's position is that, under the EARP, these costs should have been expensed and it has appealed this determination. If the PSC Order is not reversed, we believe a six year amortization is appropriate. Staff witness Harrison also recommends a six-year amortization of the Y2K expenses in his testimony.

Finally, administrative and general expenses are increased to reflect the three-year amortization of the Company's additional expenses incurred in responding to this Excess Earnings Complaint Case (Rate Case Expense) in Item 10. The Company's estimated additional expenses are $2,634,000 and a three-year amortization is $878,000 per year. However, $257,600 of these expenses was paid during the twelve months ended June 30, 2001. Therefore, the difference between the $878,000 and $257,600 or $620,400 is added to the administrative and general expenses.

Q. What is the total impact on total electric operating and maintenance expenses from the above pro forma adjustments?

A. As shown on Schedule 10, the total electric operating and maintenance expenses are decreased from $1,216,129,050 to $1,162,227,301 or a total decrease of $53,901,749 by the above pro forma adjustments.

Q. What amount of the total electric pro forma operating and maintenance expenses is applicable to Missouri jurisdiction?

A. As shown on Schedule 10-4, $1,047,366,899 of the total pro forma electric operating and maintenance expenses is applicable to the Missouri jurisdiction.

Q. What is shown on Schedule 11?

A. Schedule 11 shows the depreciation and amortization expenses by functional classifications for the test year ended June 30, 2001, per book and pro forma, and the allocation of the total electric pro forma depreciation and amortization expenses to the Missouri jurisdiction.

Q. What pro forma adjustments apply to the depreciation and amortization expenses?

A. Schedule 11-2 details the following pro forma adjustments to the depreciation and amortization expenses.

Item 1 eliminates the portion of the depreciation and amortization expenses for multi use general facilities applicable to gas operations. The related plant is removed from the electric general plant on Schedule 1.

Item 2 removes the FAS 133 impact of SO2 options as they were properly reclassified to miscellaneous non-operating income.

Item 3 eliminates a prior period adjustment to the amortization of intangible plant.

Item 4 increases depreciation expense to reflect the Company's proposed new depreciation rates applied to the September 30, 2001 depreciable plant balances. The testimony of Company witness William M. Stout provides the detail of the Company's depreciation study and the resulting new depreciation rates the Company is proposing. The Company's proposed new depreciation rates increase the depreciation expense by $29,535,239.

Also included in Item 4 is the amortization of Account 303 Capitalized Software at the Callaway Plant of $21,479. This is a new item and the Company is proposing a five-year amortization. The testimony of Company witness William M. Stout also contains support for this amortization period.

As a result of the Company's proposed new depreciation rates, the Company's depreciation reserve is underaccrued. Item 5 adjusts the depreciation expense by $5,917,744 to reflect the twenty-year amortization of the net underaccrued depreciation reserve balance. (See the testimony of Company witness William M. Stout for additional explanation of this adjustment.)

Q. What are the total electric pro forma depreciation and amortization expenses and the amount applicable to the Missouri jurisdiction?

A. As reported on Schedule 11-3 the total electric pro forma depreciation and amortization expenses are $303,200,968 with $280,003,104 allocated to the Missouri jurisdiction.

Q. Please explain Schedule 12.

A. Schedule 12 shows the taxes other than income for the twelve months ended June 30, 2001, per book and pro forma, and the allocation of the total electric pro forma taxes other than income to the Missouri jurisdiction.

Q. Please list the pro forma adjustments required to arrive at the total electric pro forma taxes other than income.

A. The following pro forma adjustments are required to arrive at the total electric pro forma taxes other than income.

Item 1 eliminates the portions of the taxes other than income applicable to the multi use general facilities applicable to gas operations. The related plant investment is eliminated on Schedule 1.

Item 2 adjusts taxes other than income to remove the Missouri gross receipts taxes, as they are an add-on tax and just a pass through for the Company. The pro forma book revenues also reflect the removal of the gross receipts taxes.

Item 3 eliminates the property taxes applicable to the plant held for future use, as this investment is not included in rate base.

Item 4 increases property taxes by eliminating a prior year adjustment to the Iowa property taxes.

The F.I.C.A. taxes are increased in Item 5 to reflect the annualization of the wage increases.

Q. Reflecting the above pro forma adjustments to the taxes other than income, how much are the pro forma taxes other than income for the twelve months ended June 30, 2001 for total electric and Missouri jurisdictional?

A. As reflected on Schedule 12-3, the pro forma total electric taxes other than income and the Missouri jurisdictional amount are $107,402,469 and $96,235,668 respectively.

Q. **What is Schedule 13?**

A. Schedules 13-1 through 13-3 show the derivation of the federal and state income tax provisions for the pro forma test year. Schedule 13-4 shows the income tax calculation at a 10.137% rate of return for total electric and Missouri jurisdictional.

The income tax calculation reflects the income tax deductions for the twelve months ended September 30, 2001. As the accumulated deferred income tax balances and the revenues were updated through September 30, 2001, a proper matching is achieved by using the September 30, 2001 current deferred income taxes and income tax deductions.

Q. **What pro forma adjustments were made to the book income tax deductions on Schedule 13-3?**

A. The following adjustments were made to the book income tax deductions shown on Schedule 13-3:

Item 1 replaces the book interest expense and interest income deductions with the interest synchronization calculation.

Item 2 adds a tax deduction for the AFUDC on debt.

Item 3 eliminates the adjustments made by the tax department to synchronize the tax department taxable income with book taxable income.

Item 4 eliminates the defeasance deduction as it is reflected in the interest synchronization.

Item 5 adjusts the book depreciation to include the change in depreciation expense due to the Company's proposed depreciation rates.

Item 6 eliminates the FAS 106 liability deduction as the cost of service reflects the cash "pay as you go" expense.

Q. As shown on Schedule 13-4, what are the income taxes at the requested rate of return for total electric and Missouri jurisdictional?

A. The total income taxes at the requested rate of return as shown on Schedule 13-4 are $233,063,462 for total electric and $216,546,649 for Missouri jurisdictional. The total income taxes include the deferred income taxes list on Schedule 14.

Q. What is included on Schedule 14?

A. Schedule 14 shows the net current deferred income taxes by account for the twelve months ended September 30, 2001. The Company has deferred income taxes in accounts 190, 282 and 283. The total electric pro forma amount shown of ($10,146,567) is a net amount representing the provision less the amortization. The Missouri jurisdictional amount of deferred income taxes is ($8,822,020).

Also shown on Schedule 14 is the amortization of the deferred investment tax credits, account 255. The total electric pro forma amortization of deferred investment tax credits is ($5,997,221) with ($5,507,263) applicable to the Missouri jurisdiction.

Q. What is calculated on Schedule 15?

A. Schedule 15 shows the calculation of the fixed or demand allocation factor. The fixed factor is used to allocate the investment in production and transmission facilities and certain of their related operating expenses. The fixed factor is based on the average of the Missouri jurisdictional four summer monthly coincident peaks in relation to the total Union Electric System's average four summer monthly peaks (the 4CP method). The four summer monthly peaks for June, July, August and September 2001 are used. The actual demands were adjusted to reflect the wholesale customer City of Rolla leaving the Company's system and the reduced demand of Laclede Steel. As the revenues and kWh sales were updated through September 30, 2001 it is proper to use the peak demands through September 30, 2001. The Company has in the past used the 12CP method to calculate the fixed allocation factor. See the testimony of Company witness Richard J. Kovach for the support of the 4CP method.

Q. Using the 4CP method, what is the Missouri jurisdictional fixed allocation factor for the twelve months ended September 30, 2001?

A. The Missouri jurisdictional fixed allocation factor based on the 4CP method for the twelve months ended September 30, 2001 is 91.36%.

Q. Please explain Schedule 16.

A. Schedule 16 calculates the variable allocation factor for the twelve months ended September 30, 2001. The variable factor is based on pro forma kWh sales adjusted for losses to equal pro forma kWh output for the test year. For the twelve months ended September 30, 2001, the per books kWh sales and kWh output are adjusted to eliminate the unbilled kWh sales, to reflect normal weather and to reflect the loss of the City of Rolla as a wholesale customer of Union Electric and the greatly reduced sales to Laclede Steel. The losses were calculated for each jurisdiction. (See the testimony of Company witness Richard J. Kovach for the explanation of the loss calculation.) The Missouri pro forma kWh output in proportion to the total Union Electric pro forma kWh output is the calculation of the variable factor. The variable factor is used to allocate the fuel inventories and the production and transmission materials and supplies along with related taxes. Also the majority of the production expenses including fuel are allocated using the variable factor.

Q. What is the Missouri jurisdictional variable allocation factor for the pro forma twelve months ended September 30, 2001?

A. The Missouri jurisdictional variable allocation factor for the pro forma twelve months ended September 30, 2001 is 88.45%.

Q. What is shown on Schedule 17?

A. Schedule 17 shows the calculation of the labor allocation factor for the twelve months ended June 30, 2001. The Missouri jurisdictional labor excluding the administrative and general labor in proportion to the total electric labor excluding the administrative and general labor is the labor allocation factor. The labor allocation factor is used to allocate general plant (system general) and the related general plant depreciation expense and taxes other than income and the administrative and general expenses except for account 930 001 and the EPRI assessment.

Q. For the twelve months ended June 30, 2001 what is the labor allocation factor for the Missouri jurisdiction?

A. The Missouri jurisdictional allocation factor for the twelve months ended June 30, 2001 is 90.93%.

Q. Please explain Schedule 18.

A. Schedule 18 shows the Missouri jurisdictional rate base for the test year of $3,994,965,177 and the Missouri jurisdictional cost of service of $2,000,182,830 at the requested return of 10.137%. See the testimony of Company witness Kathleen McShane for the development of the 10.137% rate of return.

Q. What does Schedule 19 show?

A. Schedule 19 compares the Missouri jurisdictional cost of service of $2,000,182,830 with the Missouri jurisdictional pro forma operating revenues under the present rates of $1,852,185,461, excluding the system revenues. It shows that the cost of service for the test year is $147,997,369 more than the pro forma operating revenues at present rates.

IMPACT ON REVENUE REQUIREMENT REFLECTING 4 CSR 240-10.020

Q. Are you familiar with 4 CSR 240-10.020?

A. Yes. That is a Commission rule that prescribes the method that the Commission must follow in accounting for income derived by gas, electric, water, telegraph, telephone and heating utilities from their investment of depreciation funds.

Q. Generally what does this rule require?

A. This rule generally requires that in the process of setting a utility's rates, the Commission must provide the utility's customers with a 3% annual credit to reflect income from investment of the money in the utility's depreciation reserve account. The rule applies regardless of whether the utility's depreciation reserve account is represented by a fund ear-marked for that purpose.

Q. Has the Commission followed this rule in recent years in setting rates for utilities?

A. No. In recent years, instead of following this rule, the Commission has subtracted accumulated depreciation from utilities' investment in rate base in calculating the return that is provided to the utilities' shareholders. In other words, the utility's rate of return is multiplied by net rate base (i.e. original cost less accumulated depreciation) to calculate the return component of the utility's revenue requirement.

Q. Have you calculated the impact on the Company's rates if the Commission were to follow 4 CSR 240-10.020?

A. Yes. Schedule 20 shows what the impact on the Company's revenue requirement would be if the Commission complied with the provisions of 4 CSR 240-10.020. This schedule shows that using the high end of the Staff's proposed rate of return of 8.60%, the overall <u>increase</u> to the Company's revenue requirement that would result from the application of this rule is $287.0 million. If the Company's proposed rate of return of 10.137% is used, the impact of following this rule on the Company's revenue requirement is an increase of $375.9 million.

Q. Is the Company proposing to implement rates that reflect compliance with this rule?

A. Though the Company is legally entitled to rates calculated under Rule 4 CSR 240-10.020, the Company is willing to voluntarily forego rate increase, provided that the Commission adopt either the new Alternative Regulation Plan or reasonable rates under the traditional regulatory model to which the Company could agree.

PROPOSED ALTERNATIVE REGULATIAON PLAN

Q. In his Rebuttal Testimony, Mr. Baxter, the Company's Chief Financial Officer, has proposed the adoption of a new Alternative Regulation Plan. Are you familiar with that proposal?

A. Yes, I am generally familiar with the proposed Alternative Regulation Plan ("Alt Reg Plan"). More specifically, however, I am familiar with the Calculation of

Return on Equity and the Monitoring Sections of the Alt Reg Plan. I am also familiar with Attachment B which shows the method of quantifying the Return on Equity and any applicable revenue sharing credits.

Q. Are there any items in the Calculation of Return on Equity and the Monitoring Sections that you are not familiar with?

A. I am familiar with all of the items discussed in the Calculation of Return on Equity and the Monitoring Sections. However, due to the complexity of the income tax issues, Gregory L. Nelson, the Company's Vice President and Tax Counsel, in his Rebuttal Testimony, will address the income tax methodology that will be followed in the calculation of the Return on Equity.

Q. Is the calculation of the rate base contained in Section 3.f(ii) items (A) through (F) appropriate?

A. The rate base calculation includes all of the items normally included in rate base by the MPSC Staff and approved by this Commission.

Q. Are the adjustments to the Missouri operating revenues and expenses of UE listed in Section 3.f(iii) appropriate?

A. Yes, the adjustments to the Missouri operating revenues and expenses of UE listed reflect the same type of adjustment that were included in the previous Experimental Alternative Regulation Plans of UE. These adjustments are intended to reflect the normal adjustments made by the MPSC Staff and thus provide an appropriate calculation of the return on equity.

Q. Does this conclude your testimony?

A. Yes it does.

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

The Staff of the Missouri Public Service Commission, Complainant,	)	
vs.	)	Case No. EC-2002-1
Union Electric Company, d/b/a AmerenUE, Respondent.	)	

AFFIDAVIT OF GARY S. WEISS

STATE OF MISSOURI)
) ss
CITY OF ST. LOUIS)

Gary S. Weiss, being first duly sworn on his oath, states:

1. My name is Gary S. Weiss. I work in St. Louis, Missouri, and I am employed by Ameren Services Company as Supervisor-Regulatory Accounting.

2. Attached hereto and made a part hereof for all purposes is my Rebuttal Testimony on behalf of Union Electric Company d/b/a AmerenUE consisting of 31 pages, Appendices A and B, and Schedules 1 through 20 all of which have been prepared in written form for introduction into evidence in the above-referenced docket.

3. I hereby swear and affirm that my answers contained in the attached testimony to the questions therein propounded are true and correct.

Gary S. Weiss
Gary S. Weiss

Subscribed and sworn to before me this 7th day of May, 2002.

Debby Anzalone
Notary Public

My commission expires:

DEBBY ANZALONE
Notary Public - Notary Seal
STATE OF MISSOURI
St. Louis County
My Commission Expires: April 18, 2006

QUALIFICATIONS OF GARY S. WEISS

My name is Gary S. Weiss and my business address is 1901 Chouteau Avenue, St. Louis, MO 63103. I reside in St. Louis County, Missouri.

My educational background consists of a Bachelor of Science Degree in Business Management from Southwest Missouri State University received in 1968 and a Masters in Business Administration from Southern Illinois University at Edwardsville received in 1977.

I was employed by Union Electric Company in June of 1968 and was employed continuously until January 1, 1998, except for a two-year tour of duty with the United States Army. Effective with the merger of Union Electric Company and Central Illinois Public Service Company into the Ameren Corporation, I assumed employment with Ameren Services. My work experience started at Union Electric as an Accountant in the Controller's function. I worked as an accountant in the Internal Audit Department, General Accounting Department, and Property Accounting Department from 1968 through 1973. In 1974 I was promoted to a Senior Accountant in the Internal Audit Department. In 1976 I was promoted to Supervisor in the Rate Accounting Department. The Rate Accounting Department was combined with the Plant Accounting Department in 1990 to form the Plant and Regulatory Accounting Department. In December 1998 the Regulatory Accounting Section and I were moved to the Financial Communications Department. I am currently a direct report to the Controller.

My duties as Supervisor of Regulatory Accounting include preparing cost of service studies by type of utility and regulatory jurisdiction and developing accounting exhibits and testimony for use in applications for rate changes for both AmerenUE and AmerenCIPS. I provide assistance to the Controller regarding (1) rate case and regulatory accounting, (2) the need for and the timing of rate changes and (3) the effect on financial forecasts of proposed rate changes. I conduct studies to determine the effect on filed tariffs and operating income of various accounting policies and practices, analyze the results and suggest appropriate rate changes. I prepare regularly required reports and exhibits for the various regulatory commissions. I provide data, answer inquiries, arrange meetings, and otherwise assist representatives of regulatory commissions in conducting their audits and reviews. I am also responsible for filing various reports and requests with the Securities and Exchange Commission.

I have submitted testimony concerning cost of service before the Missouri Public Service Commission, the Illinois Commerce Commission, the Iowa State Commerce Commission, and the Federal Energy Regulatory Commission. I have also provided anti-trust testimony before the United States District Court in the Eastern District of Missouri.

EXECUTIVE SUMMARY

Gary S. Weiss

Supervisor of Regulatory Accounting for Ameren Services Company

* * * * * * * * * *

The primary purpose of my testimony is to present the Company's cost of service study and resulting revenue requirement. Based on the Company's study, a $147,992,015 rate increase under traditional ratemaking is justified. I also provide the calculation of the Company's revenue requirement for both the Staff's filing and the Company's filing reflecting Rule 4 CSR 240-10.020. In addition I rebut Staff witness Harrison's calculation of the coal inventory included in the Staff's rate base and Staff witness Gibbs' calculation of the amount of incremental overtime for the Callaway refueling included in the Staff's operating expenses.

The Company's cost of service study is based on the test year for the twelve months ended June 30, 2001 with updates for known changes through September 30, 2001. The Company's rate base is updated through September 30, 2001, in much the same manner as the Staff's. The Company's revenues, kWh sales, peak demands and production expenses have been updated through September 30, 2001. The Company believes it is appropriate to reflect these items through September 30, 2001 in order to reflect the latest available summer peak demand season. With continuing growth in demand and kWh sales it is necessary to reflect the latest period possible in order to have new rates reflect the level of demand, revenues, and kWh sales at the time these new rates become effective. The revenues and kWh sales have been normalized to reflect normal weather. The remaining operating expenses other than depreciation expenses have not been updated through September 30, 2001, as the level of these operating expenses for the twelve months June 30, 2001 are considered appropriate. Further, these June expenses largely reflect the "per book" expenses and do not reflect arbitrary adjustments to the actual costs incurred by the Company. The depreciation expense reflects the new proposed depreciation rates of AmerenUE applied to the September 30, 2001 depreciable plant balances. The testimony of Company witness William M. Stout provides the support for the proposed depreciation rates. One additional change in the Company's cost of service is the use of the 4 CP demand allocation versus the Staff's use of the 12 CP demand allocation. The testimony of Company witness Richard J. Kovach provides the support for the use of the 4 CP demand allocation. Finally, the Company's revenue requirement is base on a 12.50% return on common equity (see the testimony of Company witness Kathleen McShane). Reflecting the above items, the Company's revenue requirement is $147,992,015 greater than the current operating revenues.

Rule 4 CSR 240-10.020 is a Commission rule that prescribes the method that the Commission must follow in accounting for income derived by gas, electric, water, telegraph, telephone and heating utilities from their investment of depreciation funds. Following this rule, the Staff's revenue requirement at the 9.91% return on common equity would be increased by $287.0 million and the Company's revenue requirement at the 12.50% return on common equity would be increased by $375.9 million. Though the Company is legally entitled to rates calculated under this Rule, the Company is willing to forego the resulting rate increase, provided that the Commission adopt either the new Alternative Regulation Plan or reasonable rates under the traditional regulatory model to which the Company could agree.

Staff witness Harrison developed a unique and inappropriate method of calculating the coal inventory. Mr. Harrison starts with a five-year average of the 13-month average actual tons of coal inventory. He then develops a five-year average of the 12-month coal burned divided by 365 to determine an average number of days coal burned. Finally, Mr. Harrison takes the annualized dollar cost of coal burned for the test year divided by 365 to determine a daily cost. This daily cost is then applied to five-year average number of days of coal burned to arrive at the value of the coal inventory. Mr. Harrison's method is arbitrary and inappropriate. The annualized dollar cost of coal burned used by Mr. Harrison does not reflect the full amount of coal burned during the test year. Thus his daily cost is understated. The Company recommends using the traditional 13-month average coal inventory for the thirteen months ended September 30, 2001 of $37,341,897 instead of Mr. Harrison's unique and incorrect calculation of $33,249,350. Mr. Harrison used a 13-month average for his other fuel inventories, except for nuclear fuel. He also used a 13-month average for materials and supplies.

Staff witness Gibbs likewise uses a historic average to determine the amount of incremental overtime required for the Callaway refueling. Mr. Gibbs uses an average of the incremental overtime cost for the last three refuelings. Mr. Gibbs' method is arbitrary and inappropriate. The Company recommends using the actual incremental overtime cost of the last Callaway refueling. Per the testimony of Company witness Garry L. Randolph the Callaway Plant is becoming older and is requiring additional maintenance to be performed during the refueling outages. Thus the last Callaway refueling outage time and expense for the spring 2001 Callaway refueling are clearly more indicative of the future Callaway refueling outages expenses than earlier refuelings.

UNION ELECTRIC COMPANY
MPSC CASE NO. EC-2002-1

ORIGINAL COST OF ELECTRIC PLANT
BY FUNCTIONAL CLASSIFICATION AT JUNE 30, 2001 UPDATED THROUGH SEPTEMBER 30, 2001

LINE	FUNCTIONAL CLASSIFICATION (A)	TOTALS PER BOOKS (B)	PRO FORMA ADJUSTMENTS (C)	ADJUSTED ELECTRIC TOTALS (D)
	INTANGIBLE PLANT			
1	ACCOUNT 303	$ 107,397	$ -	$ 107,397
2	TOTAL INTANGIBLE PLANT	107,397		107,397
	PRODUCTION PLANT			
3	NUCLEAR	2,908,878,625		2,908,878,625
4	CALLAWAY POST OPERATIONAL	116,730,946		116,730,946
5	CALLAWAY DISALLOWANCES	(385,592,670)		(385,592,670)
6	STEAM	2,168,989,079		2,168,989,079
7	HYDRAULIC	172,849,786		172,849,786
8	OTHER	59,663,293		59,663,293
9	TOTAL PRODUCTION PLANT	5,041,519,059		5,041,519,059
10	TRANSMISSION PLANT	497,651,737		497,651,737
	DISTRIBUTION PLANT			
11	MISSOURI	2,834,641,217		2,834,641,217
12	ILLINOIS	149,689,419		149,689,419
13	IOWA	-		-
14	TOTAL DISTRIBUTION PLANT	2,984,330,636		2,984,330,636
15	TOTAL GENERAL PLANT	429,253,674	(6,204,453)	423,049,221
16	TOTAL PLANT IN SERVICE	$ 8,952,862,503	$ (6,204,453)	$ 8,946,658,050

PRO FORMA ADJUSTMENT

17	(1) Eliminate portions of plant in service for multi use general facilities which are applicable to gas	
18	operations. For convenience, such facilities are recorded as electric plant but are commonly used	$ 6,204,453
19	for both electric and gas. These items are allocated on the basis of labor.	

UNION ELECTRIC COMPANY
MPSC CASE NO. EC-2002-1

ORIGINAL COST OF ELECTRIC PLANT

BY FUNCTIONAL CLASSIFICATION ALLOCATED TO MISSOURI JURISDICTIONAL
AT JUNE 30, 2001 UPDATED THROUGH SEPTEMBER 30, 2001

LINE	FUNCTIONAL CLASSIFICATION (A)	TOTAL (B)	ALLOCATION (C)	MISSOURI JURISDICTIONAL (D)
	INTANGIBLE PLANT			
1	ACCOUNT 303	$ 107,397	FIXED	$ 98,118
2	TOTAL INTANGIBLE PLANT	107,397	FIXED	98,118
	PRODUCTION PLANT			
3	NUCLEAR (1)	2,908,878,625	FIXED	2,657,551,512
4	CALLAWAY POST OPERATIONAL (2)	116,730,946	CALLAWAY POST OPERATIONAL	114,361,308
5	CALLAWAY DISALLOWANCES (3)	(385,592,670)	DIRECT ASSIGN	(339,358,670)
6	STEAM	2,168,989,079	FIXED	1,981,588,423
7	HYDRAULIC	172,849,786	FIXED	157,915,564
8	OTHER	59,663,293	FIXED	54,508,384
9	TOTAL PRODUCTION PLANT	5,041,519,059		4,626,566,521
10	TRANSMISSION PLANT	497,651,737	FIXED	454,654,627
	DISTRIBUTION PLANT			
11	MISSOURI	2,834,641,217	DIRECT ASSIGN	2,820,202,711
12	ILLINOIS	149,689,419	DIRECT ASSIGN	-
13	IOWA	-	DIRECT ASSIGN	-
14	TOTAL DISTRIBUTION PLANT	2,984,330,636		2,820,202,711
15	TOTAL GENERAL PLANT	423,049,221	LABOR	384,678,657
16	TOTAL PLANT IN SERVICE	$ 8,946,658,050		$ 8,286,200,634

17 (1) Includes $385,592,670 of disallowances ordered by various jurisdictions. Allocated on fixed allocation factor.
18 (2) The Callaway Post Operational Costs applicable to Illinois jurisdiction were written off 12/97. Allocated on fixed factor, excluding Illinois.
19 (3) Directly assigned.

UNION ELECTRIC COMPANY
MPSC CASE NO. EC-2002-1

RESERVES FOR DEPRECIATION AND AMORTIZATION
BY FUNCTIONAL CLASSIFICATION AT JUNE 30, 2001 UPDATED THROUGH SEPTEMBER 30, 2001

LINE	FUNCTIONAL CLASSIFICATION (A)	TOTALS PER BOOKS (B)	PRO FORMA ADJUSTMENTS (C)	ADJUSTED ELECTRIC TOTALS (D)
	PRODUCTION PLANT			
1	NUCLEAR	$ 959,473,385	$ -	$ 959,473,385
2	CALLAWAY POST OPERATIONAL	31,611,928		31,611,928
3	STEAM	1,082,423,042		1,082,423,042
4	HYDRAULIC	61,435,204		61,435,204
5	OTHER	42,680,896		42,680,896
6	TOTAL PRODUCTION PLANT	2,177,624,455		2,177,624,455
7	TRANSMISSION PLANT	209,954,553		209,954,553
	DISTRIBUTION PLANT			
8	MISSOURI	1,301,983,182		1,301,983,182
9	ILLINOIS	94,305,116		94,305,116
10	IOWA	-		-
11	TOTAL DISTRIBUTION PLANT	1,396,288,298		1,396,288,298
12	TOTAL GENERAL PLANT	120,204,427	(1,748,489)	118,455,938
13	TOTAL DEPRC. & AMORT RESERVE	$ 3,904,071,733	$ (1,748,489)	$ 3,902,323,244

PRO FORMA ADJUSTMENT

LINE			
14	(1)	Eliminate portions of reserves for depreciation for multi use general facilities which are applicable	
15		to gas operations. See adjustment (1) on Schedule 1-1 for the elimination of the original cost of	$ 1,748,489
16		these facilities.	

UNION ELECTRIC COMPANY
MPSC CASE NO. EC-2002-1

RESERVES FOR DEPRECIATION & AMORTIZATION OF ELECTRIC UTILITY PROPERTY
BY FUNCTIONAL CLASSIFICATION ALLOCATED TO MISSOURI JURISDICTIONAL
AT JUNE 30, 2001 UPDATED THROUGH SEPTEMBER 30, 2001

LINE	FUNCTIONAL CLASSIFICATION (A)	TOTAL (B)	ALLOCATION (C)	MISSOURI JURISDICTIONAL (D)
	PRODUCTION PLANT			
1	NUCLEAR (1)	$ 959,473,385	NUCLEAR	$ 881,468,199
2	CALLAWAY POST OPERATIONAL (2)	31,611,928	CALLAWAY POST OPERATIONAL	30,970,206
3	STEAM	1,082,423,042	FIXED	988,901,691
4	HYDRAULIC	61,435,204	FIXED	56,127,202
5	OTHER	42,680,896	FIXED	38,993,267
6	**TOTAL PRODUCTION PLANT**	**2,177,624,455**		**1,996,460,565**
7	**TRANSMISSION PLANT**	**209,954,553**	FIXED	**191,814,480**
	DISTRIBUTION PLANT			
8	MISSOURI	1,301,983,182	DIRECT ASSIGN	1,295,343,068
9	ILLINOIS	94,305,116	DIRECT ASSIGN	-
10	IOWA	-	DIRECT ASSIGN	-
11	**TOTAL DISTRIBUTION PLANT**	**1,396,288,298**		**1,295,343,068**
12	**TOTAL GENERAL PLANT**	**118,455,938**	LABOR	**107,711,984**
13	**TOTAL DEPRC. & AMORT RESERVE**	**$ 3,902,323,244**		**$ 3,591,330,097**

14 (1) Allocated on Nuclear Allocation factor.
15 (2) The Callaway Post Operational Costs applicable to Illinois jurisdiction were written off 12/97. Allocated on fixed factor, excluding Illinois.

UNION ELECTRIC COMPANY
MPSC CASE NO. EC-2002-1

AVERAGE FUEL AND MATERIALS & SUPPLIES INVENTORIES
AT JUNE 30, 2001 UPDATED THROUGH SEPTEMBER 30, 2001

LINE	DESCRIPTION (A)	TOTALS PER BOOKS (B)	PRO FORMA ADJUSTMENTS (C)	ADJUSTED ELECTRIC TOTALS (D)
1	**AVERAGE NUCLEAR FUEL**	**$ 41,137,485**	**$ -**	**$ 41,137,485**
	AVERAGE FOSSIL FUEL:			
2	COAL	37,341,897		37,341,897
3	OIL	3,289,296		3,289,296
4	SHREDDED TIRES	4,056		4,056
5	PETROLEUM COKE	84,830		84,830
6	PROPANE	454,751	(434,030)	20,721
7	**TOTAL FOSSIL FUEL**	**41,174,830**	**(434,030)**	**40,740,800**
8	**GENERAL MATERIALS AND SUPPLIES**	**83,346,476**	**(1,733,607)**	**81,612,869**
9	**TOTAL**	**$ 165,658,791**	**$ (2,167,637)**	**$ 163,491,154**

PRO FORMA ADJUSTMENT

10	(1) Eliminate portions of average fuel and materials and supplies which are applicable to gas operations.	$ 2,167,637

UNION ELECTRIC COMPANY
MPSC CASE No. EC-2002-1

AVERAGE FUEL AND MATERIALS & SUPPLIES ALLOCATED TO MISSOURI JURISDICTIONAL
AT JUNE 30, 2001 UPDATED THROUGH SEPTEMBER 30, 2001

LINE	FUEL TYPE/MATERIALS AND SUPPLIES (1) (A)	TOTAL COMPANY (B)	ALLOCATION (C)	MISSOURI JURISDICTIONAL (E)
1	**AVERAGE NUCLEAR FUEL:**	**$ 41,137,485**	VARIABLE	**$ 36,386,105**
	AVERAGE FOSSIL FUEL			
2	COAL	37,341,897	VARIABLE	33,028,908
3	OIL	3,289,296	VARIABLE	2,909,382
4	SHREDDED TIRES	4,056	VARIABLE	3,588
5	PETROLEUM COKE	84,830	VARIABLE	75,032
6	PROPANE	20,721	VARIABLE	18,328
7	**TOTAL FOSSIL FUEL**	**40,740,800**		**36,035,238**
	AVERAGE GENERAL M & S			
8	PRODUCTION	61,618,050	VARIABLE	54,501,165
9	TRANSMISSION	1,633,591	VARIABLE	1,444,911
10	DIRECT DISTRIBUTION	18,361,228	DIRECT	17,236,051
11	**TOTAL GENERAL MATERIALS AND SUPPLIES**	81,612,869		73,182,127
12	**TOTAL**	**$ 163,491,154**		**$ 145,603,470**

13 (1) Reflects 18 month average of Unburned Nuclear Fuel in Reactor while all other items reflect a 13 month average balance.

Union Electric Company
MPSC CASE NO. EC-2002-1

AVERAGE PREPAYMENTS
AT JUNE 30, 2001 UPDATED THROUGH SEPTEMBER 30, 2001

LINE	DESCRIPTION (A)	TOTALS PER BOOKS(1) (B)	PRO FORMA ADJUSTMENTS (C)	ADJUSTED ELECTRIC TOTALS (D)
1	TAXES	$ 13,569	$ (295)	$ 13,274
2	RENTS	6,900	(150)	6,750
3	INSURANCE	7,869,135	(170,760)	7,698,375
4	REG. COMMISSION ASSESSMENTS	22,732	(493)	22,239
5	FREIGHT ON COAL (2)	197,708	-	197,708
6	ESS EXTENDED WARRANTY (2)	2,939	-	2,939
7	FIBER OPTIC SERVICES	2,392,106	(51,909)	2,340,197
8	COAL CAR LEASE (2)	623,865	-	623,865
9	**TOTAL AVERAGE PREPAYMENTS**	**$ 11,128,954**	**$ (223,607)**	**$ 10,905,347**

10 (1) Reflects 13 month average
11 (2) Applicable 100% to electric operations

PRO FORMA ADJUSTMENT

LINE			Amount
12	(1)	Eliminate portions of prepayments which are applicable to gas operations. Allocated	$ 223,607
13		between electric and gas operations based on operating expenses excluding purchased	
14		power, interchange sales and purchased gas.	

UNION ELECTRIC COMPANY
MPSC CASE NO. EC-2002-1

AVERAGE ELECTRIC PREPAYMENTS
ALLOCATED TO MISSOURI JURISDICTION
AT JUNE 30, 2001 UPDATED THROUGH SEPTEMBER 30, 2001

LINE	DESCRIPTION (A)	TOTAL ELECTRIC (B)	MISSOURI JURISDICTIONAL (1) (C)
1	TAXES	$ 13,274	$ 11,961
2	RENTS	6,750	6,082
3	INSURANCE	7,698,375	6,937,006
4	REG. COMMISSION ASSESSMENTS	22,239	20,040
5	FREIGHT ON COAL	197,708	178,155
6	ESS EXTENDED WARRANTY	2,939	2,648
7	FIBER OPTIC SERVICES	2,340,197	2,108,752
8	COAL CAR LEASE	623,865	562,165
9	TOTAL AVERAGE PREPAYMENTS	$ 10,905,347	$ 9,826,809

10 (1) Allocated to Missouri Jurisdictional based on operating expenses allocated to Missouri as a
11 *percent of the total electric operating expenses.*

UNION ELECTRIC COMPANY
MPSC CASE NO. EC-2002-1

MISSOURI ELECTRIC
CASH WORKING CAPITAL
TWELVE MONTHS ENDED JUNE 30, 2001 UPDATED THROUGH SEPTEMBER 30, 2001

LINE	DESCRIPTION (A)	REVENUE LAG(1) (B)	EXPENSE LAG (1) (C)	NET LAG (D)	FACTOR (E)	TEST YEAR EXPENSE (F)	CASH WORKING CAPITAL REQUIREMENT (G)
1	PENSIONS AND BENEFITS	40.230	41.080	(0.850)	(0.002329)	65,369,702	$ (152,246)
2	PURCHASED POWER	40.230	45.020	(4.790)	(0.013123)	283,445,742	(3,719,658)
3	INTERCHANGE SALES	40.230	50.410	(10.180)	(0.027890)	(212,301,136)	5,921,079
4	BASE PAYROLL	40.230	11.130	29.100	0.079726	167,919,617	13,387,559
5	VACATION PAYROLL	0.000	0.000	0.000	-	-	-
6	FEDERAL TAX WITHHOLDINGS	40.230	12.820	27.410	0.075096	55,649,242	4,179,035
7	STATE TAX WITHHOLDINGS	40.230	17.540	22.690	0.062164	13,187,310	819,776
8	EMPLOYEE FICA TAXES	40.230	12.820	27.410	0.075096	16,330,354	1,226,344
9	FUEL						
10	NUCLEAR	40.230	29.180	11.050	0.030274	35,303,961	1,068,792
11	COAL	40.230	19.580	20.650	0.056575	228,722,806	12,939,993
12	OIL	40.230	19.130	21.100	0.057808	5,665,942	327,537
13	NATURAL GAS	40.230	10.530	29.700	0.081370	4,966,416	404,117
14	UNCOLLECTIBLE ACCOUNTS	40.230	40.230	0.000	-	3,752,033	-
15	OTHER OPERATING EXPENSES	40.230	19.950	20.280	0.055562	379,354,910	21,077,718
16	TOTAL O&M EXPENSES					1,047,366,899	
17	TOTAL CASH WORKING CAPITAL REQUIREMENT						57,480,046
18	FICA - EMPLOYER'S PORTION	40.230	12.820	27.410	0.075096	16,330,354	1,226,344
19	FEDERAL UNEMPLOYMENT TAXES	40.230	65.220	(24.990)	(0.068466)	181,732	(12,442)
20	STATE UNEMPLOYMENT TAXES	40.230	64.570	(24.340)	(0.066685)	8,894	(593)
21	CORPORATE FRANCHISE TAXES	40.230	(71.860)	112.090	0.307096	903,703	277,524
22	PROPERTY TAXES	40.230	190.520	(150.290)	(0.411753)	78,298,388	(32,239,596)
23	SALES & USE TAXES	22.080	12.780	9.300	0.025479	46,593,238	1,187,149
24	GROSS RECEIPTS TAXES	22.080	45.690	(23.610)	(0.064685)	96,142,676	(6,218,989)
25	ST. LOUIS EARNINGS TAXES	40.230	241.140	(200.910)	(0.550438)	447,965	(246,577)
26	ST. LOUIS PAYROLL EXPENSE TAXES	40.230	63.910	(23.680)	(0.064877)	97,707	(6,339)
27	TOTAL TAXES					239,004,657	
28	TOTAL CUSTOMER SUPPLIED FUNDS						(36,033,519)
29	NET CASH WORKING CAPITAL REQUIREMENT						$ 21,446,527

30 (1) Revenue Lag and Expense Lag per testimony of Company witness Michael J. Adams.

UNION ELECTRIC COMPANY
MPSC CASE No. EC-2002-1

INTEREST EXPENSE CASH REQUIREMENT AND
FEDERAL AND STATE INCOME TAX CASH REQUIREMENTS
FOR THE TWELVE MONTHS ENDED JUNE 30, 2001 UPDATED THROUGH SEPTEMBER 30, 2001

LINE	DESCRIPTION (A)		MISSOURI JURISDICTIONAL (B)
	INTEREST EXPENSE CASH REQUIREMENT		
1	MISSOURI INTEREST ON LONG-TERM DEBT	$	101,912,000
2	FACTOR PER TESTIMONY OF MICHAEL J. ADAMS		1.1123%
3	**INTEREST EXPENSE CASH REQUIREMENT**	$	1,134,000
	FEDERAL INCOME TAX CASH REQUIREMENT		
4	MISSOURI CURRENT FEDERAL INCOME TAXES	$	199,522,410
5	FACTOR PER TESTIMONY OF MICHAEL J. ADAMS		1.6712%
6	**FEDERAL INCOME TAX CASH REQUIREMENT**	$	3,334,000
	STATE INCOME TAX CASH REQUIREMENT		
7	MISSOURI CURRENT STATE INCOME TAXES	$	31,353,522
8	FACTOR PER TESTIMONY OF MICHAEL J. ADAMS		-1.9589%
9	**STATE INCOME TAX CASH REQUIREMENT**	$	(614,000)

UNION ELECTRIC COMPANY
MPSC CASE No. EC-2002-1

CUSTOMER ADVANCES FOR CONSTRUCTION, CUSTOMER DEPOSITS AND DEFERRED PENSION LIABILITY
AT JUNE 30, 2001 UPDATED THROUGH SEPTEMBER 30, 2001

LINE	DESCRIPTION (A)	MISSOURI JURISDICTIONAL (B)
	CUSTOMER ADVANCES FOR CONSTRUCTION	
1	MISSOURI	$ 11,710,567
2	TOTAL MISSOURI ELECTRIC CUSTOMER ADVANCES FOR CONSTRUCTION	$ 11,710,567
	CUSTOMER DEPOSITS	
3	MISSOURI	$ 13,041,477
4	TOTAL MISSOURI ELECTRIC CUSTOMER DEPOSITS	$ 13,041,477
	DEFERRED PENSION LIABILITY	
5	MISSOURI (1)	$ 36,288,686
6	TOTAL MISSOURI ELECTRIC DEFERRED PENSION LIABILITY	$ 36,288,686

7 (1) Total Electric Deferred Pension Liability of $ 39,908,376 allocated to Missouri using the labor ratio.

UNION ELECTRIC COMPANY
MPSC CASE N0. EC-2002-1

ALLOCATION OF ACCUMULATED DEFERRED INCOME TAXES AT JUNE 30, 2001 UPDATED THROUGH SEPTEMBER 30, 2001

LINE	DESCRIPTION (A)	TOTAL COMPANY (C)	MISSOURI ULTIMATE CONSUMERS (D)
1	ACCOUNT 190	$ 60,210,883	$ 54,841,545
2	ACCOUNT 282	(943,034,869)	(870,579,020)
3	ACCOUNT 283	(4,267,000)	(3,857,961)
4	TOTAL ACCUMULATED DEFERRED INCOME TAXES	$ (887,090,986)	$ (819,595,436)

ALLOCATION TO MISSOURI JURISDICTIONAL

LINE		
5 6	ACCOUNT 190	Items are allocated to Missouri Jurisdictional based on what the various items are related to. The net plant, variable, labor and fixed allocations are used to allocate the various items.
7	ACCOUNT 282	Items are functionalized and allocated to Missouri jurisdiction on the same basis as plant.
8 9	ACCOUNT 283	Items are allocated to Missouri Jurisdictional based on what the various items are related to. The variable, labor and fixed allocations are used to allocate the various items.

UNION ELECTRIC COMPANY
MPSC CASE No. EC-2002-1

TOTAL ELECTRIC AND MISSOURI JURISDICTIONAL
PER BOOK AND PRO FORMA OPERATING REVENUES
FOR THE TWELVE MONTHS ENDED JUNE 30, 2001 UPDATED THROUGH SEPTEMBER 30, 2001

LINE	DESCRIPTION (A)	TOTAL ELECTRIC (B)	ALLOCATION (C)	MISSOURI JURISDICTIONAL (D)
1	OPERATING REVENUES	$ 2,195,753,667	DIRECT	$ 2,009,894,193
2	OTHER ELECTRIC REVENUES	97,799,138	DIRECT	94,187,086
3	**TOTAL REVENUES**	**2,293,552,805**		**2,104,081,279**
	ADJUSTMENT FOR SYSTEM REVENUES:			
4	RENTAL PAYMENTS - AEC,AMC,AME,AMS	(17,932,004)	DIRECT	(17,932,004)
5	LEASED LAND RENTAL REVENUE	(1,897,588)	DIRECT	(1,806,785)
6	AGRIC. LAND RENTAL REVENUE	(50,040)	DIRECT	(50,040)
7	INTERCHANGE RENTAL REVENUE	(1,479,504)	DIRECT	(510,498)
8	TRANSMISSION SERVICE CHARGES	(27,829,907)	DIRECT	(27,692,027)
9	**TOTAL SYSTEM REVENUES**	**(49,189,043)**		**(47,991,354)**
10	ALLOCATION OF SYSTEM REVENUES	49,189,043	FIXED	44,939,110
11	**TOTAL REVENUES PER BOOKS**	**2,293,552,805**		**2,101,029,035**
	PRO FORMA ADJUSTMENTS:			
12	ELIMINATE GROSS RECEIPTS TAXES	(95,322,981)	DIRECT	(95,322,981)
13	ELIMINATE UNBILLED REVENUE	(9,964,000)	DIRECT	(10,563,000)
14	ADJUSTMENT FOR NORMAL WEATHER	(104,346,781)	DIRECT	(98,018,483)
15	ELIMINATE CITY OF ROLLA REVENUE	(2,641,049)	DIRECT	-
16	ADJUST LACLEDE STEEL REVENUE	(5,260,669)	DIRECT	-
17	**PRO FORMA REVENUES**	$ 2,076,017,325		$ 1,897,124,571
18	**LESS: SYSTEM REVENUES**			44,939,110
19	**MISSOURI JURISDICTIONAL PRO FORMA REVENUES**			$ 1,852,185,461

UNION ELECTRIC COMPANY
MPSC CASE NO. EC-2002-1

ELECTRIC OPERATIONS AND MAINTENANCE EXPENSES
PER BOOK AND PRO FORMA
FOR THE TWELVE MONTHS ENDED JUNE 30, 2001 UPDATED THROUGH SEPTEMBER 30, 2001

LINE	FUNCTIONAL CLASSIFICATION (A)	TOTAL PER BOOKS (B)	#1 PRO FORMA LABOR ADJUSTMENT (C)	#2 REDUCE FUEL EXPENSE FOR UNBILLED SALES (D)	#3 REDUCE FUEL EXPENSE FOR NORMALIZED SALES (E)	#4 REDUCE FUEL EXPENSE FOR LOST CUSTOMERS (E)	#5 CALLAWAY REFUELING ADJUSTMENT (F)	#6 MISO PAYMENT ADJUSTMENT (G)
	PRODUCTION:							
	INCREMENTAL COSTS:							
1	LABOR	$ 5,186,926	$ 147,300	$ -	$ -	$ -	$ -	$ -
2	FUEL (EXCL. W/H CR.)	348,144,642	-	(3,372,137)	(29,470,821)	(4,777,151)	-	-
3	WESTINGHOUSE CREDITS	(5,402,873)	-	-	-	-	-	-
4	NET PURCH. & INT. POWER	30,440,011	-	-	-	-	(6,036,000)	-
5	OTHER (FUEL HANDLING)	693,670	-	-	-	-	-	-
6	TOTAL INCREMENTAL COSTS	379,062,576	147,300	(3,372,137)	(29,470,821)	(4,777,151)	(6,036,000)	-
	OTHER OPERATING EXPENSES:							
7	LABOR	85,798,962	2,436,550	-	-	-	-	-
8	OTHER	38,464,693	-	-	-	-	-	-
9	TOTAL OTHER OPERATING EXPENSES	124,263,655	2,436,550	-	-	-	-	-
	MAINTENANCE EXPENSES:							
10	LABOR	68,569,765	1,947,270	-	-	-	(2,666,667)	-
11	OTHER	120,356,598	-	-	-	-	(7,700,000)	-
12	TOTAL MAINTENANCE EXPENSES	188,926,363	1,947,270	-	-	-	(10,366,667)	-
13	CAPACITY COSTS	54,248,124	-	-	-	-	-	-
14	TOTAL PRODUCTION EXPENSES	746,498,718	4,531,120	(3,372,137)	(29,470,821)	(4,777,151)	(16,402,667)	-
15	TRANSMISSION EXPENSES	30,141,145	148,606	-	-	-	-	(9,377,100)
	DISTRIBUTION EXPENSES:							
16	MISSOURI	105,031,324	1,469,858	-	-	-	-	-
17	ILLINOIS	6,666,908	88,338	-	-	-	-	-
18	TOTAL DISTRIBUTION EXPENSES	111,698,232	1,558,196	-	-	-	-	-
	CUSTOMER ACCOUNTING EXPENSES:							
19	MISSOURI	47,927,624	491,136	-	-	-	-	-
20	ILLINOIS	4,515,458	50,384	-	-	-	-	-
21	TOTAL CUSTOMER ACCOUNTING EXPENSES	52,443,082	541,520	-	-	-	-	-
	CUSTOMER SERV. & INFO. EXPENSES:							
22	MISSOURI	4,765,481	50,572	-	-	-	-	-
23	ILLINOIS	418,468	7,419	-	-	-	-	-
24	TOTAL CUSTOMER SERV. & INFO. EXP.	5,183,949	57,991	-	-	-	-	-
	SALES EXPENSES:							
25	MISSOURI	1,467,409	30,596	-	-	-	-	-
26	ILLINOIS	147,562	3,426	-	-	-	-	-
27	TOTAL SALES EXPENSES	1,614,971	34,022	-	-	-	-	-
	ADMINISTRATIVE & GENERAL EXPENSES:							
28	E.P.R.I. ASSESSMENT - MO.	2,100,113	-	-	-	-	-	-
29	E.P.R.I. ASSESSMENT - ILL.	195,344	-	-	-	-	-	-
30	ACCOUNT 930-1 - MO.	811,066	-	-	-	-	-	-
31	ACCOUNT 930-1 - ILL.	49,242	-	-	-	-	-	-
32	A&G DIRECT - MISSOURI	-	-	-	-	-	-	-
33	TOTAL DIRECT A. & G. EXPENSE	3,155,765	-	-	-	-	-	-
34	ALLOCATED ON LABOR RATIO	265,393,188	931,663	-	-	-	-	-
35	TOTAL ADMINISTRATIVE & GENERAL EXPENSES	268,548,953	931,663	-	-	-	-	-
36	TOTAL OPERATIONS & MAINTENANCE EXPENSES	$ 1,216,129,050	$ 7,803,120	$ (3,372,137)	$ (29,470,821)	$ (4,777,151)	$ (16,402,667)	$ (9,377,100)

37 NOTE: See Schedule 10-3 for explanation of the pro forma adjustments.

UNION ELECTRIC COMPANY
MPSC CASE NO. EC-2002-1

ELECTRIC OPERATIONS AND MAINTENANCE EXPENSES
PER BOOK AND PRO FORMA
FOR THE TWELVE MONTHS ENDED JUNE 30, 2001 UPDATED THROUGH SEPTEMBER 30, 2001

LINE	FUNCTIONAL CLASSIFICATION (A)	#7 ADD INTEREST ON CUSTOMER SURETY DEPOSITS (B)	#8 REDUCE MO. ADV. EXPENSE (C)	#9 Y2K EXPENSE AMORTIZATION (D)	#10 ESTIMATED RATE CASE EXPENSES (E)	TOTAL PRO FORMA ADJUSTMENT (F)	PRO FORMA AMOUNT (G)
	PRODUCTION:						
	INCREMENTAL COSTS:						
1	LABOR	$ -	$ -	$ -	$ -	$ 147,300	$ 5,334,226
2	FUEL (EXCL. W/H CR.)	-	-	-	-	(37,620,109)	310,524,733
3	WESTINGHOUSE CREDITS	-	-	-	-	-	(5,402,673)
4	NET PURCH. & INT. POWER	-	-	-	-	(6,036,000)	24,404,011
5	OTHER (FUEL HANDLING)	-	-	-	-	-	693,670
6	TOTAL INCREMENTAL COSTS	-	-	-	-	(43,508,809)	335,553,767
	OTHER OPERATING EXPENSES:						
7	LABOR	-	-	-	-	2,436,550	88,235,512
8	OTHER	-	-	-	-	-	38,464,693
9	TOTAL OTHER OPERATING EXPENSES	-	-	-	-	2,436,550	126,700,205
	MAINTENANCE EXPENSES:						
10	LABOR	-	-	-	-	(719,397)	67,850,368
11	OTHER	-	-	-	-	(7,700,000)	112,656,598
12	TOTAL MAINTENANCE EXPENSES	-	-	-	-	(8,419,397)	180,506,966
13	CAPACITY COSTS	-	-	-	-	-	54,246,124
14	TOTAL PRODUCTION EXPENSES	-	-	-	-	(49,491,656)	697,007,062
15	TRANSMISSION EXPENSES	-	-	-	-	(9,228,492)	20,912,653
	DISTRIBUTION EXPENSES:						
16	MISSOURI	-	-	-	-	1,469,858	106,501,182
17	ILLINOIS	-	-	-	-	88,338	6,755,246
18	TOTAL DISTRIBUTION EXPENSES	-	-	-	-	1,558,196	113,256,428
	CUSTOMER ACCOUNTING EXPENSES:						
19	MISSOURI	1,238,940	-	-	-	1,730,076	49,657,700
20	ILLINOIS	-	-	-	-	50,384	4,565,842
21	TOTAL CUSTOMER ACCOUNTING EXPENSES	1,238,940	-	-	-	1,780,460	54,223,542
	CUSTOMER SERV. & INFO. EXPENSES:						
22	MISSOURI	-	-	-	-	50,572	4,816,053
23	ILLINOIS	-	-	-	-	7,419	425,887
24	TOTAL CUSTOMER SERV. & INFO. EXP.	-	-	-	-	57,991	5,241,940
	SALES EXPENSES:						
25	MISSOURI	-	-	-	-	30,596	1,498,005
26	ILLINOIS	-	-	-	-	3,426	150,988
27	TOTAL SALES EXPENSES	-	-	-	-	34,022	1,648,993
	ADMINISTRATIVE & GENERAL EXPENSES:						
28	E.P.R.I. ASSESSMENT - MO.	-	-	-	-	-	2,100,113
29	E.P.R.I. ASSESSMENT - ILL.	-	-	-	-	-	195,344
30	ACCOUNT 930-1 - MO.	-	-	-	-	-	811,086
31	ACCOUNT 930-1 - ILL.	-	-	-	-	-	49,242
32	A&G DIRECT - MISSOURI	-	(1,000,000)	835,667	620,400	456,067	456,067
33	TOTAL DIRECT A. & G. EXPENSE	-	(1,000,000)	835,667	620,400	456,067	3,611,852
34	ALLOCATED ON LABOR RATIO	-	-	-	-	931,663	266,324,831
35	TOTAL ADMINISTRATIVE & GENERAL EXPENSES	-	(1,000,000)	835,667	620,400	1,387,730	269,936,683
36	TOTAL OPERATIONS & MAINTENANCE EXPENSES	$ 1,238,940	$ (1,000,000)	$ 835,667	$ 820,400	$ (53,901,749)	$ 1,162,227,301

37 NOTE: See Schedule 10-3 for explanation of the pro forma adjustments.

UNION ELECTRIC COMPANY
MPSC CASE NO. EC-2002-1

ELECTRIC OPERATING AND MAINTENANCE EXPENSE
PRO FORMA ADJUSTMENTS
TWELVE MONTHS ENDED JUNE 30, 2001 UPDATED THROUGH SEPTEMBER 30, 2001

LINE	PRO FORMA ITEM NO. (A)	DESCRIPTION (B)	TOTAL AMOUNT (C)
1 2	(1)	Increase labor to annualize the average 3.93% wage increase for management employees effective April 1, 2001 and the 3% wage increase for the union employees effective July 1, 2001.	$7,803,120
3 4	(2)	Reduce the fuel expense to reflect the elimination of the unbilled sales and revenues from the test year sales and revenues.	($3,372,137)
5 6	(3)	Reduce the fuel expense to reflect that actual sales for the twelve months ended September 30, 2001 were higher than normal weather.	($29,470,821)
7 8	(4)	Reduce fuel expense to reflect the loss of wholesale customer City of Rolla, and reduced sales to Laclede Steel.	($4,777,151)
9 10 11	(5)	Reduce the production expenses for one-third of the Spring 2001 Callaway refueling cost. Since the Callaway refueling occurs every eighteen months it is appropriate to only reflect two-thirds of the Callaway refueling in a twelve month test year.	($16,402,667)
12 13 14	(6)	The payment required by Ameren to withdraw from the Midwest ISO occurred during the twelve months ended June 30, 2001. This adjustment to the transmission expense is made to reflect a four year amortization of that withdrawal payment.	($9,377,100)
15 16 17	(7)	The interest on customer deposits are included in the customer accounting expenses to reflect the interest at 9.5% on the September 30, 2001 deposit balance. The September 30, 2001 customer deposit balance is included as a reduction to rate base.	$1,238,940
18	(8)	The advertising expenses are reduced for the estimated cost of goodwill advertising.	($1,000,000)
19 20	(9)	The Y2K expenses were recorded as a regulatory asset per Order of the Commission. This adjustment reflects a six year amortization of that balance.	$835,667
21 22	(10)	The three year amortization of the Company's estimated additional expenses involved in responding to this complaint case are reflected in this adjustment to the administrative and general expenses.	$620,400
23	**Total Pro Forma Adjustments to Electric Operating and Maintenance Expenses**		($53,901,749)

UNION ELECTRIC COMPANY
MPSC CASE NO. EC-2002-1
PRO FORMA ELECTRIC OPERATING AND MAINTENANCE EXPENSES
FOR THE TWELVE MONTHS ENDED JUNE 30, 2001 UPDATED THROUGH SEPTEMBER 30, 2001

LINE	DESCRIPTION (A)	TOTAL ELECTRIC (B)	ALLOCATION (C)	MISSOURI JURISDICTIONAL (D)
	OPERATING & MAINTENANCE EXPENSES			
	PRODUCTION:			
	INCREMENTAL COSTS:			
1	LABOR	$ 5,334,226	(Variable)	$ 4,718,123
2	FUEL (EXCL. W/H CR.)	310,524,733	(Variable)	274,659,127
3	WESTINGHOUSE CREDITS	(5,402,873)	(Direct)	(4,622,217)
4	NET PURCH. & INT. POWER	24,404,011	(Variable)	21,585,348
5	OTHER (FUEL HANDLING)	693,670	(Variable)	613,551
6	TOTAL INCREMENTAL COSTS	335,553,767		296,953,932
	OTHER OPERATING EXPENSES:			
7	LABOR	88,235,512	(Fixed)	80,611,964
8	OTHER	38,464,693	(Variable)	34,022,021
9	TOTAL OTHER OPERATING EXPENSES:	126,700,205		114,633,985
	MAINTENANCE EXPENSES:			
10	LABOR	67,850,368	(Variable)	60,013,650
11	OTHER	112,656,598	(Variable)	99,644,761
12	TOTAL MAINTENANCE EXPENSES	180,506,966		159,658,411
13	CAPACITY COSTS	54,246,124	(Fixed)	49,559,259
14	TOTAL PRODUCTION EXPENSES	697,007,062		620,805,587
15	TRANSMISSION EXPENSES	20,912,653	(Fixed)	19,105,800
	DISTRIBUTION EXPENSES			
16	MISSOURI	106,501,182	(Dist. Plant)	105,958,026
17	ILLINOIS	6,755,246	(Direct)	-
18	TOTAL DISTRIBUTION EXPENSES	113,256,428		105,958,026
	CUSTOMER ACCOUNTING EXPENSES			
19	MISSOURI	49,657,700	(Direct)	49,646,994
20	ILLINOIS	4,565,842	(Direct)	-
21	TOTAL CUSTOMER ACCOUNTING EXPENSES	54,223,542		49,646,994
	CUSTOMER SERV. & INFO. EXPENSES			
22	MISSOURI	4,816,053	(Direct)	4,816,053
23	ILLINOIS	425,887	(Direct)	-
24	TOTAL CUSTOMER SERV. & INFO. EXPENSES	5,241,940		4,816,053
	SALES EXPENSES			
25	MISSOURI	1,498,005	(Direct)	1,498,005
26	ILLINOIS	150,988	(Direct)	-
27	TOTAL SALES EXPENSES	1,648,993		1,498,005
	ADMINISTRATIVE & GENERAL EXPENSES			
28	EPRI ASSESSMENT	2,295,457	(Direct)	2,100,113
29	ACCOUNT 930-1	860,328	(Direct)	811,086
30	A&G DIRECT - MISSOURI	456,067	(Direct)	456,067
31	TOTAL DIRECT A & G EXPENSES	3,611,852		3,367,266
32	ALLOCATED LABOR RATIO	266,324,831	(Labor)	242,169,168
33	TOTAL ADMINISTRATIVE AND GENERAL EXPENSE	269,936,683		245,536,434
34	TOTAL OPERATING & MAINTENANCE EXPENSES	$ 1,162,227,301		$ 1,047,366,899

UNION ELECTRIC COMPANY
MPSC CASE NO. EC-2002-1

DEPRECIATION & AMORTIZATION EXPENSE
FOR THE TWELVE MONTHS ENDED JUNE 30, 2001 UPDATED THROUGH SEPTEMBER 30, 2001

LINE	DESCRIPTION (A)	TOTALS PER BOOKS (B)	PRO FORMA ADJUSTMENTS(1) (C)	ADJUSTED ELECTRIC TOTALS (D)
	INTANGIBLE PLANT:			
1	ACCOUNT 303	$ (23,773)	$ 45,252	$ 21,479
2	TOTAL INTANGIBLE PLANT	(23,773)	45,252	21,479
	PRODUCTION PLANT:			
3	NUCLEAR	65,079,148	6,550,021	71,629,169
4	CALLAWAY POST OPERATIONAL	3,687,468	-	3,687,468
5	CALLAWAY DECOMMISSIONING	6,783,000	-	6,783,000
6	STEAM	60,505,092	24,279,680	84,784,772
7	HYDRAULIC	1,865,132	2,149,687	4,014,819
8	OTHER	2,357,648	(795,186)	1,562,462
9	TOTAL PRODUCTION PLANT	140,277,488	32,184,202	172,461,690
10	TRANSMISSION PLANT	9,152,336	1,085,576	10,237,912
	DISTRIBUTION PLANT			
11	MISSOURI	98,398,730	(6,584,177)	91,814,553
12	ILLINOIS	5,935,430	-	5,935,430
13	TOTAL DISTRIBUTION PLANT	104,334,160	(6,584,177)	97,749,983
	GENERAL PLANT			
14	MISSOURI	9,300,826	8,660,826	17,961,652
15	ILLINOIS	257,335	(4,954)	252,381
16	IOWA	14,304	-	14,304
17	TOTAL GENERAL PLANT	9,572,465	8,655,872	18,228,337
18	TOTAL DEPRC. & AMORT. - PLANT	263,312,676	35,386,725	298,699,401
19	(GAIN)/LOSS - SALE OF PROPERTY	777	-	777
20	(GAIN)/LOSS - FROM SO_2 OPTIONS	(467,999)	467,999	-
21	AMORT. OF MERGER COSTS	4,520,790	-	4,520,790
22	TOTAL DEPRECIATION & AMORTIZATION EXPENSE	$ 267,366,244	$ 35,854,724	$ 303,220,968

23 (1) See Schedule 11-2 for explanation of the pro forma adjustments.

UNION ELECTRIC COMPANY
ELECTRIC DEPRECIATION & AMORTIZATION EXPENSE PRO FORMA ADJUSTMENTS
FOR THE TWELVE MONTHS ENDED JUNE 30, 2001 UPDATED THROUGH SEPTEMBER 30, 2001

LINE	ITEM NO. (A)	DESCRIPTION (B)		TOTAL COMPANY AMOUNT (C)
1	(1)	Eliminate portions of depreciation and amortization expense for	$	(111,510)
2		multi-use general facilities which are applicable to gas operations.		
3	(2)	Eliminate SO_2 Options, recorded in accordance with FAS 133, as they were transferred to	$	467,999
4		Miscellaneous Non-Operating Income.		
5	(3)	Eliminate intangible plant prior period adjustment made December 2000.	$	23,773
6	(4)	To reflect the increase in depreciation expense from applying the Company's new proposed depreciation rates to		
7		the depreciable plant balances at September 30, 2001. The Company's proposed depreciation rates are		
8		contained in the testimony of Company witness William M. Stout.		
9		Change in Deprc. Exp. - Nuclear	$	5,106,618
10		Change in Deprc. Exp. - Steam		21,356,340
11		Change in Deprc. Exp. - Hydro		1,484,446
12		Change in Deprc. Exp. - Other Prod.		(542,377)
13		Change in Deprc. Exp. - Transmission		961,743
14		Change in Deprc. Exp. - Distribution		(4,746,593)
15		Change in Deprc. Exp. - General Plant		5,990,353
16		Change in Deprc. Exp. - Allocation to Gas		(75,291)
17		Total Increase in Depreciation Expense		29,535,239
18		Amortization of Capitalized Callaway Software in Account 303		21,479
19		Total: Item No. 4	$	29,556,718
20	(5)	To reflect the twenty year amortization of the under accrued depreciation reserve per the testimony of Company		
21		witness William M. Stout		
22		Annual Amort. Of Reserve Var. - Nuclear	$	1,443,403
23		Annual Amort. Of Reserve Var. - Steam		2,923,340
24		Annual Amort. Of Reserve Var. - Hydro		665,241
25		Annual Amort. Of Reserve Var. - Other Prod.		(252,809)
26		Annual Amort. Of Reserve Var. - Transmission		123,833
27		Annual Amort. Of Reserve Var. - Distribution		(1,837,584)
28		Annual Amort. Of Reserve Var. - General Plant		2,852,320
29		Total: Item No. 5	$	5,917,744
30		**TOTAL PRO FORMA ADJUSTMENTS: DEPRECIATION & AMORTIZATION**	$	35,854,724

UNION ELECTRIC COMPANY
ELECTRIC DEPRECIATION & AMORTIZATION EXPENSE
ALLOCATED TO MISSOURI JURISDICTION
FOR THE TWELVE MONTHS ENDED JUNE 30, 2001 UPDATED THROUGH SEPTEMBER 30, 2001

LINE	DESCRIPTION (A)	ADJUSTED ELECTRIC TOTALS (B)	ALLOCATION (C)	MISSOURI JURISDICTIONAL (D)
	INTANGIBLE PLANT:			
1	ACCOUNT 303	$ 21,479	Fixed	$ 19,623
2	TOTAL INTANGIBLE PLANT	21,479		19,623
	PRODUCTION PLANT:			
3	NUCLEAR	$ 71,629,169	Nuclear	$ 65,805,718
4	CALLAWAY POST OPERATIONAL	3,687,468	Callaway Post Operational	3,612,612
5	CALLAWAY DECOMMISSIONING	6,783,000	Direct	6,214,184
6	STEAM	84,784,772	Fixed	77,459,368
7	HYDRAULIC	4,014,819	Fixed	3,667,939
8	OTHER	1,562,462	Fixed	1,427,465
9	TOTAL PRODUCTION PLANT	172,461,690		158,187,286
10	TRANSMISSION PLANT	10,237,912	Fixed	9,353,356
	DISTRIBUTION PLANT			
11	MISSOURI	91,814,553	Direct	91,346,299
12	ILLINOIS	5,935,430	Direct	-
13	TOTAL DISTRIBUTION PLANT	97,749,983		91,346,299
14	TOTAL GENERAL PLANT	18,228,337	Labor	16,575,027
15	TOTAL DEPRC. & AMORT. - PLANT	298,699,401		275,481,591
16	(GAIN)/LOSS - SALE OF PROPERTY	777	Net Plant	723
17	(GAIN)/LOSS - FROM SO_2 OPTIONS	-	Variable	-
18	AMORT. OF MERGER COSTS (1)	4,520,790	Direct	4,520,790
		-		
19	TOTAL DEPRC. & AMORT. EXPENSE	$ 303,220,968		$ 280,003,104

20 (1) Amortization per Commission order effective 01/04/2000.

UNION ELECTRIC COMPANY
MPSC CASE NO. EC-2002-1

TAXES OTHER THAN INCOME TAXES
FOR THE TWELVE MONTHS ENDED JUNE 30, 2001 UPDATED THROUGH SEPTEMBER 30, 2001

LINE	DESCRIPTION (A)	TOTAL PER BOOKS (B)	PRO FORMA ADJUSTMENTS(1) (C)	ADJUSTED TOTAL OTHER TAXES (D)
	FEDERAL SOCIAL SECURITY TAXES			
1	F.I.C.A.	$ 17,394,833	$ 564,427	$ 17,959,260
2	UNEMPLOYMENT	199,859	-	199,859
3	TOTAL FEDERAL TAXES	17,594,692	564,427	18,159,119
	MISSOURI ELECTRIC:			
4	R.E., P.P. & CORP FRANCHISE	81,697,119	(155,461)	81,541,658
5	Production	45,092,969	-	45,092,969
6	Production M&S	1,863,147	-	1,863,147
7	Transmission	3,947,912	(90,060)	3,857,852
8	Distribution	26,628,045	(17,424)	26,610,621
9	System General	4,165,046	(47,977)	4,117,069
10	MUNICIPAL GROSS RECEIPTS	96,142,676	(96,142,676)	-
11	ST. LOUIS EMPLOYMENT TAX	107,453	-	107,453
12	ST. LOUIS EARNINGS	447,965	-	447,965
13	MO. EXCISE - NEIL INS. PREM.	1,897	-	1,897
14	MISCELLANEOUS	19,408	-	19,408
15	*TOTAL MISSOURI ELECTRIC*	*178,416,518*	*(96,298,137)*	*82,118,381*
	ILLINOIS ELECTRIC:			
16	UNEMPLOYMENT	9,697	-	9,697
17	R.E., CAP. INV. & CORP. FRAN.	1,468,706	(943)	1,467,763
18	Production	806,694	-	806,694
19	Transmission	204,199	-	204,199
20	Distribution	421,235	-	421,235
21	System General	36,578	(943)	35,635
22	ELECTRIC DISTRIBUTION	2,239,000	-	2,239,000
23	GROSS RECEIPTS / IPU, & MISC.	1,650,979	-	1,650,979
24	TOTAL ILLINOIS ELECTRIC	5,368,382	(943)	5,367,439
	IOWA ELECTRIC			
25	UNEMPLOYMENT	85	-	85
26	R.E., P.P. & CORP FRANCHISE	826,289	600,167	1,426,456
27	Production	1,049,577	-	1,049,577
28	Transmission	(203,013)	545,670	342,657
29	System General	(20,275)	54,497	34,222
30	TOTAL IOWA ELECTRIC	826,374	600,167	1,426,541
	OTHER LOCATIONS			
31	R.E. & P.P.	324,180	-	324,180
32	D.C. Unempl. & Corp Franchise	6,809	-	6,809
33	TOTAL OTHER STATES	330,989	-	330,989
34	TOTAL TAXES OTHER THAN INCOME TAXES	$ 202,536,955	$ (95,134,486)	$ 107,402,469

35 (1) See Schedule 12-2 for explanation of the pro forma adjustments.

UNION ELECTRIC COMPANY
MPSC CASE NO. EC-2002-1

TAXES OTHER THAN INCOME
PRO FORMA ADJUSTMENTS
FOR THE TWELVE MONTHS ENDED JUNE 30, 2001 UPDATED THROUGH SEPTEMBER 30, 2001

LINE	ITEM NO. (A)	DESCRIPTION (B)	PRO FORMA AMOUNT (C)
1 2	(1)	Eliminate portions of the taxes other than income expense applicable to *multiple use general facilities which are applicable to gas operations.*	($48,920)
3 4	(2)	Eliminate the gross receipts tax as they are a pass through tax. The revenues have also been adjusted to remove the gross receipts tax.	($96,142,676)
5 6	(3)	Eliminate the property taxes on future use plant, as this investment is excluded from ratebase.	($107,484)
7	(4)	Eliminate prior year accrual reversal for the Iowa property taxes.	$600,167
8	(5)	Increase the F.I.C.A. taxes to reflect the pro forma wage increases.	$564,427
9		**Total Pro Forma Adjustments to Taxes Other Than Income**	($95,134,486)

UNION ELECTRIC COMPANY
MPSC CASE NO. EC-2002-1

PRO FORMA ELECTRIC TAXES OTHER THAN INCOME TAXES
ALLOCATED TO MISSOURI JURISDICTION
FOR THE TWELVE MONTHS ENDED JUNE 30, 2001 UPDATED THROUGH SEPTEMBER 30, 2001

LINE	DESCRIPTION (A)	TOTAL ELECTRIC (B)	ALLOCATION (C)	MISSOURI JURISDICTIONAL (D)
	FEDERAL TAXES:			
1	F.I.C.A.	$ 17,959,260	LABOR	$ 16,330,355
2	UNEMPLOYMENT	199,859	LABOR	181,732
3	TOTAL FEDERAL TAXES	18,159,119		16,512,087
	MISSOURI ELECTRIC:			
4	R.E., P.P. & CORP FRANCHISE	81,541,658		76,586,494
5	Production	45,092,969	FIXED	41,196,936
6	Production M&S	1,863,147	VARIABLE	1,647,954
7	Transmission	3,857,852	FIXED	3,524,534
8	Distribution	26,610,621	DIRECT	26,473,419
9	System General	4,117,069	LABOR	3,743,651
10	MUNICIPAL GROSS RECEIPTS	-	DIRECT	-
11	ST. LOUIS EMPLOYMENT TAX	107,453	LABOR	97,707
12	ST. LOUIS EARNINGS	447,965	DIRECT	447,965
13	MO. EXCISE - NEIL INS. PREM.	1,897	FIXED	1,733
14	MISCELLANEOUS	19,408	DIRECT	19,408
15	TOTAL MISSOURI ELECTRIC	82,118,381		77,153,307
	ILLINOIS ELECTRIC:			
16	UNEMPLOYMENT	9,697	LABOR	8,817
17	R.E., CAP. INV. & CORP. FRAN.	1,467,763		955,955
18	Production	806,694	FIXED	736,996
19	Transmission	204,199	FIXED	186,556
20	Distribution	421,235	DIRECT	-
21	System General	35,635	LABOR	32,403
22	ELECTRIC DISTRIBUTION	2,239,000	DIRECT	-
23	GROSS RECEIPTS / IPU, & MISC.	1,650,979	DIRECT	-
24	TOTAL ILLINOIS ELECTRIC	5,367,439		964,772
	IOWA ELECTRIC			
25	UNEMPLOYMENT	85	LABOR	77
26	R.E., P.P. & CORP FRANCHISE	1,426,456		1,303,063
27	Production	1,049,577	FIXED	958,894
28	Transmission	342,657	FIXED	313,051
29	System General	34,222	LABOR	31,118
30	TOTAL IOWA ELECTRIC	1,426,541		1,303,140
	OTHER LOCATIONS			
31	R.E. & P.P.	324,180	FIXED	296,171
32	D.C. Unempl. & Corp. Franchise	6,809	LABOR	6,191
33	TOTAL OTHER STATES	330,989		302,362
34	TOTAL TAXES OTHER THAN INCOME TAXES	$ 107,402,469		$ 96,235,668

UNION ELECTRIC COMPANY
MPSC CASE NO. EC-2002-1

ELECTRIC INCOME TAXES PER BOOKS AND PRO FORMA
FOR THE TWELVE MONTHS ENDED JUNE 30, 2001 UPDATED THROUGH SEPTEMBER 30, 2001

LINE	DESCRIPTION (A)	TOTAL PER BOOKS (B)	PRO FORMA ADJUSTMENTS (C)	TOTAL ELECTRIC PRO FORMA (D)	ALLOCATION (E)	MISSOURI ULTIMATE JURISDICTIONAL (F)
	NET OPERATING INCOME	$ 396,356,680	$ (65,073,305)	$ 331,283,375	DIRECT	$ 313,897,185
1	NON-OPERATING INC. & DEDUCT.:					
2	INTEREST INCOME	(14,390,390)	14,390,390	-	NET PLANT	-
	INTEREST CHARGES:					
3	INTEREST ON L-T-DEBT	(104,831,145)	(4,710,855)	(109,542,000)	DIRECT	(101,894,000)
4	OTHER INTEREST CHARGES	(7,978,415)	7,978,415	-	NET PLANT	-
5	AMORT. OF LOSS-REAQ. DEBT	(4,365,489)	4,365,489	-	NET PLANT	-
6	TOTAL INTEREST	(117,175,049)	7,633,049	(109,542,000)		(101,894,000)
7	NET INCOME FROM OPERATIONS	264,791,241	(43,049,866)	221,741,375		212,003,185
	ADD:					
8	PROVISION FOR INCOME TAXES	195,320,030	(7,293,030)	188,027,000	DIRECT	173,951,000
9	DEFERRED INC. TAXES - NET	(17,775,369)	7,628,802	(10,146,567)	PER SCHEDULE	(8,822,020)
10	DEF. INV. TAX CR. - NET	(5,997,221)	-	(5,997,221)	PER SCHEDULE	(5,507,263)
11	TOTAL TAXES	171,547,440	335,772	171,883,212		159,621,717
12	TOTAL INCOME	436,338,681	(42,714,094)	393,624,587		371,624,902
	DEDUCTIONS:					
13	STATE INCOME TAXES	17,581,796	6,865,204	24,447,000	DIRECT	23,639,000
14	ALL OTHER DEDUCTIONS	(89,432,091)	(872,365)	(90,304,456)	PER SCHEDULE	(81,813,281)
15	TOTAL DEDUCTIONS	(71,850,295)	5,992,839	(65,857,456)		(58,174,281)
16	TAXABLE INCOME	508,188,976	(48,706,933)	459,482,043		429,799,183
	FEDERAL INCOME TAX:					
17	FEDERAL INCOME TAX AT 35%	177,865,234	(14,158,234)	163,707,000	DIRECT	150,430,000
18	CREDIT FOR FUEL TAX	(127,000)	-	(127,000)	NET PLANT	(118,000)
19	TOTAL CURRENT FEDERAL INCOME TAX	177,738,234	(14,158,234)	163,580,000		150,312,000
	STATE INCOME TAX:					
20	MISSOURI	17,099,890	7,105,110	24,205,000	PER SCHEDULE	23,639,000
21	ILLINOIS	403,858	(232,858)	171,000		-
22	IOWA	78,048	(7,048)	71,000		-
23	TOTAL STATE INCOME TAXES	17,581,796	6,865,204	24,447,000		23,639,000
	DEFERRED INCOME TAXES:					
24	DEFERRED I.T.C.-NET	(5,997,221)	-	(5,997,221)	PER SCHEDULE	(5,507,263)
25	OTHER DEFERRED INC. TAXES	(10,146,567)	-	(10,146,567)	PER SCHEDULE	(8,822,020)
26	TOTAL DEFERRED INCOME TAXES	(16,143,788)	-	(16,143,788)		(14,329,283)
27	TOTAL CURRENT AND DEFERRED INCOME TAXES	$ 179,176,242	$ (7,293,030)	$ 171,883,212		$ 159,621,717

UNION ELECTRIC COMPANY
MPSC CASE NO. EC-2002-1

PROOF OF ELECTRIC AND MISSOURI JURISDICTIONAL
FEDERAL AND STATE INCOME TAXES
FOR THE TWELVE MONTHS ENDED JUNE 30, 2001 UPDATED THROUGH SEPTEMBER 30, 2001

LINE	DESCRIPTION	TOTAL COMPANY				MISSOURI JURISDICTIONAL ONLY			
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)
1	INCOME BEFORE INCOME TAXES	$ 503,166,587	$ 503,166,587	$ 503,166,587	$ 503,166,587	$ 473,518,902	$ 473,518,902	$ 473,518,902	$ 473,518,902
2	LESS: TOTAL DEDUCTIONS EXCL. STATE INC.								
3	TAXES & INT. ON L-T-D	(90,304,456)	(90,304,456)	(90,304,456)	(90,304,456)	(81,813,281)	(81,813,281)	(81,813,281)	(81,813,281)
4	INTEREST ON LONG-TERM DEBT	109,542,000	109,542,000	109,542,000	109,542,000	101,894,000	101,894,000	101,894,000	101,894,000
5	TAXABLE INCOME	483,929,043	483,929,043	483,929,043	483,929,043	453,438,183	453,438,183	453,438,183	453,438,183
6		(1)	(2)	(3)	(4)	(1)	(2)	(3)	(4)
7	TAXABLE INCOME	483,929,043	483,929,043	483,929,043	483,929,043	453,438,183	453,438,183	453,438,183	453,438,183
8	LESS: STATE INCOME TAXES	17,581,796	16,204,000	16,195,000	16,195,000	17,099,890	23,224,000	23,634,000	23,639,000
9	NET TAXABLE INCOME	466,347,247	467,725,043	467,734,043	467,734,043	436,338,293	430,214,183	429,804,183	429,799,183
10	FEDERAL TAX RATE	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%
11	FEDERAL INCOME TAX	163,222,000	163,704,000	163,707,000	163,707,000	152,718,000	150,575,000	150,431,000	150,430,000
12	LESS: INVESTMENT TAX CREDIT	-	-	-	-	-	-	-	-
13	NET FEDERAL INCOME TAX	163,222,000	163,704,000	163,707,000	163,707,000	152,718,000	150,575,000	150,431,000	150,430,000
14	MISSOURI TAXABLE INCOME	483,929,043	483,929,043	483,929,043	483,929,043	453,438,183	453,438,183	453,438,183	453,438,183
15	PLUS: TAX EXEMPT INTEREST	-	-	-	-	-	-	-	-
16	LESS: 1/2 NET FED. INC. TAX	81,611,000	81,852,000	81,853,500	81,853,500	81,852,000	75,287,500	75,215,500	75,215,000
17	INTEREST ON FED. SECURITIES	-	-	-	-	-	-	-	-
18	TAXABLE MISSOURI	402,318,043	402,077,043	402,075,543	402,075,543	371,586,183	378,150,683	378,222,683	378,223,183
19	MISSOURI TAX RATE	3.9678%	3.9678%	3.9678%	3.9678%	6.2500%	6.2500%	6.2500%	6.2500%
20	MISSOURI INCOME TAX	15,963,000	15,953,000	15,953,000	15,953,000	$ 23,224,000	$ 23,634,000	$ 23,639,000	$ 23,639,000
21	ILLINOIS TAXABLE INCOME	483,929,043	483,929,043	483,929,043	483,929,043				
22	PLUS: TAX EXEMPT INTEREST	-	-	-	-				
23	LESS: MO. & IA. STATE INC. TAX	17,177,938	16,034,000	16,024,000	16,024,000				
24	TAXABLE ILLINOIS	466,751,105	467,895,043	467,905,043	467,905,043				
25	ILLINOIS TAX RATE	0.0365%	0.0365%	0.0365%	0.0365%				
26	ILLINOIS INCOME TAX	170,000	171,000	171,000	171,000				
27	IOWA TAXABLE INCOME	483,929,043	483,929,043	483,929,043	483,929,043				
28	PLUS: TAX EXEMPT INTEREST	-	-	-	-				
29	LESS: MO. & ILL. STATE INC. TAX	17,503,748	16,133,000	16,124,000	16,124,000				
30	50% OF NET FED. INC. TAX	81,611,000	81,852,000	81,853,500	81,853,500				
31	TAXABLE IOWA	384,814,295	385,944,043	385,951,543	385,951,543				
32	*IOWA TAX RATE*	*0.0185%*	*0.0185%*	*0.0185%*	*0.0185%*				
33	IOWA INCOME TAX	$ 71,000	$ 71,000	$ 71,000	$ 71,000				

Schedule 13-2

UNION ELECTRIC COMPANY
MPSC CASE NO. EC-2002-1

TOTAL ELECTRIC AND MISSOURI JURISDICTIONAL
PER BOOK AND PRO FORMA TAX DEDUCTIONS
FOR THE TWELVE MONTHS ENDED JUNE 30, 2001 UPDATED THROUGH SEPTEMBER 30, 2001

LINE	DESCRIPTION	TOTAL ELECTRIC	PRO FORMA ADJUSTMENT	TOTAL ELECTRIC PRO FORMA	ALLOCATION	MISSOURI JURISDICTIONAL
1	INTEREST INCOME	$ 14,390,390	$ (14,390,390)	$ -	NET PLANT	$ -
2	INTEREST ON LONG TERM DEBT (1)	(104,631,145)	(4,710,855)	(109,542,000)	NET PLANT	(101,894,000)
3	OTHER INTEREST CHARGES	(7,978,415)	7,978,415	-	NET PLANT	-
4	AMORT. OF LOSS - REACQ. DEBT	(4,365,489)	4,365,489	-	NET PLANT	-
5	AFUDC - DEBT (2)	-	(8,068,363)	(8,068,363)	NET PLANT	(7,509,225)
6	DISMANTLING EXPENSE	(20,967,992)	-	(20,967,992)	NET PLANT	(19,514,910)
7	CUST. ADVANCES & CIA'S	12,728,046	-	12,728,046	NET PLANT	11,845,992
8	ENVIR. CLEAN-UP CAPITALIZED	-	-	-	NET PLANT	-
9	PREFERRED DIVIDEND PAID CR.	(1,818,997)	-	(1,818,997)	NET PLANT	(1,692,941)
10	AMORTIZATION OF EASEMENTS	(487,997)	-	(487,997)	NET PLANT	(454,179)
11	RESERVE & CLEARING ACCOUNTS	(162,306)	-	(162,306)	LABOR	(147,585)
12	TAX INTEREST CAPITALIZED	11,774,069	-	11,774,069	NET PLANT	10,958,127
13	REPAIR ALLOWANCE	(17,503,003)	-	(17,503,003)	DIRECT	(16,447,572)
14	MISCELLANEOUS ADJUSTMENTS (3)	4,496,068	(4,513,476)	(17,408)	NET PLANT	(16,201)
15	DECOMMISSIONING COSTS	(6,783,000)	-	(6,783,000)	DIRECT	(6,214,184)
16	DEFEASANCE (4)	2,261,340	(2,261,340)	-	FIXED	-
17	DEDUCTIBLE REPAIRS - CAPITALIZED	(1,247,000)	-	(1,247,000)	FIXED	(1,139,259)
18	HEADWATER BENEFITS	(443,550)	-	(443,550)	FIXED	(405,227)
19	ACC. AND ADDL. DEPR.-NET (5)	48,501,216	29,556,718	78,057,934	DIRECT	72,295,717
20	UNBILLED GROSS RECEIPTS TAX (3)	633,960	(633,960)	-	DIRECT	-
21	CHANGE IN UNCOLLECTIBLE ACCOUNTS	942,780	-	942,780	REVENUE	861,512
22	NUCLEAR FUEL EXPENSE	30,472,487	-	30,472,487	VARIABLE	28,952,915
23	DOE DECOMMISSION. & DECONTAM.	547,636	-	547,636	VARIABLE	484,384
24	DISALLOWANCE OF MEALS - ETC.	704,363	-	704,363	LABOR	640,477
25	DEFERRED COMPENSATION	4,425,285	-	4,425,285	LABOR	4,023,912
26	PENSION EXPENSE	982,788	-	982,788	LABOR	893,650
27	CHANGE IN LEGAL RESERVE	(314,877)	-	(314,877)	LABOR	(286,318)
28	INJURIES & DAMAGES RESERVE CHANGE	5,952,976	-	5,952,976	LABOR	5,413,041
29	FASB 106 LIABILITY (6)	13,207,214	(13,207,214)	-	LABOR	-
30	PROCEEDS CO. OWNED LIFE INSUR.	(711,623)	-	(711,623)	LABOR	(647,079)
31	WESTINGHOUSE CREDIT ADJ.-NET	2,242,208	-	2,242,208	DIRECT	1,918,234
32	TOTAL OTHER TAXABLE DEDUCTIONS	$ (13,352,568)	$ (5,884,976)	$ (19,237,544)		$ (20,080,719)
33	TOTAL OTHER TAXABLE DEDUCTIONS EXCL. INTEREST	$ 89,432,091	$ 872,365	$ 90,304,456		$ 81,813,281

PRO FORMA ADJUSTMENTS:

34 (1) Replace per book interest income and expense deductions with the interest synchronization calculation.

35 (2) Add AFUDC on debt as a tax deduction

36 (3) Eliminate the portion of miscellaneous adjustments and unbilled gross receipts tax as they are only used by the tax department to synchronize the tax department taxable
37 income with book taxable income.

38 (4) Eliminate the defeasance deduction as it is included in the interest synchronization.

39 (5) Include depreciation adjustment for proposed rates in book depreciation.

40 (6) Eliminate the FASB 106 liability deduction as the cost of service reflects the cash "pay as you go" expense.

UNION ELECTRIC COMPANY
MPSC CASE NO. EC-2002-1

TOTAL ELECTRIC AND MISSOURI JURISDICTIONAL
INCOME TAXES AT THE CLAIMED RETURN
FOR THE TWELVE MONTHS ENDED JUNE 30, 2001 UPDATED THROUGH SEPTEMBER 30, 2001

LINE	DESCRIPTION		TOTAL ELECTRIC	ALLOCATION	MISSOURI JURISDICTIONAL
1	NET OPERATING INCOME		$ 435,361,582		$ 404,969,620
2	(Rate Base X 10.137 %)				
	NON-OPERATING INCOME (DEDUCTIONS):				
3	INTEREST ON L-T-DEBT (1)		(109,560,000)	DIRECT	(101,912,000)
4	TOTAL OTHER INCOME (DEDUCTIONS)		(109,560,000)		(101,912,000)
5	ADD CURRENT INCOME TAXES		249,207,250		230,875,932
	TAXES NOT BASED ON INCOME:				
6	DEFERRED INCOME TAXES - NET		(10,146,567)		(8,822,020)
7	DEF. INV. TAX CREDIT - NET		(5,997,221)		(5,507,263)
8	TOTAL TAXES NOT BASED ON INCOME		(16,143,788)		(14,329,283)
	OTHER DEDUCTIONS:				
9	AFUDC - DEBT		(8,068,363)	NET PLANT	(7,509,225)
10	DISMANTLING EXPENSE		(20,967,992)	NET PLANT	(19,514,910)
11	CUST. ADVANCES & CIA'S		12,728,046	NET PLANT	11,845,992
12	ENVIR. CLEAN-UP CAPITALIZED		0	NET PLANT	0
13	PREFERRED DIVIDEND PAID CR.		(1,818,997)	NET PLANT	(1,692,941)
14	AMORTIZATION OF EASEMENTS		(487,997)	NET PLANT	(454,179)
15	RESERVE & CLEARING ACCOUNTS		(162,306)	LABOR	(147,585)
16	TAX INTEREST CAPITALIZED		11,774,069	NET PLANT	10,958,127
17	REPAIR ALLOWANCE		(17,503,003)	DIRECT	(16,447,572)
18	MISCELLANEOUS ADJUSTMENTS		(17,408)	NET PLANT	(16,201)
19	DECOMMISSIONING COSTS		(6,783,000)	DIRECT	(6,214,184)
20	DEFEASANCE		0	FIXED	0
21	DEDUCTIBLE REPAIRS - CAPITALIZED		(1,247,000)	FIXED	(1,139,259)
22	HEADWATER BENEFITS		(443,550)	FIXED	(405,227)
23	ACC. AND ADDL. DEPR.-NET		78,057,934	DIRECT	72,295,717
24	UNBILLED GROSS RECEIPTS TAX		0	DIRECT	0
25	CHANGE IN UNCOLLECTIBLE ACCOUNTS		942,780	REVENUE	861,512
26	NUCLEAR FUEL EXPENSE		30,472,487	VARIABLE	26,952,915
27	DOE DECOMMISSION. & DECONTAM.		547,636	VARIABLE	484,384
28	DISALLOWANCE OF MEALS - ETC.		704,363	LABOR	640,477
29	DEFERRED COMPENSATION		4,425,285	LABOR	4,023,912
30	PENSION EXPENSE		982,788	LABOR	893,650
31	CHANGE IN LEGAL RESERVE		(314,877)	LABOR	(286,318)
32	INJURIES & DAMAGES RESERVE CHANGE		5,952,976	LABOR	5,413,041
33	FASB 106 LIABILITY		0	LABOR	0
34	PROCEEDS CO. OWNED LIFE INS.		(711,623)	LABOR	(647,079)
35	WESTINGHOUSE CREDIT ADJ.-NET		2,242,208	DIRECT	1,918,234
36	TOTAL OTHER DEDUCTIONS		90,304,456		81,813,281
37	NET TAXABLE INCOME		649,169,500		601,417,550
	FEDERAL INCOME TAX				
38	NET TAXABLE INCOME		649,169,500		601,417,550
39	DEDUCT MISSOURI INCOME TAX		33,842,960		31,353,522
40	FEDERAL TAXABLE INCOME		615,326,540		570,064,028
41	FEDERAL INCOME TAX AT 35.00%		215,364,290		199,522,410
	STATE INCOME TAXES				
42	NET TAXABLE INCOME		649,169,500		601,417,550
43	DEDUCT 50% OF FEDERAL INCOME TAX		107,682,146		99,761,205
44	MISSOURI TAXABLE INCOME		541,487,354		501,656,345
45	MISSOURI INCOME TAX AT 6.25%		33,842,960		31,353,522
	TAXES NOT BASED ON INCOME:				
46	DEFERRED INCOME TAXES - NET		(10,146,567)		(8,822,020)
47	DEF. INV. TAX CREDIT - NET		(5,997,221)		(5,507,263)
48	TOTAL TAXES NOT BASED ON INCOME		(16,143,788)		(14,329,283)
49	TOTAL STATE AND FEDERAL INCOME TAXES		$ 233,063,462		$ 216,546,649
50	(1) RATE BASE X EMBEDDED				
51	COST OF L-T DEBT.	2.551%			
52	(2) MISSOURI STATE INCOME TAX	6.25%			

UNION ELECTRIC COMPANY
MPSC CASE NO. EC-2002-1

ELECTRIC AND MISSOURI JURISDICTIONAL
DEFERRED INCOME TAXES AND DEFERRED INVESTMENT TAX CREDIT
TWELVE MONTHS ENDED JUNE 30, 2001 UPDATED THROUGH SEPTEMBER 30, 2001

Line	Description (A)	Total Electric Per Book (B)	Total Electric Pro Forma (C)	Missouri Jurisdictional (D)
	DEFERRED INCOME TAXES			
1	Account 190	($10,256,329)	($3,465,883)	($3,170,825)
2	Account 282	(6,479,684)	(6,479,684)	(5,473,411)
3	Account 283	(1,039,356)	(201,000)	(177,784)
4	Total Deferred Income Taxes	($17,775,369)	($10,146,567)	($8,822,020)
	DEFERRED INVESTMENT TAX CREDIT			
5	Account 255	($5,997,221)	($5,997,221)	($5,507,263)

PRO FORMA ADJUSTMENTS

6 (1) FASB 106 liability deferred income taxes are eliminated from Account 190 as this tax deduction is eliminated as
7 there is no tax timing difference in the cost of service.

8 (2) Defeasance deferred income taxes are eliminated from Account 283 as this tax deduction is eliminated as
9 defeasance is included in the interest synchronization.

ALLOCATIONS

10 The Account 282 items that relate to plant are functionalized and allocated the same as plant. The items in
11 Account 282, Account 190, and Account 283 not related to plant are allocated based on what they relate to.
12 The variable, labor, fixed and net plant allocations are used.

13 Account 255, Investment Tax Credit, is functionalized and allocated on the same basis as plant except the 3%
14 and 4% ITC which is directly assigned to Missouri jurisdiction.

UNION ELECTRIC COMPANY
MPSC CASE NO. EC-2002-1

FIXED (DEMAND) ALLOCATOR
FOR THE TWELVE MONTHS ENDED JUNE 30, 2001 UPDATED THROUGH SEPTEMBER 30, 2001

LINE

1 The investment in production and transmission facilities and certain related operating
2 expenses are allocated to Missouri jurisdiction on the "contribution to the peak" allocation
3 method; that is, in the ratio of the average demands at the time of Union Electric system four
4 summer monthly peaks (i.e., June, July, August and September).

LINE	DESCRIPTION (A)		DEMAND (kW) (B)
5 6	Average of the Union Electric System Four Summer Monthly Peak Demands.		7,609,574
7 8 9	Average of the Four Summer Monthly Peak Demands of Missouri Jurisdiction at the time of the Union Electric Four Summer Monthly Peak Demands.		6,951,947
10	ALLOCATION PERCENTAGE	Line 3 / Line 1	91.36%

UNION ELECTRIC COMPANY
MPSC CASE NO. EC-2002-1

VARIABLE ALLOCATOR
FOR THE TWELVE MONTHS ENDED JUNE 30, 2001 UPDATED THROUGH SEPTEMBER 30, 2001

LINE
1 The investment in production fuel inventories and the materials and supplies inventories applicable to
2 production and transmission, the related taxes and the variable production expenses are allocated to
3 Missouri jurisdiction in the proportion of kilowatt-hour sales to Missouri jurisdiction adjusted for losses,
4 unbilled kWh and normal weather compared to Union Electric system adjusted kWh output.

LINE	DESCRIPTION (A)	TOTAL COMPANY (B)	MISSOURI ULTIMATE CONSUMERS (C)
5	KWH SALES - 12 Months ended September 30, 2001	36,890,764,014	32,405,113,644
6	LINE LOSSES	2,562,519,100	2,358,745,200
7	ADJUST FOR UNBILLED SALES	(209,353,000)	(221,782,000)
8	ADJUST FOR EFFECT OF WEATHER	(1,836,910,000)	(1,701,808,000)
9	ELIMINATE CITY OF ROLLA SALES	(85,041,158)	-
10	ELIMINATE LACLEDE STEEL SALES	(191,922,800)	-
11	Pro Forma KWH Output - 12 Months ended September 30, 2001	37,130,056,156	32,840,268,844
12	ALLOCATION PERCENTAGE (Col C, Line 5 / Col B, Line 5)		88.45%

UNION ELECTRIC COMPANY
MPSC CASE NO. EC-2002-1

LABOR ALLOCATOR
FOR THE TWELVE MONTHS ENDED JUNE 30, 2001 UPDATED THROUGH SEPTEMBER 30, 2001

Line
1 The investment in general plant (system general) and administrative and general expenses are allocated to Missouri
2 jurisdiction in the proportion of the electric operating labor allocated to Missouri jurisdiction compared to the total Union
3 Electric electric operating labor.

LINE	DESCRIPTION (A)	TOTAL ELECTRIC (C)	ALLOCATION (B)	MISSOURI JURISDICTIONAL (D)
	OPERATING & MAINTENANCE LABOR			
	PRODUCTION LABOR			
4	INCREMENTAL LABOR	$ 5,334,226	VARIABLE	$ 4,718,123
5	OTHER OPERATING LABOR	88,235,512	FIXED	80,611,964
6	MAINTENANCE LABOR	70,517,035	VARIABLE	62,372,317
7	TOTAL PRODUCTION LABOR	164,086,773		147,702,404
8	TRANSMISSION LABOR	5,258,708	FIXED	4,804,355
	DISTRIBUTION LABOR			
9	MISSOURI	52,006,833	DIST. PLANT	51,741,598
10	ILLINOIS	3,118,328	DIRECT	-
11	IOWA	-	DIST. PLANT	-
12	TOTAL DISTRIBUTION LABOR	55,125,161		51,741,598
	CUSTOMER ACCOUNTING LABOR			
13	MISSOURI	17,247,461	DIRECT	17,236,755
14	ILLINOIS	1,764,359	DIRECT	-
15	IOWA	-	DIRECT	-
16	TOTAL CUSTOMER ACCOUNTING LABOR	19,011,820		17,236,755
	CUSTOMER SERVICE & INFORMATION LABOR			
17	MISSOURI	1,786,178	DIRECT	1,786,178
18	ILLINOIS	269,910	DIRECT	-
19	IOWA	-	DIRECT	-
20	TOTAL CUST. SERV. & INFO. LABOR	2,056,088		1,786,178
	SALES LABOR			
21	MISSOURI	1,012,286	DIRECT	1,012,286
22	ILLINOIS	117,217	DIRECT	-
23	IOWA	-	DIRECT	-
24	TOTAL SALES LABOR	1,129,503		1,012,286
	ADMINISTRATIVE & GENERAL LABOR			
25	ACCOUNT 930-1	3,958	DIRECT	3,935
26	TOTAL DIRECT OPERATING LABOR	246,672,011		224,287,511
27	REMAINING A&G LABOR	34,267,300	DIRECT OPERATING LABOR	31,157,679
28	TOTAL OPERATING & MAINTENANCE LABOR	$ 280,939,311		$ 255,445,190
29	ALLOCATION PERCENTAGE			90.93%

UNION ELECTRIC COMPANY
MPSC CASE NO. EC-2002-1
MISSOURI JURISDICTIONAL ORIGINAL COST RATE BASE AND COST OF SERVICE
FOR THE TWELVE MONTHS ENDED JUNE 30, 2001 UPDATED THROUGH SEPTEMBER 30, 2001

LINE	DESCRIPTION	REFERENCE	Missouri Jurisdictional Amount
	A. Original Cost Rate Base		
1	Original Cost of Plant In Service	Schedule 1-2	$ 8,286,200,634
2	Reserves for Depreciation	Schedule 2-2	3,591,330,097
3	Net Original Cost of Plant		4,694,870,537
4	Materials and Supplies	Schedule 3-2	145,603,470
5	Average Prepayments	Schedule 4-2	9,826,809
6	Cash Requirement (Lead/Lag)	Schedule 5	21,446,527
7	Interest Offset	Schedule 6	1,134,000
8	Federal Income Tax Offset	Schedule 6	3,334,000
9	State Income Tax Offset	Schedule 6	(614,000)
10	Customer Advances for Construction	Schedule 7	(11,710,567)
11	Customer Deposits	Schedule 7	(13,041,477)
12	Deferred Pension Liability	Schedule 7	(36,288,686)
13	Accumulated Deferred Taxes on Income	Schedule 8	(819,595,436)
14	Total Original Cost Rate Base		$ 3,994,965,177
	B. Cost of Service		
15	System Revenues	Schedule 9	$ (44,939,110)
	Operating Expenses:		
16	Production	Schedule 10-4	620,805,587
17	Transmission	Schedule 10-4	19,105,800
18	Distribution	Schedule 10-4	105,958,026
19	Customer Accounts	Schedule 10-4	49,646,994
20	Customer Service	Schedule 10-4	4,816,053
21	Sales	Schedule 10-4	1,498,005
22	Administrative and General	Schedule 10-4	245,536,434
23	Total Operating Expenses		1,047,366,899
24	Depreciation and Amortization	Schedule 11-3	280,003,104
25	Taxes Other than Income Taxes	Schedule 12-3	96,235,668
	Income Taxes-Based on Claimed Rate of Return		
26	Federal	Schedule 13-4	199,522,410
27	State - Missouri	Schedule 13-4	31,353,522
28	Deferred Income Taxes	Schedule 13-4	(14,329,283)
29	Total Income Taxes		216,546,649
30	Return (Rate base * 10.137%)	**10.137%**	404,969,620
31	Total Cost of Service		$ 2,000,182,830

UNION ELECTRIC COMPANY
MPSC CASE NO. EC-2002-1
INCREASE REQUIRED TO PRODUCE 10.137% RETURN ON
NET ORIGINAL COST RATE BASE
FOR THE TWELVE MONTHS ENDED JUNE 30, 2001 UPDATED THROUGH SEPTEMBER 30, 2001

LINE	DESCRIPTION (A)	MISSOURI JURISDICTIONAL AMOUNT (B)
1	Net Original Cost Rate Base	$3,994,965,177
2	Return at Claimed Rate (10.137%)	404,969,620
	Add:	
3	System Revenue	(44,939,110)
4	Operating and Maintenance Expenses	1,047,366,899
5	Depreciation and Amortization	280,003,104
6	Taxes Other Than Income	96,235,668
7	Federal and State Income Taxes at Claimed Return	230,875,932
8	Deferred Income Taxes	(14,329,283)
9	Total Cost of Service at 10.137% Rate of Return	2,000,182,830
10	Pro Forma Operating Revenue at Present Rates	1,852,185,461
11	Deficiency in Operating Revenue	$147,997,369

UNION ELECTRIC COMPANY
MPSC CASE NO. EC-2002-1
IMPACT ON RETURN AND REVENUE REQUIREMENT
REFLECTING DEPRECIATION RULE PER 4 CSR 240-10.020
FOR THE TWELVE MONTHS ENDED JUNE 30, 2001 UPDATED THROUGH SEPTEMBER 30, 2001

Line		PER STAFF	PER COMPANY
	Recommended Returns		
1	Return on Equity	9.91%	12.500%
2	Overall Rate of Return	8.60%	10.137%
	Return Allowance Based On Methodology Used In Commission's Recent Cases		
3	Net Original Cost Rate Base	$4,121,519,219	$3,994,965,177
4	Return on Net Original Cost Rate Base	354,450,653	404,969,620
5	Return Applicable to Debt	105,094,619	101,849,859
6	Return Applicable to Equity	249,356,034	303,119,761
7	Missouri Composite Tax Rate	38.40%	38.40%
8	Income Taxes Associated with Equity Return	155,442,722	188,957,772
9	Revenue Requirement Associated With Return	509,893,375	593,927,392
	Return Allowance Based on 4CSR 240-10.020		
10	Net Original Cost Rate Base	4,121,519,219	3,994,965,177
11	Total Depreciation Reserves	3,562,711,706	3,591,330,097
12	Total Original Cost Rate Base	7,684,230,925	7,586,295,274
13	Return on Total Original Cost Rate Base	660,843,860	769,022,752
14	Return on Depreciation Reserves at 3%	106,881,351	107,739,903
15	Allowed Return Under 4 CSR-10.020	553,962,509	661,282,849
16	Return Applicable to Debt	164,249,884	166,312,637
17	Return Applicable to Equity	389,712,625	494,970,212
18	Missouri Composite Tax Rate	38.40%	38.40%
19	Income Taxes Associated with Equity Return	242,937,739	308,552,858
20	Revenue Requirement Associated With Return	796,900,248	969,835,707
	Impact of 4 CSR 240-10.020		
21	Return Difference	199,511,856	256,313,229
22	Revenue Requirement Difference	287,006,873	375,908,315
23	Rate Change Recommendation Under Current Method	(245,507,871)	147,997,367
24	Rate Change Recommendation Under 4 CSR 240-10.020	$ 41,499,002	$ 523,905,682