

1 circumstances of the case at that time. I couldn't  
2 generically say it would be excluded, included.  
3 Normally if it's going to be something of any  
4 substantial dollars, from the time that it's  
5 accrued, it may be some years down the road before  
6 actual payment occurs. So it's very difficult to  
7 assess that in a generic sense without knowing the  
8 data and the circumstances behind it.

9 Q. You would agree, based on the comment you  
10 just made, that the ratepayers who are around at  
11 the time the bill arrives for an outstanding  
12 liability such as things were discussed in here,  
13 may well not be the same ratepayers who were around  
14 at the time that the liability was initially  
15 incurred?

16 A. I think that's a typical situation in  
17 almost any rate case, not only with injuries and  
18 damages or other levels are either expense,  
19 investment or what have you. The implication is  
20 that you can perfectly match at any given time.  
21 And typically rates, when they are established, are  
22 really in the short term. Other than prevention of  
23 changing rates as a result of, say, an incentive  
24 rate or experimental rate program or some  
25 moratorium, most of the major utilities that

1 operate in the state are pretty frequent in their  
2 appearance before this Commission in terms of  
3 setting their rates. So any potential generational  
4 inequities that may be there, is very easily  
5 addressed through the ratemaking process.

6 Q. Are you aware of any case where the  
7 Commission has approved the accrual treatment for  
8 injuries and damages?

9 A. No, I'm not.

10 Q. On page 18 of the testimony you are  
11 adopting, the question is posed whether Mr. Griggs  
12 is aware of regulated Missouri utility that uses a  
13 cash approach to this area, and the answer states  
14 that the Laclede Gas Company and the Missouri Gas  
15 Energy follow this method. Are you aware of any  
16 electric utility company that follow this method,  
17 Staff's proposed method?

18 A. Not for financial reporting purposes.

19 Q. Has the Staff done any analysis as to the  
20 relative liability risk between a gas company and  
21 an electric company?

22 A. I have not, on.

23 Q. Are you aware of anyone on Staff who has?

24 A. No.

25 Q. Or former Staff members?

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A. No.

MR. TODD: Let's call it a day. We're  
done.

(OFF THE RECORD.)

(PRESENTMENT WAIVED; SIGNATURE REQUESTED.)

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(THIS IS THE SIGNATURE PAGE TO THE DEPOSITION OF  
DOYLE GIBBS TAKEN ON NOVEMBER 29, 2001.)

\_\_\_\_\_  
DOYLE GIBBS

subscribed and sworn to before me this \_\_\_\_ day of  
\_\_\_\_\_, 2001.

\_\_\_\_\_  
Notary Public in and  
for \_\_\_\_\_ County  
State of Missouri

**COPY**

C E R T I F I C A T E

STATE OF MISSOURI )  
 ) SS.  
COUNTY OF COLE )

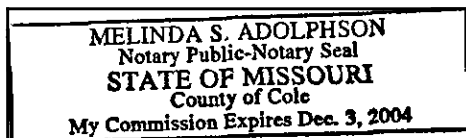
I, Melinda Adolphson, Certified Shorthand Reporter and Notary Public in and for the State of Missouri, with the firm of Associated Court Reporters, Inc., do hereby certify that there came before me,

DOYLE GIBBS,

in the offices of Governor Office Building, Room 210, in the City of Jefferson, County of Cole, State of Missouri, on the 29th day of November, 2001, who was first duly sworn to testify to the whole truth of his knowledge concerning the matter in controversy aforesaid; that he was examined and his examination was then and there written in machine shorthand by me and afterwards typed under my supervision, and is fully and correctly set forth in the foregoing pages; and the witness and counsel waived presentment of this deposition to the witness, by me, and that the signature may be acknowledged by another notary public, and the deposition is now herewith returned.

I further certify that I am neither attorney or counsel for, nor related to or employed by any of the parties to the action in which this deposition is taken; and furthermore, that I am not a relative or employee of any attorney or counsel employed by the parties hereto, or financially interested in the action.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my Notarial Seal this 1st day of December, 2001.



*Melinda Adolphson*  
MELINDA ADOLPHSON, FCSR

COSTS: (Computation of court costs based on payment within 30 days.)

Pd by Attorney for Complainant:

Pd by Attorney for Respondent:

Exhibit No.:  
Issues: Payroll, Payroll Taxes,  
Employee Medical Costs,  
Incentive Compensation,  
Injuries and Damages  
Witness: MARK D. GRIGGS  
Sponsoring Party: MoPSC Staff  
Type of Exhibit: Direct Testimony  
Case No.: EC-2002-1  
Date Testimony Prepared: July 2, 2001

**MISSOURI PUBLIC SERVICE COMMISSION**

**UTILITY SERVICES DIVISION**

**DIRECT TESTIMONY**

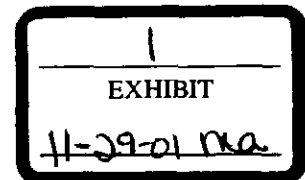
**OF**

**MARK D. GRIGGS**

**UNION ELECTRIC COMPANY,  
d/b/a AMERENUE**

**CASE NO. EC-2002-1**

Jefferson City, Missouri  
July 2001



**\*\*Denotes Proprietary Information\*\***

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**TABLE OF CONTENTS OF**  
**DIRECT TESTIMONY OF**  
**MARK D. GRIGGS**  
**UNION ELECTRIC COMPANY,**  
**d/b/a AMERENUE**  
**CASE NO. EC-2002-1**

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Direct Testimony of  
Mark D. Griggs

1 Q. What has been the nature of your duties while in the employ of this  
2 Commission?

3 A. I have assisted with audits and examinations of the books and records of  
4 public utility companies operating within the state of Missouri.

5 Q. Have you previously filed testimony before this Commission?

6 A. Yes, I have. Please refer to Schedule 1, which is attached to this direct  
7 testimony, for a list of cases in which I have filed testimony.

8 Q. With reference to Case No. EC-2002-1, have you made an investigation of  
9 the books and records of Union Electric Company, d/b/a AmerenUE (AmerenUE or  
10 Company)?

11 A. Yes, with the assistance of other members of the Commission Staff  
12 (Staff).

13 Q. What is the purpose of your direct testimony?

14 A. My direct testimony will address the following issues: payroll and related  
15 payroll taxes, employee benefits, incentive compensation, and injuries and damages.

16 Q. What adjustments are you sponsoring in this case?

17 A. I am sponsoring the following Income Statement adjustments contained in  
18 Accounting Schedule 10 (Adjustments to Income Statement):

19 Payroll S-10.4, S-13.2, S-14.5, S-15.3, S-16.4,  
20 S-17.1, and S-19.15

21 Employee Medical Costs S-19.16

22 Incentive Compensation S-19.14

23 Injuries and Damages S-19.13

24 Payroll Taxes S-24.3

1 PAYROLL

2 Q. Please explain adjustments S-10.4, S-13.2, S-14.5, S-15.3, S-16.4,  
3 S-17.1 and S-19.15.

4 A. These adjustments, in total, represent the payroll adjustment as allocated  
5 to the various operating functions of production (S-10.4), transmission (S-13.2),  
6 distribution (S-14.5), customer accounts (S-15.3), customer service and information  
7 (S-16.4), sales (S-17.1), and administrative and general (S-19.15).

8 Q. What are the components of the Staff's annualized level of payroll?

9 A. The Staff's annualized level of payroll includes direct payroll expense that  
10 is specifically identifiable to the Company's Missouri electric operations and an allocated  
11 portion of payroll expense from Ameren Services (AMS) to Missouri electric operations.

12 Q. Please explain the methodology the Staff used to annualize payroll.

13 A. The Staff's examination of payroll included an analysis of straight time  
14 and overtime payroll as well as employee levels throughout the test year ended June 30,  
15 2000 and the update period ended December 31, 2000. \*\*During this period, the levels  
16 of payroll expense fluctuated from month to month but did not exhibit a discernable  
17 trend.

18 Although the Company granted wage increases on April 1, 2000 for Management  
19 employees and July 1, 2000 for Contract employees for both AmerenUE and AMS,  
20 mitigating factors served to negate these increased wage rates. Monthly payroll expense  
21 did not change significantly in the months following these increases. Total payroll for  
22 AmerenUE related to Missouri electric operations and AMS allocated labor increased  
23 only slightly between the end of the test year, June 30, 2000, and the update period,  
24 December 31, 2000. Also, AmerenUE experienced a decline in employee levels of

Direct Testimony of  
Mark D. Griggs

1 approximately 1%, which tended to offset the impact of wage increases and a slight  
2 increase of .3% in AMS employee levels. Because of the decrease in AmerenUE  
3 employee levels and the lack of a significant increase in total payroll levels between the  
4 end of the test year and the update period,\*\* the Staff believes that actual payroll expense  
5 for the 12 months ended December 31, 2000 is an appropriate indicator of ongoing  
6 payroll expense.

7 Q. How did you determine the adjustments required for payroll?

8 A. The total payroll adjustment reflects the difference between the total level  
9 of operations & maintenance (O&M) payroll at December 31, 2000, related to Missouri  
10 electric operations, including AMS-allocated labor, and the level recorded during the test  
11 year ended June 30, 2000. The Staff's total payroll adjustment related to Missouri  
12 electric operations was then allocated on a pro rata basis to production, transmission,  
13 distribution, customer accounts, customer service and information, sales, and  
14 administrative and general functions based on the payroll expense charged to each  
15 function for the 12 months ended December 31, 2000.

16 **PAYROLL TAXES**

17 Q. Please describe adjustment S-24.3.

18 A. This adjustment reflects the annualization of FICA (social security) taxes.  
19 The Staff's annualized level of FICA taxes is the actual FICA taxes charged to  
20 O&M expense for the 12 months ended December 31, 2000. This treatment is consistent  
21 with the Staff's overall payroll adjustment.

22 **EMPLOYEE MEDICAL COSTS**

23 Q. Please describe adjustment S-19.16.

1           A.     This adjustment annualizes expenses for the Ameren Corporation (Ameren)  
2 Medical Plan. The Staff examined the expenses for the Ameren Medical Plan for the test  
3 year and update period. \*\*The expense booked in the months of June and July of 2000  
4 seemed exceptionally high in relation to the other months in the test year and update period,  
5 and the month of August 2000 seemed exceptionally low. In response to Staff Data Request  
6 No. 300, the Company stated that a backlog of claims to be paid was experienced during  
7 June 2000. As a result, an accrual for estimated claims was made in June 2000. This  
8 accrual was reversed in August 2000. As a surrogate for the month of June 2000, the Staff  
9 calculated a three-month average that included the months of June, July and August 2000 to  
10 lessen the impact of the over-accrual in June and unusually high expense level in July by  
11 capturing the subsequent reversal in August.\*\* The revised test year total \*\*using the  
12 surrogate amount for the month of June 2000\*\* was compared to the test year level of  
13 expense to derive the adjustment. The adjustment was then allocated to total electric and  
14 Missouri electric operations. Please refer to the testimony of Staff Accounting Witness  
15 James D. Schwieterman for a discussion of the development of the allocation factors.

16 **INCENTIVE COMPENSATION**

17           Q.     Please explain adjustment S-19.14.

18           A.     This adjustment removes the cost of payments under the Company's  
19 incentive plans from the test year cost of service.

20           Q.     Please describe the Company's incentive plans.

21           A.     The following incentive plans were in effect during 1999, which  
22 determined payments during the test year in February, March, and April of 2000:

1           **\*\*1) Ameren Incentive Plan (AIP)** – Rewards all union employees  
2           based on the level of Ameren's corporate earnings per share (EPS). Payout is  
3           based on a fixed percentage of each employee's year-end base earnings and can  
4           vary from 0% to 2.25 % depending upon corporate EPS.

5           **2) Ameren Management Incentive Plan (AMIP)** – Rewards  
6           non-union employees below manager level based upon the level of Ameren's  
7           corporate earnings per share (EPS). Payout is based on a fixed percentage of each  
8           employee's year-end base earnings and can vary from 0% to 3% depending on  
9           corporate EPS. Once Ameren achieves a level of EPS equivalent to its indicated  
10          annual dividend (\$2.54 per common share), the plan also provides to each  
11          function (e.g., production, transmission, distribution, etc.) manager a total sum of  
12          money equal to 3% of the function's base wages at year-end to be distributed to  
13          employees based upon performance. Under the plan, some employees could have  
14          received no performance bonus while some had the potential to receive more than  
15          3%. Functions may or may not use all of their bonus money.

16          **3) Executive Incentive Plan (EIP)** – This plan determines incentive  
17          payments to employees who are members of the Ameren Leadership Team. The  
18          Ameren Leadership Team consists of Ameren employees at the manager level or  
19          above. Payments are based on the level of Ameren's corporate earnings per share  
20          and the individual employee's performance.\*\*

21          Q.     In past cases, has the Commission set minimum standards for the inclusion  
22          of incentive plan payments in a utility's cost of service?

23          A.     Yes. In its Report And Order in Case Nos. EC-87-114 and EC-87-115,  
24          Union Electric Company, the Commission stated:

Direct Testimony of  
Mark D. Griggs

At a minimum, an acceptable management performance plan should contain goals that improve existing performance, and the benefits of the plan should be ascertainable and reasonably related to the plan.

Q. Has the Commission upheld and expanded upon these standards in later cases?

A. Yes. The Commission applied the standards in Case Nos. EC-87-114 and EC-87-115 to disallow incentive compensation payments in Case No. WR-88-5 involving St. Louis County Water Company. The Commission also applied these standards in its Report And Order for Case Nos. TC-89-14, TC-89-21, TO-89-29, TO-89-10, as well as in Case Nos. TC-93-224 and TO-93-192, involving Southwestern Bell Telephone Company (SWB). In its Report And Order for Case Nos. TC-93-224 and TO-93-192, the Commission stated the following regarding long-term incentive plans in that case, some of which applied to SWB's General Headquarters (GHQ):

... provide, at best, benefits that are too remote to be included in the cost of service for Missouri ratepayers. Particularly in the case of SWB-MO and GHQ, the long term incentive may reward managers for results they did not achieve, based on results for which they are not directly responsible and over which they have limited control. Because the plan does not focus on Missouri-specific results and does not include service-oriented goals, the Commission concludes that it is not appropriate to include the cost of the plan in the cost of service.

In its Report And Order for Case Nos. TC-89-14, et al., the Commission stated:

In the Commission's opinion, the results of the parent corporation, unregulated subsidiaries, and non-Missouri portions of SWB, are only remotely related to the quality of service or the performance of SWB in the state of Missouri. Achieving the goals of SBC and unregulated subsidiaries is too remote to be a justifiable cost of service for Missouri ratepayers. Accordingly, the Staff's proposed disallowances in the senior management's long term and short term incentive plans ... should be adopted.

1 Finally, in its Report And Order in Case No. GR-96-285, Missouri Gas Energy (MGE),  
2 the Commission stated:

3 . . . the costs of MGE's incentive compensation program  
4 should not be included in MGE's revenue requirement  
5 because the incentive compensation program is driven at  
6 least primarily, if not solely, by the goal of shareholder  
7 wealth maximization, and it is not significantly driven by  
8 the interests of ratepayers.

9 Q. \*\*If a given level of earnings per share is not achieved, does that  
10 necessarily mean that the award under the Company's incentive plans for that level will  
11 not occur?\*\*

12 A. \*\*No. The plans include provisions for excluding nonrecurring or  
13 extraordinary items. For the year 2000, payout under the incentive plans occurred at the  
14 maximum level, despite the fact that the actual earnings per share reported did not meet  
15 the maximum target level. Charges related to the cancellation of long-term coal contracts  
16 were excluded from the earnings per share calculation, which allowed earnings per share  
17 to exceed the target required for maximum payout under the plans. In 1999, reported  
18 earnings per share for incentive plan purposes were also increased to remove the effects  
19 of charges related to the Company's Targeted Separation Plan, which was designed to  
20 reduce the Company's work force. These two occurrences show the tenuous nature of  
21 the link between individual performance and EPS by recognizing the existence of factors  
22 other than individual performance that influence EPS.\*\*

23 Q. Do factors other than employee performance influence EPS?

24 A. Yes, \*\*for example, the Company does not normalize EPS for weather.  
25 Changes in weather-driven demand can have a significant impact on EPS. For example,

Direct Testimony of  
Mark D. Griggs

1 in a year with an extraordinarily hot summer, EPS may be significantly higher without  
2 any changes in employee performance.\*\*

3 Q. Does the Staff believe the Company's incentive plans for 1999 meet the  
4 Commission's criteria?

5 A. No. \*\*The Staff believes that it is difficult, if not impossible, to ascertain  
6 what the impact of any individual's performance was in relation to the level of EPS for  
7 any given year. EPS is affected by the efforts of employees not involved in Missouri  
8 electric operations. Any benefits from achieving a given level of earnings per share are  
9 simply too remote to Missouri ratepayers. Indeed, increased earnings per share, upon  
10 which all increases in the level of incentive plan funding are based, may actually decrease  
11 the quality of service to Missouri ratepayers due to the incentive to cut costs to achieve  
12 higher earnings. Although the plans do include awards related to individual performance,  
13 parts of the awards are based entirely on earnings per share, which is the primary driver  
14 behind the amount of awards under the plans. The Staff believes that there is insufficient  
15 evidence to connect incentive compensation expense for a particular group of employees  
16 to a direct benefit to Missouri ratepayers or the Company's overall EPS performance.\*\*

17 Q. Does the Staff have any other concerns regarding the Company's incentive  
18 plans?

19 A. Yes. \*\*According to the Company's response to Staff Data  
20 Request No. 55, the entire amount available to fund the plans was expended during each  
21 of the 12 months ended 1998, 1999 and 2000. This further weakens the link between the  
22 plans and improving present performance because there is less incentive to improve  
23 performance if all available funds are used. If there is an expectation that all available



1 funds will be distributed, there is less incentive to improve performance too ensure  
2 maximum distributions under the plans.

3 Because of the difficulty in establishing a link between EPS and individual  
4 performance and the lack of clear incentives to improve existing performance, the Staff  
5 does not believe the costs associated with the incentive plans should be included in the  
6 cost of service.\*\*

7 Q. Has the Company made any changes in its incentive plans for 2000?

8 A. Yes. \*\*The Company's incentive plans for 2000 are also triggered by  
9 earnings per share, although there have been changes in the plan provisions. The  
10 following is a description of the Company's incentive plan for 2000, which governed  
11 incentive payments made in 2001:

12 1) **Ameren Incentive Plan (AIP)** - All active regular full-time or  
13 regular part-time AMS, Ameren CIPS or AmerenUE bargaining unit employees  
14 are eligible to receive awards under this plan. Payout occurs as a percentage of  
15 each employee's year-end 2000 straight-time earnings. Payout is .75% of year-  
16 end 2000 straight time earnings if EPS falls between \$3.05 and \$3.14; 1.50% if  
17 EPS falls between \$3.15 and \$3.24; and 2.25% if EPS is \$3.25 or greater. If EPS  
18 falls below \$3.05, no award is granted under the Plan.

19 2) **Ameren Management Incentive Plan (AMIP)** - All regular  
20 full-time or regular part-time management/salaried employees of AmerenUE,  
21 Ameren CIPS and AMS are eligible for this plan. Ameren Leadership Team  
22 members are not eligible. Funding of the plan begins once the base level of  
23 earnings per share is achieved. Base level is met when EPS equals the annual  
24 dividend declared by the Board of Directors. Once the base level of EPS is met,

1 funding begins at 3%, which may increase to 4%, 5% or 6% depending on the  
2 level of EPS achieved. Total dollars available for funding are split into two pools:  
3 Business Line and Individual Performance. Each business line or function has a  
4 number of performance management targets. Some of these targets are  
5 designated as incentive compensation targets. The amount of funding distributed  
6 to each business line depends on the number of incentive compensation targets  
7 each business line achieves. If less than all of the incentive compensation targets  
8 are met, a percentage of the available award is paid equivalent to the percentage  
9 of incentive compensation targets that are met.

10 Additionally, a minimum of 2% of all management annual salaries is  
11 available for individual performance awards if the minimum level of EPS is  
12 achieved. Payment of individual performance awards is at the discretion of each  
13 function's management. The amount of total management salaries available for  
14 distribution increases to 2.5% if a level of EPS of \$3.15 is achieved and 3.0% if  
15 EPS of \$3.25 is achieved.

16 **3) Executive Incentive Plan (EIP) -** Employees of AmerenUE who  
17 are members of the Ameren Leadership Team are eligible for participation in this  
18 plan. Performance is based on Ameren's earnings per share for the year ended  
19 December 31, 2000. No incentive payments will be made if EPS falls below  
20 \$3.05. Target levels may be adjusted to reflect refunds and rate changes under  
21 regulatory sharing plans. The amount of payment for which each individual  
22 qualifies is defined as a percentage of base salary. The actual amount of payment  
23 is based on the individual employee's performance as determined by the Human

1 Resources Committee of the Board of Directors upon recommendation of the  
2 CEO of Ameren Corporation.\*\*

3 Q. \*\*Please discuss the terms "business line" and "individual performance,"  
4 as contained in the description of the AMIP for 2000 above.\*\*

5 A. \*\*The term "business line" refers to the various functions of the company,  
6 such as production, distribution, etc., and functionally related areas such as human  
7 resources, etc. "Individual performance" relates to the job performance of each  
8 individual employee and is evaluated by the manager of the function to which each  
9 individual employee is assigned.\*\*

10 Q. Please describe the Company's incentive plans for 2001, which govern  
11 incentive payments to be made in 2002.

12 A. \*\*Ameren continues to offer three incentive plans: the Ameren Incentive  
13 Plan (AIP), Ameren Management Incentive Plan (AMIP) and the Executive Incentive  
14 Plan (EIP). All are based on the achievement of threshold, target, and maximum earnings  
15 per share. The threshold level of EPS is \$3.20, while the target level is \$3.45 and the  
16 maximum level is \$3.65. The following is a description of the plans for 2001:

17 1) **Ameren Incentive Plan (AIP)** – All active, regular full-time and  
18 regular part-time AmerenUE employees are eligible for this award. Bonus awards  
19 are based on each employee's year to date straight time earnings as of 12/31/01.  
20 Payout is 1.5%, 3% or 4.5% at threshold, target, and maximum EPS levels,  
21 respectively. If EPS falls below the threshold level, no awards will be distributed.  
22 Awards are weighted 25% according to EPS and 75% by the employee's business  
23 line performance. Twenty-five percent of the bonus award potential will be paid  
24 automatically upon achieving the applicable level of EPS. The remainder of the

1 reward will be determined based on the proportion of incentive plan targets  
2 achieved, e.g., if 3 out of 4 targets are achieved,  $\frac{3}{4}$  of the potential business line  
3 award will be distributed.

4 2) Ameren Management Incentive Plan (AMIP) - All management  
5 employees of AmerenUE, except members of the Ameren Leadership Team, are  
6 eligible to participate in this plan. Potential awards are based on the level of EPS  
7 achieved: threshold, target or maximum. If the threshold level is not achieved,  
8 no payments are made under the plan. Potential awards are based on a percentage  
9 of each employee's annual base salary as of December 31, 2001. Percentages  
10 vary based on the level of EPS and career band of each employee, i.e., People  
11 Leadership, Project Leadership and Support. People Leadership consists of  
12 persons who are responsible for managing and developing employees and  
13 generally have two or more persons reporting directly to them. Project  
14 Leadership consists of professional employees who are responsible for leading  
15 and managing projects. Employees in Project Support provide technical or  
16 Administrative Support. The amount of the potential award available for  
17 distribution is weighted by three components: EPS (25%), Business Line (50%)  
18 and Individual (25%). The EPS portion of the award will be distributed  
19 automatically once the applicable level of EPS is achieved. The Business Line  
20 portion of the award will be distributed based on the percentage of incentive  
21 compensation targets achieved. The individual performance portion of the award  
22 is based on each employee's performance as assessed by their supervisor. A wide  
23 range of awards is expected.

1           3)     **Executive Incentive Plan (EIP)** – Members of the Ameren  
2     Leadership Team are eligible for this plan. Potential awards available for  
3     distribution are determined by the achievement of threshold, target and maximum  
4     earnings per share. The potential award for each employee is a percentage of  
5     each employee's year-end base salary, and varies according to each employee's  
6     job classification, e.g., manager, vice president, etc. The potential award is  
7     weighted by EPS (50%) and Business Line/Individual (50%). The EPS portion is  
8     paid automatically based on the achievement of the applicable level of earnings  
9     per share. The business line/individual performance portion is awarded based on  
10    the performance of the employee's business line and an assessment of the  
11    employee's individual contributions. The actual amount of payment is  
12    determined by the Human Resource Committee of the Board of Directors upon  
13    recommendation of the CEO of Ameren Corporation.\*\*

14       Q.     Do the Company's 2000 and 2001 incentive compensation plans meet the  
15    Commission's criteria for inclusion in the cost of service as set forth in Case Nos.  
16    EC-87-114 and EC-87-115?

17       A.     No, they do not. \*\*Earnings per share is still the primary driver behind  
18    awards under the plans and determines the amount available for distribution, with awards  
19    increasing with increased earnings per share, up to the maximum target level. A portion  
20    of each of the 2001 plans is determined entirely by earnings per share: 25% for the AIP  
21    and AMIP and 50% for the EIP. The benefits from increased earnings per share to  
22    Missouri ratepayers are simply too remote to be included in the cost of service. As  
23    previously stated in this testimony, the Staff believes there is insufficient evidence to

1 connect incentive compensation expense for a particular group of employees to the  
2 Company's overall EPS performance.

3           Additionally, the incentive to improve present performance is lessened for  
4 some of the plans because the potential payout increases at the same target level.  
5 Although the EPS required to attain the threshold, target and maximum award levels  
6 increases for each of the plans from 2000 to 2001, the potential award at each target level  
7 increases at a much greater rate than the increase in EPS for the majority of awards under  
8 the AIP and AMIP during this period. The incentive to improve present performance is  
9 reduced if the potential award is increased for achieving the same target level.\*\*

10 **INJURIES AND DAMAGES**

11           Q.     Please explain injuries and damages expense.

12           A.     \*\*The Company accrues for injuries and damages expense based on an  
13 estimate of claims that the Company anticipates will be incurred, rather than amounts that  
14 are actually paid out. The accrual is accumulated in a reserve account against which  
15 actual claims are charged when paid. The reserve represents funds estimated to be paid  
16 in the future for claims related to medical costs, workmens compensation costs and  
17 lawsuits relating to injuries and damages.\*\*

18           Q.     Describe the activity with respect to injuries and damages during the test  
19 year.

20           A.     \*\*During the test year, the Company accrued injuries and damages  
21 expense of \$8,440,000. During this period, charges to the injuries and damages reserve  
22 varied, with charges in some months significantly higher than those of the preceding or  
23 succeeding months. For example, during the test year, charges to the injuries and

Direct Testimony of  
Mark D. Griggs

1 damages reserve in February 2000 totaled \$7,128,542 due to large case settlements, the  
2 highest level of total charges experienced in the five-year period ended December 31,  
3 2000. In contrast, total charges of \$242,014 and \$1,558,087 were experienced in January  
4 and March, 2000, respectively.\*\*

5 Q. What activity occurred with respect to injuries and damages during the test  
6 year as updated, December 31, 2000, and the four preceding years?

7 A. The following table shows the activity related to injuries and damages  
8 from 1996-2000:

9 \*\*

10	<u>Year</u>	<u>Accrual</u>	<u>Charges</u>	<u>Reserve Balance at 12/31</u>
11	1996	\$ 6,950,000	\$ 8,242,553	\$12,014,511
12	1997	\$ 6,940,000	\$ 7,571,105	\$11,383,406
13	1998	\$27,300,000	\$13,739,144	\$24,944,262
14	1999	\$ 9,200,000	\$ 8,937,327	\$25,207,136
15	2000	\$17,300,000	\$12,784,380	\$29,722,785 **

16 \*\*Based on the information contained in this table, the Company has accrued  
17 more than it has charged against the injuries and damages reserve in the last three years.  
18 In 1998, nearly twice the amount of actual charges was accrued. In December 2000, the  
19 Company's injuries and damages reserve balance was the highest of any time in the past  
20 five years and represents approximately a 20% increase in the reserve balance since the  
21 end of the previous year. At the beginning of 1996, the Company had a total injuries and  
22 damages reserve balance of \$13,400,392. This indicates that the Company's injuries and  
23 damages reserve balance has increased by over \$16,322,393 in the past five years, an  
24 increase of 122%. The majority of this \$16,322,393 increase represents funds that have

1 been paid into the injuries and damages reserve by ratepayers but have not been paid by  
2 the Company.\*\*

3 Q. Please explain how you calculated adjustment S-19.13.

4 A. Adjustment S-19.13 adjusts injuries and damages expense to a five-year  
5 average of actual charges for the 12 months ended December 31, 2000. This average was  
6 compared to the test year expense level. The resulting adjustment was allocated to total  
7 electric and Missouri electric operations. Using a five-year average mitigates the effects  
8 of unusually high and low months to achieve a level that is more representative of  
9 ongoing levels of expense.

10 Q. Why does the Staff recommend a cash approach for the Company's  
11 injuries and damages expense?

12 A. The Staff recommends a cash approach for the Company's injuries and  
13 damages expense \*\*in order to avoid the excess accrual which has resulted during the  
14 12 month period ended December 31, 2000 and the two previous years. It is true that  
15 accruals during the test year were \$8,440,000 and charges were \$15,697,197 due in large  
16 part to large case settlements in February of 2000. These settlements included charges of  
17 \$2,559,668, \$2,500,572, \$1,390,449 and \$300,000. There is no indication, however, that  
18 the over-accruals which have occurred in each of the 12 months ended December 1998,  
19 1999 and 2000 will not continue in the future in the absence of large charges such as  
20 these. While such charges may indeed be encountered in the future, they are  
21 unpredictable as to their timing and should not be paid for by ratepayers until incurred.\*\*

22 The cash approach is based solely on actual cash payments made during  
23 the period \*\*as opposed to the Company's accrual basis, which relies upon an estimate of  
24 what future payments will be. As stated earlier in this testimony, since January 1996 the



Direct Testimony of  
Mark D. Griggs

1 Company has accrued \$16,322,393 to expense more than it has charged against the  
2 reserve for payment of claims. The Staff's adjustment is appropriate because it mitigates  
3 the effects of the excess accruals while reflecting actual injuries and damages payments  
4 during the test year as updated.\*\*

5 Q. Are you aware of any regulated Missouri utility that currently uses a cash  
6 approach to account for its injuries and damages expense for regulatory purposes?

7 A. Yes. Laclede Gas Company and Missouri Gas Energy follow the Staff's  
8 cash approach of accounting for injuries and damages expense for regulatory purposes.

9 Q. Does this conclude your direct testimony?

10 A. Yes, it does.

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

The Staff of the Missouri Public Service Commission, )

Case No. EC-2002-1

Complainant, )

vs. )

Union Electric Company, d/b/a AmerenUE, )

Respondent. )


**AFFIDAVIT OF MARK D. GRIGGS**

STATE OF MISSOURI )

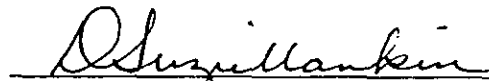
ss. )

COUNTY OF COLE )

Mark D. Griggs, is, of lawful age, and on his oath states: that he has participated in the preparation of the foregoing Direct Testimony in question and answer form, consisting of 18 pages to be presented in the above case; that the answers in the foregoing Direct Testimony were given by him; that he has knowledge of the matters set forth in such answers; and that such matters are true and correct to the best of his knowledge and belief.

  
Mark D. Griggs

Subscribed and sworn to before me this 29<sup>th</sup> day of June, 2001

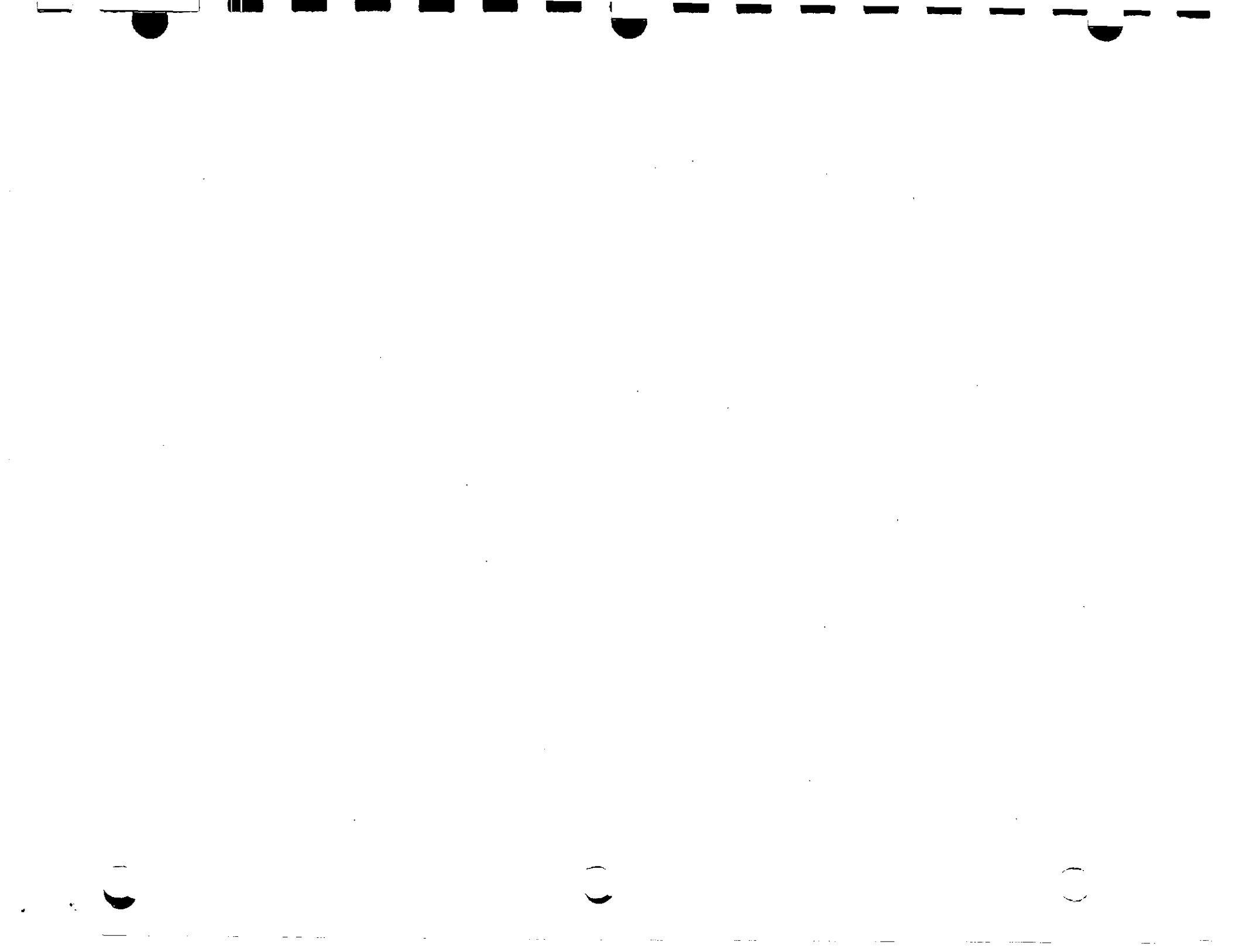
  
Notary Public

D SUZIE MANKIN  
NOTARY PUBLIC STATE OF MISSOURI  
COLE COUNTY  
MY COMMISSION EXP. JUNE 21, 2004

**Mark Griggs**

**Schedule of Testimony Filings**

<b>Case No.</b>	<b>Company</b>
GR-98-374	Laclede Gas Company
GR-99-315	Laclede Gas Company
WR-2000-281	Missouri American Water Company
SR-2000-282	Missouri American Water Company
WR-2000-844	St. Louis County Water



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

The Staff of the Missouri Public  
Service Commission,

Complainant,

v.

Union Electric Company, d/b/a  
AmerenUE,

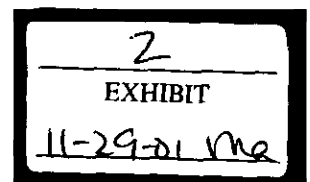
Respondent.

Case No. EC-2002-1

**STAFF'S RESPONSES TO  
UNION ELECTRIC COMPANY'S FIRST SET OF INTERROGATORIES**

The responses follow of the Staff of the Missouri Public Service Commission (Staff) to Union Electric Company's (UE) request that the Staff answer each of the interrogatories in UE's First Set Of Interrogatories in accordance with 4 CSR 240-2.090 and Mo. R. Civ. P. 57.01. Some responses were sent to UE in hard copy by Federal Express on September 10, 2001 for delivery on September 11, 2001, several responses were supplied to UE by electronic mail on September 13, 2001, and certain other responses were provided to UE by electronic mail on September 14, 2001. (The responses sent to UE on September 14, 2001 by electronic mail were sent to all parties on September 14, 2001 in hard copy by first class mail.) This document is a composite of all of those responses.

In putting this document together, the Staff has attempted to address some non-substantive items, such as an incomplete citation, identified in the response previously provided to UE. The Staff response to Interrogatory 88 now makes reference to 4 CSR 240-20.080 in all instances rather than to 4 CSR 20.080 in some instances. Another interrogatory response for



recommendations regarding language, punctuation, sentence structure, expansion, contraction and formatting.

Prepared by: Doyle Gibbs

19. Identify each person who reviewed a draft of the testimony of Mark D. Griggs.

Staff Response: The following individuals were provided a draft for the purpose of reviewing the testimony of Mark D. Griggs: Steve Rackers, Greg Meyer, Mark Oligschlaeger, Doyle Gibbs, James Schwieterman, Eric Anderson, Steve Dottheim.

Prepared by: Doyle Gibbs for Mark D. Griggs

20. Identify each person who participated in any way in, or in any way contributed to, the preparation of the testimony of Mark D. Griggs.

Staff Response: The following individuals participated or contributed to the preparation of the testimony of Mark D. Griggs: Steve Rackers, Greg Meyer, Mark Oligschlaeger, Doyle Gibbs, James Schwieterman, Eric Anderson, Steve Dottheim.

Prepared by: Doyle Gibbs for Mark D. Griggs

21. Describe the participation or contribution of any person identified in response to the immediately preceding Interrogatory.

Staff Response: The individuals named in response to Interrogatory 17 above contributed through their review and by providing suggestions and or recommendations regarding language, punctuation, sentence structure, expansion, contraction and formatting.

Prepared by: Doyle Gibbs for Mark D. Griggs

Exhibit No.

Issue

Witness

Sponsoring Party

Case No.

Accounting Staff

MoPSC Accounting

MoPSC Staff

EC-2002-01

# MISSOURI PUBLIC SERVICE COMMISSION

## UTILITY SERVICES DIVISION

UNION ELECTRIC COMPANY

615 E. AMBERVIEW

CASE NO. EC-2002-01

STAFF ACCOUNTING SCHEDULE

Jefferson City, Missouri

1000

3  
EXHIBIT  
11-29-a No

## Union Electric Company

Case: EC-02-001

Twelve Months Ended June 30, 2000

## Revenue Requirement

Line	8.14% Return	8.43% Return	8.72% Return
(A)	(B)	(C)	(D)
1 Net Orig Cost Rate Base (Sch 2)	\$3,855,715,372	\$3,855,715,372	\$3,855,715,372
2 Rate of Return	8.14%	8.43%	8.72%
3 Net Operating Income Requirement	\$ 313,858,231	\$ 325,036,806	\$ 336,218,380
4 Net Income Available (Sch 9)	\$ 467,927,857	\$ 467,927,857	\$ 467,927,857
5 Additional NOI BT Needed	\$ (154,072,626)	\$ (142,891,051)	\$ (131,709,477)
6 Income Tax Requirement (Sch 11)			
7 Required Current Income Tax	\$ 146,056,419	\$ 153,023,401	\$ 159,990,382
8 Test Year Current Income Tax	\$ 242,055,518	\$ 242,055,518	\$ 242,055,518
9 Additional Current Tax Required	\$ (95,999,099)	\$ (89,032,117)	\$ (82,065,136)
10 Required Deferred ITC	\$ 0	\$ 0	\$ 0
11 Test Year Deferred ITC	\$ 0	\$ 0	\$ 0
12 Additional Deferred ITC Required	\$ 0	\$ 0	\$ 0
13 Total Additional Tax Required	\$ (95,999,099)	\$ (89,032,117)	\$ (82,065,136)
14 Gross Revenue Requirement	\$ (250,071,725)	\$ (231,923,168)	\$ (213,774,613)



Union Electric Company  
Case: EC-02-001  
Twelve Months Ended June 30, 2000

Rate Base

Line Description	Amount
(A)	(B)
1 Total Plant in Service (Sch 3)	\$8,025,729,304
Subtract from Total Plant	
2 Depreciation Reserve (Sch 6)	\$3,415,536,457
3 Net Plant in Service	\$4,610,192,847
Add to Net Plant in Service	
4 Cash Working Capital (Sch 8)	\$ (14,993,941)
5 Materials and Supplies	70,108,372
6 Prepayments	13,123,172
7 Fuel Inventory	75,681,942
Subtract from Net Plant	
8 Federal Tax Offset -0.5123 %	\$ (646,633)
9 State Tax Offset 6.3781 %	1,265,085
10 City Tax Offset 0.0000 %	0
11 Interest Expense Offset 13.7397 %	14,303,621
12 Customer Advances for Construction	9,451,177
13 Customer Deposits	16,409,954
14 Deferred Income Taxes	814,346,941
15 Pension Liability	43,266,875
16 Total Rate Base	\$3,855,715,372

Total Plant in Service

Line	No	Acct	Description	Total	Company	Adjustment	Total Co	Allot	Factor	Adjustment	Adjusted	Adjusted
				(A)	(B)	(C)	(D)	(E)	(F)			

1			Nuclear Plant	\$2,876,979,105	\$	20,854,464	89,7000	\$ (339,358,670)	P-1	\$2,259,998,041		
2			Nuclear Post-Op	116,730,946		0	97,0000		P-2	113,229,018		
3			Steam Plant	2,077,652,752		21,927,030	89,7000		P-3	1,883,323,064		
4			Hydro Plant	166,538,019		147,989	89,7000		P-4	149,517,349		
5			Other Production Plant	57,571,180		1,670,968	89,7000		P-5	53,140,207		
6			Total	\$5,295,472,002	\$	44,600,451		\$ (339,358,670)		\$4,459,207,679		

7			Transmission Plant	\$464,644,772	\$	21,824,123	89,7000		P-6	\$436,362,599		
8			Total	\$464,644,772	\$	21,824,123				\$436,362,599		
9			Distribution Plant - Missouri	\$2,714,122,430	\$	49,177,622	99,5200	\$	P-7	\$2,751,426,122		
10			Total	\$2,714,122,430	\$	49,177,622		\$		\$2,751,426,212		

11			General Plant	\$425,994,975	\$	(5,694,438)	90,1100	\$	P-8	\$378,732,816		
12			Total	\$425,994,975	\$	(5,694,438)		\$		\$378,732,816		

13			Total Plant in Service	\$8,900,234,179	\$	109,907,758		\$ (337,968,670)		\$8,025,729,304		
----	--	--	------------------------	-----------------	----	-------------	--	------------------	--	-----------------	--	--

## Union Electric Company

Case: EC-02-001

Twelve Months Ended June 30, 2000

## Adjustments to Total Plant

Adj No Description	Total Co Adjustment	Mo Juris Adjustment
*****		
Nuclear Plant P-1	\$ 20,854,464	\$ (339,358,670)
*****		
1. To adjust nuclear plant to eliminate disallowed plant. (Harrison)		\$ (339,358,670)
2. To adjust plant in service for additions and retirements through September 30, 2000. (Harrison)	\$ 8,422,024	
3. To adjust plant in service for additions and retirements through December 31, 2000. (Harrison)	\$ 12,432,440	
*****		
Steam Plant P-3	\$ 21,927,030	
*****		
1. To adjust plant in service for additions and retirements through September 30, 2000. (Harrison)	\$ 9,021,540	
2. To adjust plant in service for additions and retirements through December 31, 2000. (Harrison)	\$ 12,905,490	
*****		
Hydro Plant P-4	\$ 147,989	
*****		
1. To adjust plant in service for additions and retirements through September 30, 2000. (Harrison)	\$ (36,000)	
2. To adjust plant in service for additions and retirements through December 31, 2000. (Harrison)	\$ 183,989	

Union Electric Company  
Case: EC-02-001  
Twelve Months Ended June 30, 2000

Adjustments to Total Plant

Adj No Description		Total Co Adjustment	Mo Juris Adjustment
*****			
Other Production Plant	P-5	\$ 1,670,968	
*****			
1. To adjust plant in service for additions and retirements through September 30, 2000. (Harrison)		\$ 1,633,669	
2. To adjust plant in service for additions and retirements through December 31, 2000. (Harrison)		\$ 37,299	
*****			
Transmission Plant	P-6	\$ 21,824,123	
*****			
1. To adjust plant in service for additions and retirements through September 30, 2000. (Harrison)		\$ 19,968,929	
2. To adjust plant in service for additions and retirements through December 31, 2000. (Harrison)		\$ 1,855,194	
*****			
Distribution Plant - Missouri	P-7	\$ 49,177,622	\$ 1,390,000
*****			
1. To adjust plant in service for additions and retirements through September 30, 2000. (Harrison)		\$ 26,878,910	
2. To include distribution plant associated with territorial agreements. (Gibbs)			\$ 1,390,000
3. To adjust plant in service for additions and retirements through December 31, 2000. (Harrison)		\$ 22,298,712	

Union Electric Company  
Case: EC-02-001  
Twelve Months Ended June 30, 2000

## Adjustments to Total Plant

Adj No Description	Total Co Adjustment	Mo Juris Adjustment
-----------------------	------------------------	------------------------

General Plant	P-8	\$ (5,694,438)
---------------	-----	----------------

- |  |                |
|--|----------------|
| 1. To allocate general plant to gas and steam operations.<br>(Harrison)                                  | \$ (6,365,763) |
| 2. To adjust plant in service for additions and retirements<br>through September 30, 2000.<br>(Harrison) | \$ 2,482,383   |
| 3. To adjust plant in service for additions and retirements<br>through December 31, 2000.<br>(Harrison)  | \$ (1,811,058) |

Union Electric Company  
Case: EC-2002-1  
Twelve Months Ended June 30, 2000

Depreciation Expense

(A)	Total (B)	Missouri (C)	Adjustment Number (D)	Illinois (E)	Sales for Resale (F)
<u>Local &amp; Directly Assigned Plant</u>					
Per Book Depreciation @ 6/30/00	\$174,627,714	\$161,034,708		\$10,036,196	\$3,556,811
Adjust Per Book to Staff Proposed Rates @ 6/30/00	-\$42,487,898	-\$38,424,282	S-21.1	-\$2,691,503	-\$305,282
Depreciation @ Staff Proposed Rates @ 6/30/00	\$132,139,816	\$122,610,426		\$7,344,693	\$3,251,529
Adjust to Staff Proposed Rates @ 9/30/00	\$818,889	\$772,850	S-21.2	\$38,030	\$11,687
Depreciation @ Staff Proposed Rates @ 9/30/00	\$132,958,705	\$123,383,276		\$7,382,723	\$3,263,216
Adjust to Staff Proposed Rates @ 12/31/00	\$812,095	\$760,249	S-21.3	\$41,858	\$15,187
Depreciation @ Staff Proposed Rates @ 12/31/00	\$133,770,800	\$124,143,525		\$7,424,581	\$3,278,403
<u>Power Pool Plant</u>					
Per Book Depreciation @ 6/30/00	\$70,899,037	\$63,596,436		\$5,026,742	\$2,935,220
Adjust Per Book to Staff Proposed Rates @ 6/30/00	-\$1,041,557	-\$934,277	S-22.1	-\$73,847	-\$43,120
Depreciation @ Staff Proposed Rates @ 6/30/00	\$69,857,480	\$62,662,159		\$4,952,895	\$2,892,100
Adjust to Staff Proposed Rates @ 9/30/00	\$652,560	\$585,347	S-22.2	\$46,267	\$27,016
Depreciation @ Staff Proposed Rates @ 9/30/00	\$70,510,040	\$63,247,506		\$4,999,162	\$2,919,116
Adjust to Staff Proposed Rates @ 12/31/00	\$427,524	\$383,489	S-22.3	\$30,311	\$17,699
Depreciation @ Staff Proposed Rates @ 12/31/00	\$70,937,564	\$63,630,995		\$5,029,473	\$2,936,815
<u>System General Plant</u>					
Per Book Depreciation @ 6/30/00	\$9,606,502	\$8,656,419		\$714,724	\$280,510
Adjust Per Book to Staff Proposed Rates @ 6/30/00	\$6,110,323	\$5,506,012	S-23.1	\$454,608	\$178,421
Depreciation @ Staff Proposed Rates @ 6/30/00	\$15,716,825	\$14,162,431		\$1,169,332	\$458,931
Adjust to Staff Proposed Rates @ 9/30/00	\$36,599	\$32,979	S-23.2	\$2,723	\$1,069
Depreciation @ Staff Proposed Rates @ 9/30/00	\$15,753,424	\$14,195,410		\$1,172,055	\$460,000
Adjust to Staff Proposed Rates @ 12/31/00	-\$172,224	-\$155,191	S-23.3	-\$12,814	-\$5,029
Depreciation @ Staff Proposed Rates @ 12/31/00	\$15,581,200	\$14,040,219		\$1,159,241	\$454,971

## Depreciation Reserve

Line	No	Acct	Description	Total	Total Co	Alloc	Jurisdictional	Adjusted	Jurisdictional
				(A)	(B)	(C)	(D)	(E)	(F)
<hr/>									
1			Nuclear Plant	\$ 879,449,223	\$ 31,861,832	\$ 90,4700	0	R-1	\$ 824,463,111
2			Nuclear Post-Op	27,002,593	1,843,734	97,0000	0	R-2	27,980,937
3			Steam Plant	1,036,546,263	18,963,992	89,7000	0	R-3	946,792,699
4			Hydro Plant	59,753,352	814,792	89,7000	0	R-4	54,329,625
5			Other Production Plant	39,792,534	1,172,862	89,7000	0	R-5	36,745,960
6			Total	\$2,042,543,965	\$4,657,212		0		\$1,890,312,332
<hr/>									
7			Transmission Plant	\$ 201,346,006	\$ 2,948,446	\$ 90,1400	0	R-6	\$ 184,151,019
8			Total	\$ 201,346,006	\$ 2,948,446		0		\$ 184,151,019
<hr/>									
9			Distribution Plant - Missouri	\$1,203,049,120	\$ 44,743,814	\$ 99,5200	175,100	R-7	\$1,241,978,628
10			Total	\$1,203,049,120	\$ 44,743,814		175,100		\$1,241,978,628
<hr/>									
11			General Plant	\$ 109,678,653	\$ 291,914	\$ 90,1100	0	R-8	\$ 99,094,478
12			Total	\$ 109,678,653	\$ 291,914		0		\$ 99,094,478
<hr/>									
13			Total Depreciation Reserve	\$3,556,617,744	\$ 102,641,386		175,100		\$3,415,536,457

## Union Electric Company

Case: EC-02-001

Twelve Months Ended June 30, 2000

## Adjustments to Depreciation Reserve

Adj No Description	Total Co Adjustment	Mo Juris Adjustment
-----------------------	------------------------	------------------------

Nuclear Plant	R-1	\$ 31,861,832
---------------	-----	---------------

1. To adjust depreciation reserve through September 30, 2000. (Harrison)	\$ 16,095,849	
---	---------------	--

2. To adjust depreciation reserve through December 31, 2000. (Harrison)	\$ 15,765,983	
--	---------------	--

Nuclear Post-Op	R-2	\$ 1,843,734
-----------------	-----	--------------

1. To adjust depreciation reserve through September 30, 2000. (Harrison)	\$ 921,867	
---	------------	--

2. To adjust depreciation reserve through December 31, 2000. (Harrison)	\$ 921,867	
--	------------	--

Steam Plant	R-3	\$ 18,963,992
-------------	-----	---------------

1. To adjust depreciation reserve through September 30, 2000. (Harrison)	\$ 14,858,134	
---	---------------	--

2. To adjust depreciation reserve through December 31, 2000. (Harrison)	\$ 4,105,858	
--	--------------	--

Hydro Plant	R-4	\$ 814,792
-------------	-----	------------

1. To adjust depreciation reserve through September 30, 2000. (Harrison)	\$ 399,687	
---	------------	--

2. To adjust depreciation reserve through December 31, 2000. (Harrison)	\$ 415,105	
--	------------	--



## Union Electric Company

Case: EC-02-001

Twelve Months Ended June 30, 2000

## Adjustments to Depreciation Reserve

Adj No Description	Total Co Adjustment	Mo Juris Adjustment
*****		
Other Production Plant R-5	\$ 1,172,862	
*****		
1. To adjust depreciation reserve through September 30, 2000. (Harrison)	\$ 581,938	
2. To adjust depreciation reserve through December 31, 2000. (Harrison)	\$ 590,924	
*****		
Transmission Plant R-6	\$ 2,948,446	
*****		
1. To adjust depreciation reserve through September 30, 2000. (Harrison)	\$ 1,967,036	
2. To adjust depreciation reserve through December 31, 2000. (Harrison)	\$ 981,410	
*****		
Distribution Plant - Missouri R-7	\$ 44,743,814	\$ 175,100
*****		
1. To adjust depreciation reserve through September 30, 2000. (Harrison)	\$ 24,786,695	
2. To include depreciation reserve associated with territorial agreements. (Gibbs)		\$ 175,100
3. To adjust depreciation reserve through December 31, 2000. (Harrison)	\$ 19,957,119	
*****		
General Plant R-8	\$ 291,914	
*****		
1. To allocate general plant to gas and steam operations. (Harrison)	\$ (1,600,843)	

## Union Electric Company

Case: EC-02-001

Twelve Months Ended June 30, 2000

## Adjustments to Depreciation Reserve

Adj No Description	Total Co Adjustment	Mo Juris Adjustment
2. To adjust depreciation reserve through September 30, 2000. (Harrison)	\$ 2,820,269	
3. To adjust depreciation reserve through December 31, 2000. (Harrison)	\$ (927,512)	

## Union Electric Company

Case: EC-02-001

Twelve Months Ended June 30, 2000

## Cash Working Capital

Line No	Acct Description	Test Year Expenses	Revenue Lag	Expense Lag	Net Lag (C) - (D)	Factor (Col E/365)	CWC Req (B) x (F)
	(A)	(B)	(C)	(D)	(E)	(F)	(G)
Operation and Maintenance Expense							
1	Cash Vouchers	\$ 381,216,450	38.8700	26.8300	12.0400	0.032986	\$ 12,574,806
2	Base Payroll	149,913,965	38.8700	10.6100	28.2600	0.077425	11,607,089
3	Vacation Payroll	22,524,495	38.8700	365.0000	(326.1300)	(0.893507)	(20,125,794)
4	Federal Withholding Taxes	45,756,664	38.8700	12.9700	25.9000	0.070959	3,246,847
5	State Withholding Taxes	10,661,931	38.8700	16.4200	22.4500	0.061507	655,783
6	Employee FICA Taxes	15,122,809	38.8700	12.9700	25.9000	0.070959	1,073,099
7	Fuel - Nuclear	29,264,185	38.8700	34.5500	4.3200	0.011836	346,371
8	Fuel - Coal	186,038,206	38.8700	22.4100	16.4600	0.045096	8,389,579
9	Fuel - Oil	8,302,962	38.8700	12.6100	26.2600	0.071945	597,357
10	Fuel - Gas	13,237,161	38.8700	14.4000	24.4700	0.067041	887,433
11	Uncollectible Expense	5,394,182	38.8700	38.8700	0.0000	0.000000	0
12	Total Operation and Maintenance Expense	\$ 867,433,010					\$ 19,252,570
Taxes							
13	Employer FICA Taxes	\$ 15,122,809	38.8700	12.9700	25.9000	0.070959	\$ 1,073,099
14	Federal Unemployment Taxes	181,741	38.8700	87.4000	(48.5300)	(0.132959)	(24,164)
15	State Unemployment Taxes	0	38.8700	0.0000	38.8700	0.106493	0
16	Corporation Franchise Taxes	1,066,869	38.8700	(77.5000)	116.3700	0.318822	340,141
17	Property Taxes	76,522,064	38.8700	186.5200	(147.6500)	(0.404521)	(30,954,782)
18	Sales & Use Taxes	53,292,878	22.2200	6.8000	15.4200	0.042247	2,251,464
19	Gross Receipts Taxes	93,230,789	22.2200	49.3600	(27.1400)	(0.074356)	(6,932,269)
20	Total Taxes	\$ 239,417,150					\$ (34,246,511)
21	Total Cash Working Capital Req						\$ (14,993,941)

## Union Electric Company

Case: EC-02-001

Twelve Months Ended June 30, 2000

## Income Statement

Line		Total	Total Co	Alloc	Jurisdictional	Adjusted
No	Acct Description	Company	Adjustment	Factor	Adjustment	Jurisdictional
	(A)	(B)	(C)	(D)	(E)	(F)
Operating Revenues						
1	Rate Revenues	\$1,933,774,166	\$ (130,759,696)	100.0000	\$ 2,537,448 S-1	\$1,805,551,911
2	Provision for Rate Refunds	(15,632,643)	15,632,643	100.0000	0 S-7	
3	Other Electric Revenues	53,066,881	0	100.0000	0 S-8	53,066,881
4	Other System Revenues	4,350,966	0	100.0000	0 S-9	4,350,966
5	Total	\$1,975,559,370	\$ (115,127,053)		\$ 2,537,448	\$1,862,969,765
Operation & Maintenance Expense						
6	Production - Variable	\$ 530,303,000	\$ (13,223,334)	86.9300	\$ 6,473,744 S-10	\$ 455,971,091
7	Production - Direct	(3,585,000)	0	100.0000	0 S-11	(3,585,000)
8	Production - Power Pool	117,594,000	(16,448,785)	89.7000	0 S-12	90,727,250
9	Transmission Expense	19,362,281	0	89.7000	(1,163,206) S-13	16,204,765
10	Distribution Expense	99,404,018	(5,643,275)	99.5200	(17,780,288) S-14	75,530,400
11	Customer Accounting Expense	53,227,494	(5,093,677)	100.0000	10,202 S-15	48,144,019
12	Customer Service & Info Expense	4,982,017	2,782,045	100.0000	(1,247,592) S-16	6,516,470
13	Sales Expense	847,105	0	100.0000	1,489 S-17	848,594
14	Admin & General Exp - Direct	2,839,112	6,633,182	100.0000	626,868 S-18	10,099,102
15	Admin & General - System General	197,992,175	7,848,748	90.1100	(18,507,010) S-19	166,976,245
16	Total	\$1,022,966,202	\$ (23,145,096)		\$ (31,585,793)	\$ 867,433,010
Depreciation Expense						
17	Depreciation Expense	\$ 0	\$ 0	100.0000	\$ 0	\$ 0
18	Depreciation Expense - Direct	161,034,709	0	100.0000	(36,863,383) S-21	124,171,326
19	Depreciation - Power Pool	70,899,037	0	89.7000	34,559 S-22	63,630,981
20	Depreciation - System General	9,606,502	0	90.1100	5,383,800 S-23	14,040,302
21	Total	\$ 241,540,248	\$ 0		\$ (31,445,024)	\$ 201,842,564
Other Operating Expenses						
22	Taxes Other - Direct Assigned	\$ 134,333,897	\$ (91,784,894)	100.0000	\$ 62,143 S-24	\$ 42,611,146
23	Taxes Other - Power Pool	50,690,155	0	89.7000	471,219 S-25	45,940,721
24	Taxes Other - Variable	1,449,653	0	86.9300	348,271 S-26	1,608,454
25	Taxes Other - System General	4,043,153	0	90.1100	118,916 S-27	3,762,201
26	Total	\$ 190,516,858	\$ (91,784,894)		\$ 1,000,549	\$ 93,922,081
27	Total Operating Expenses	\$1,455,023,308	\$ (114,929,990)		\$ (62,030,268)	\$1,163,197,650

## Union Electric Company

Case: EC-02-001

Twelve Months Ended June 30, 2000

## Income Statement

Line No	Acct Description	Total Company	Total Co Adjustment	Alloc Factor	Jurisdictional Adjustment	Adjusted Jurisdictional
(A)		(B)	(C)	(D)	(E)	(F)
28	Net Income Before Taxes	\$ 520,536,062	\$ (197,063)		\$ 64,567,716	\$ 699,772,126
	Current Income Taxes					
29	Current Income Taxes	\$ 251,959,000	\$ 0	100.0000	\$ (9,903,482) S-28	\$ 242,055,518
30	Total	\$ 251,959,000	\$ 0		\$ (9,903,482)	\$ 242,055,518
	Deferred Income Taxes					
31	Deferred Income Taxes	\$ (14,670,000)	\$ 0	100.0000	\$ 4,458,751 S-29	\$ (10,211,249)
32	Total	\$ (14,670,000)	\$ 0		\$ 4,458,751	\$ (10,211,249)
33	Total Income Taxes	\$ 237,289,000	\$ 0		\$ (5,444,731)	\$ 231,844,269
34	Net Operating Income	\$ 283,247,062	\$ (197,063)		\$ 70,012,447	\$ 467,927,857

## Union Electric Company

Case: EC-02-001

Twelve Months Ended June 30, 2000

## Adjustments to Income Statement

Adj No Description	Total Co Adjustment	Mo Juris Adjustment
Rate Revenues S-1	\$ (130,759,696)	\$ 2,537,448
1. To adjust operating revenues for the effect of a tariff change during the test year. (Gibbs)	\$ (14,196,338)	
2. To adjust operating revenues to reflect normal weather. (Gibbs)	\$ (11,702,029)	
3. To restore lost revenue resulting from territorial agreements. (Gibbs)		\$ 2,537,448
4. To adjust operating revenues to a 365 day year. (Gibbs)	\$ (11,273,500)	
5. To adjust operating revenues for rate eliminations. (Gibbs)	\$ 2,024,993	
6. To adjust operating revenues for customer growth through December 31, 2000. (Gibbs)	\$ 24,653,575	
7. To eliminate gross receipts taxes from operating revenues. (Gibbs)	\$ (91,322,269)	
8. To adjust operating revenues to eliminate per book unbilled revenue. (Gibbs)	\$ (28,860,000)	
9. To adjust operating revenues to reflect the effect of rate switching. (Gibbs)	\$ (84,128)	

## Union Electric Company

Case: EC-02-001

Twelve Months Ended June 30, 2000

## Adjustments to Income Statement

Adj No Description	Total Co Adjustment	Mo Juris Adjustment
*****		
Provision for Rate Refunds S-7	\$ 15,632,643	
*****		
1. To eliminate rate refunds from operating revenues. (Gibbs)	\$ 15,632,643	
*****		
Production - Variable S-10	\$ (13,223,334)	\$ 6,473,744
*****		
1. To normalize the costs of Callaway refueling. (Cassidy)	\$ (13,223,334)	
2. To adjust fuel expense to a level consistent with normalized sales. (Cassidy)		\$ 5,952,145
3. To include fuel cost for territorial agreement restored revenue. (Gibbs)		\$ 361,512
4. To adjust payroll expense to the level of expense at December 31, 2000. (Griggs)		\$ 160,087
*****		
Production - Power Pool S-12	\$ (16,448,785)	
*****		
1. To normalize power plant maintenance expense. (Harrison)	\$ (16,448,785)	
*****		
Transmission Expense S-13		\$ (1,163,206)
*****		
1. To normalize tree trimming expense. (Harrison)		\$ (1,168,306)

## Union Electric Company

Case: EC-02-001

Twelve Months Ended June 30, 2000

## Adjustments to Income Statement

Adj No Description	Total Co Adjustment	Mo Juris Adjustment
2. To adjust payroll expense to the level of expense at December 31, 2000. (Griggs)		\$ 5,100
*****		
Distribution Expense S-14	\$ (5,643,275)	\$ (17,780,288)
*****		
1. To adjust distribution expense to eliminate Illinois expense. (Schwieterman)	\$ (5,643,275)	
2. To increase operating expense to reflect a ten year average of net salvage expense. (Schwieterman)		\$ 8,148,947
3. To include maintenance expense on territorial agreement plant in service. (Gibbs)		\$ 443,737
4. To normalize tree trimming expense. (Harrison)		\$ (5,031,005)
5. To adjust payroll expense to the level of expense at December 31, 2000. (Griggs)		\$ 56,093
6. To amortize the overaccrued depreciation reserve over twenty years. (Schwieterman)		\$ (21,398,060)
*****		
Customer Accounting Expense S-15	\$ (5,093,677)	\$ 10,202
*****		
1. To normalize uncollectible expense. (Gibbs)	\$ (1,614,357)	
2. To annualize automated meter reading expense. (Harrison)	\$ (3,479,320)	



Union Electric Company  
 Case: EC-02-001  
 Twelve Months Ended June 30, 2000

Adjustments to Income Statement

Adj No Description	Total Co Adjustment	No Juris Adjustment
3. To adjust payroll expense to the level of expense at December 31, 2000. (Griggs)		\$ 20,613
4. To eliminate miscellaneous test year expenses. (Teel)		\$ (10,411)
*****		
Customer Service & Info Expense S-16	\$ 2,782,045	\$ (1,247,592)
*****		
1. To include interest on customer deposits in cost of service. (Harrison)	\$ 1,723,045	
2. To eliminate goodwill, institutional and political advertising from operating expense. (Teel)		\$ (1,249,722)
3. To increase operating expense to eliminate a prior period adjustment recorded during the test year. (Teel)	\$ 1,059,000	
4. To adjust payroll expense to the level of expense at December 31, 2000. (Griggs)		\$ 2,130
*****		
Sales Expense S-17		\$ 1,489
*****		
1. To adjust payroll expense to the level of expense at December 31, 2000. (Griggs)		\$ 1,489
*****		
Admin & General Exp - Direct S-18	\$ 6,633,182	\$ 626,868
*****		
1. To increase operating expense to eliminate a prior period adjustment recorded during the test year. (Harrison)	\$ 3,973,000	

Union Electric Company  
Case: EC-02-001  
Twelve Months Ended June 30, 2000

Adjustments to Income Statement

Adj No Description	Total Co Adjustment	Mo Juris Adjustment
2. To increase operating expense for capitalized software. (Harrison)	\$ 2,395,000	
3. To increase operating expense to reflect the current PSC Assessment. (Teel)	\$ 265,182	
4. To amortize the deferred Y2K costs over eight years. (Harrison)		\$ 626,868
*****		
Admin & General - System General S-19	\$ 7,848,748	\$ (18,507,010)
*****		
1. To eliminate environmental accrual net of actual expense and receipts. (Cassidy)		\$ (2,492,617)
2. To eliminate goodwill, institutional and political advertising from operating expense. (Teel)		\$ (554,583)
3. To eliminate EEI dues and other dues and donations. (Teel)		\$ (955,926)
4. To eliminate overaccrual of legal expense. (Cassidy)		\$ (786,935)
5. To adjust pension expense to reflect the fair market value of plan assets. (Meyer)		\$ (3,746,190)
6. To adjust OPEB expense to reflect the fair market value of plan assets. (Meyer)		\$ 233,709
7. To annualize the five-year average gains/losses on pension assets over a five year period. (Meyer)		\$ (8,230,300)

## Union Electric Company

Case: EC-02-001

Twelve Months Ended June 30, 2000

## Adjustments to Income Statement

Adj No Description	Total Co Adjustment	Mo Juris Adjustment
8. To annualize the five-year average gains/losses on OPEB assets over a five year period. (Meyer)		\$ (2,142,761)
9. To annualize pension expense. (Meyer)		\$ (3,589,708)
10. To annualize OPEB expense. (Meyer)		\$ 9,569,197
11. To normalize office supplies expense. (Schwieterman)	\$ 4,483,358	
12. To normalize property insurance expense. (Schwieterman)	\$ 3,365,390	
13. To normalize injuries and damages expense. (Griggs)		\$ 1,152,295
14. To eliminate the costs associated with the company management incentive plans. (Griggs)		\$ (5,899,692)
15. To adjust payroll expense to the level of expense at December 31, 2000. (Griggs)		\$ 32,828
16. To normalize employee medical plan costs. (Griggs)		\$ (1,101,264)
17. To amortize estimated rate case expense over three years. (Teel)		\$ 100,000
18. To eliminate regulatory advisor consulting fees. (Harrison)		\$ (39,000)
19. To eliminate board of director advisor fees. (Harrison)		\$ (6,668)
20. To eliminate miscellaneous test year expenses. (Teel)		\$ (49,395)

## Union Electric Company

Case: EC-02-001

Twelve Months Ended June 30, 2000

## Adjustments to Income Statement

Adj No Description	Total Co Adjustment	Mo Juris Adjustment
*****		
Depreciation Expense - Direct S-21		\$ (36,863,383)
*****		
1. To adjust depreciation & amortization expense to reflect the effect of Staff's proposed depreciation rates. (Schwieterman)		\$ (38,424,282)
2. To adjust depreciation expense for plant additions and retirements through September 30, 2000. (Schwieterman)		\$ 772,850
3. To adjust depreciation expense for plant additions and retirements through December 31, 2000. (Schwieterman)		\$ 760,249
4. To include depreciation expense on territorial agreement facilities added to plant in service. (Gibbs)		\$ 27,800
*****		
Depreciation - Power Pool S-22		\$ 34,559
*****		
1. To adjust depreciation & amortization expense to reflect the effect of Staff's proposed depreciation rates. (Schwieterman)		\$ (934,277)
2. To adjust depreciation expense for plant additions and retirements through September 30, 2000. (Schwieterman)		\$ 585,347
3. To adjust depreciation expense for plant additions and retirements through December 31, 2000. (Schwieterman)		\$ 383,489

Adj	No Description	Total Co	Mo Juris
	Depreciation - System General		
	1. To adjust depreciation & amortization expense to reflect the effect of Staff's proposed depreciation rates.	\$ 5,506,012	
	2. To adjust depreciation expense for plant additions and retirements through September 30, 2000.	\$ 32,979	
	3. To adjust depreciation expense for plant additions and retirements through December 31, 2000.	\$ (155,191)	
	Taxes Other - Direct Assigned	\$ (91,784,894)	\$ 62,143
	1. To eliminate gross receipts taxes from operating expense.	\$ (91,784,894)	
	2. To annualize property and corporation franchise taxes.	\$ 76,957	
	3. To adjust FICA tax expense to the annual level at December 31, 2000.	\$ (14,814)	
	Taxes Other - Power Pool	\$ 471,219	
	1. To annualize property and corporation franchise taxes.	\$ 471,219	

Adjustments to Income Statement

Twelve Months Ended June 30, 2000

Case: EC-02-001

Union Electric Company

13:34 06/29/2001

Schwietzerman

Accounting Schedule: 10

Union Electric Company  
Case: EC-02-001  
Twelve Months Ended June 30, 2000

Adjustments to Income Statement

Adj No Description	Total Co Adjustment	Mo Juris Adjustment
*****		
Taxes Other - Variable S-26		\$ 348,271
*****		
1. To annualize property and corporation franchise taxes. (Harrison)		\$ 348,271
*****		
Taxes Other - System General S-27		\$ 118,916
*****		
1. To annualize property and corporation franchise taxes. (Harrison)		\$ 118,916
*****		
Current Income Taxes S-28		\$ (9,903,482)
*****		
1. To adjust current income taxes to a level consistent with staff operating income. (Rackers)		\$ (9,903,482)
*****		
Deferred Income Taxes S-29		\$ 4,458,751
*****		
1. To adjust deferred income taxes to a level consistent with staff operating income. (Rackers)		\$ 4,458,751

Union Electric Company  
Case: EC-02-001  
Twelve Months Ended June 30, 2000

Income Tax

Line		Test Year	8.14% Return	8.43% Return	8.72% Return
	(A)	(B)	(C)	(D)	(E)
*****					
1	Net Income Before Taxes (Sch 9)	\$ 699,772,126	\$ 449,700,401	\$ 467,848,958	\$ 485,997,513
*****					
	Add to Net Income Before Taxes				
2	Book Depreciation Expense	\$ 201,842,540	\$ 201,842,540	\$ 201,842,540	\$ 201,842,540
3	Other Addbacks	26,722,923	26,722,923	26,722,923	26,722,923
4	Net Salvage	8,148,947	8,148,947	8,148,947	8,148,947
		-----	-----	-----	-----
5	Total	\$ 236,714,410	\$ 236,714,410	\$ 236,714,410	\$ 236,714,410
	Subtr from Net Income Before Taxes				
6	Interest Expense 2.7000 %	\$ 104,104,315	\$ 104,104,315	\$ 104,104,315	\$ 104,104,315
7	Depreciation - Book	201,842,540	201,842,540	201,842,540	201,842,540
		-----	-----	-----	-----
8	Total	\$ 305,946,855	\$ 305,946,855	\$ 305,946,855	\$ 305,946,855
*****					
9	Net Taxable Income	\$ 630,539,681	\$ 380,467,956	\$ 398,616,513	\$ 416,765,068
*****					
	Provision for Federal Income Tax				
10	Net Taxable Income	\$ 630,539,681	\$ 380,467,956	\$ 398,616,513	\$ 416,765,068
11	Deduct Missouri Income Tax 100.0 %	\$ 32,871,737	\$ 19,834,822	\$ 20,780,956	\$ 21,727,089
12	Deduct City Income Tax	0	0	0	0
13	Federal Taxable Income	597,667,944	360,633,134	377,835,557	395,037,979
		-----	-----	-----	-----
14	Total Federal Tax	\$ 209,183,781	\$ 126,221,597	\$ 132,242,445	\$ 138,263,293
	Provision for Missouri Income Tax				
15	Net Taxable Income	\$ 630,539,681	\$ 380,467,956	\$ 398,616,513	\$ 416,765,068
16	Deduct Federal Income Tax 50.0 %	\$ 104,591,891	\$ 63,110,799	\$ 66,121,223	\$ 69,131,647
17	Deduct City Income Tax	0	0	0	0
18	Missouri Taxable Income	525,947,791	317,357,158	332,495,291	347,633,422
		-----	-----	-----	-----
19	Total Missouri Tax	\$ 32,871,737	\$ 19,834,822	\$ 20,780,956	\$ 21,727,089

## Union Electric Company

Case: EC-02-001

Twelve Months Ended June 30, 2000

## Income Tax

Line	Test Year	8.14% Return	8.43% Return	8.72% Return
(A)	(B)	(C)	(D)	(E)
Provision for City Income Tax				
20	Net Taxable Income	\$ 630,539,681	\$ 380,467,956	\$ 398,616,513
21	Deduct Federal Income Tax	\$ 209,183,781	\$ 126,221,597	\$ 132,242,445
22	Deduct Missouri Income Tax	32,871,737	19,834,822	20,780,956
23	City Taxable Income	388,484,163	234,411,537	245,593,112
24	Total City Tax	\$ 0	\$ 0	\$ 0
Summary of Provision for Income Tax				
25	Federal Income Tax	\$ 209,183,781	\$ 126,221,597	\$ 132,242,445
26	Missouri Income Tax	32,871,737	19,834,822	20,780,956
27	City Income Tax	0	0	0
28	Total	\$ 242,055,518	\$ 146,056,419	\$ 153,023,401
Deferred Income Taxes				
29	Deferred Investment Tax Credit	\$ 0	\$ 0	\$ 0
30	Deferred Taxes	(5,327,070)	(5,327,070)	(5,327,070)
31	Amort of Deferred ITC	(4,884,179)	(4,884,179)	(4,884,179)
32	Total	\$ (10,211,249)	\$ (10,211,249)	\$ (10,211,249)
33	Total Income Tax	\$ 231,844,269	\$ 135,845,170	\$ 142,812,152





AmerenUE  
EM-96-149 (Earnings Review  
Payroll Adjustment  
Using Actual AMS Allocations at 12/31/00

		12 Months Ended 6/30/00					12 Months Ended 12/31/00		
		UEC	AMS	Total			UEC	AMS	Total
1	Total Electric O&M (Direct)	217,891,115 (1)	38,991,616 (B)	256,882,731			217,334,419 (1)	40,625,817 Rpt UEC.opexp	257,960,236
2	Gas	6,636,639 (1)	4,047,846 (B)	10,684,485			6,575,778 (1)	4,157,110 Rpt UEC.opexp	10,732,888
3	Total O&M Labor (1+ 2)	224,527,754	43,039,482 (B)	267,567,216			223,910,197	44,782,927	268,693,124
4	Missouri electric O&M	206,692,934 (2)	37,008,591 (B)	243,701,525			205,419,802 (2)	38,580,062 Rpt UEC.opexp	243,979,864
	Change to electric O&M						(556,696)	1,634,201	1,077,505
	Change to Mo O&M						(1,273,132)	1,551,471	278,339
5									
6	B1-2 Labor Expense								
7	Operations	122,983,113					122,633,546		
8	Maintenance	101,551,056					101,276,852		
9	Total O&M	224,534,169	Difference from above is due to steam of \$6,416				223,910,198		
10	Change						(623,971)		
11									
12	B3-1 Labor Statistics								
13	Gross Wages (before vac accrual)	285,394,321	97,062,618 (C)	(DR 63R)			285,722,786	100,863,061 (D)	
14	Change						328,465	3,800,443	
15	Total O&M as a % of Gross	78.67% (3)	44.34%				78.37%	44.40%	
16	Electric O&M % of Total O&M	97.04%	90.80%				97.06%	90.72%	
17	Missouri % of electric	94.86%	94.91%				94.52%	94.92%	

## DR 63R AMS Download Report

Gross Labor Allocated to UE  
(Total Gas & Electric)

O&amp;M %

O&amp;M Labor

61,704,187

70%

43,192,931

63,970,483

70%

44,779,338

DR 63R

Allocated Labor from Report UEC.opexp-

Actual O&amp;M%

61,704,187

43,039,482

69.75%

63,970,483

44,782,927

70.01%

(1) Report 19607, UEC.opexp (Credit Binder) F&amp;S B 2-6

(2) Report 19607, UEC.opexp

(3) Agrees with O&amp;M % from DR103 (rounded)

4  
EXHIBIT

11-29-01 ma

PROPRIETARY

Ameren UE  
EM-96-149 (Earnings Review)  
Allocation of Payroll Adjustment

	<u>Total Mo Electric 12/31/00</u>	<u>% of Total</u>	<u>Payroll Adjustment</u>	<u>Adjustment Number</u>
Payroll Adjustment at 12/31/00	\$ -	-	\$ <u>278,339</u>	
Production	140,308,433	57.515%	160,087	S-10.4
Transmission	4,469,742	1.832%	5,100	S-13.2
Distribution	49,162,315	20.153%	56,093	S-14.5
Customer Accounts	18,066,158	7.406%	20,613	S-15.3
Customer Service and Information	1,866,740	0.765%	2,130	S-16.4
Sales	1,304,800	0.535%	1,489	S-17.1
Administrative & General	28,771,676	11.794%	32,828	S-19.15
Total	\$ <u>243,949,864</u>	100.000%	\$ <u>278,339</u>	

Source: Report uec.opexp, total MO Electric O&M Expenses

PROPRIETARY

**AmerenUE**  
**LABOR RATIO**  
**12 MONTHS ENDED 12/31/2000**

	<u>ALLOCATION</u>	<u>TOTAL COMPANY</u>	<u>MISSOURI</u>	<u>ILLINOIS</u>	<u>SALES FOR RESALE</u>
<b>OPERATING &amp; MAINTENANCE LABOR</b>					
<b>PRODUCTION LABOR</b>					
INCREMENTAL LABOR	(Variable)	\$ 5,711,525	\$ 4,965,029	\$ 591,143	\$ 155,353
OTHER OPERATING LABOR	(Fixed)	74,143,764	66,833,189	5,241,964	2,068,611
MAINTENANCE LABOR	(Variable)	67,128,090	58,354,449	6,947,757	1,825,884
<b>TOTAL PRODUCTION LABOR</b>		<b>146,983,379</b>	<b>130,152,667</b>	<b>12,780,864</b>	<b>4,049,848</b>
<b>TRANSMISSION LABOR</b>	(Fixed)	<b>5,434,072</b>	<b>4,898,272</b>	<b>384,189</b>	<b>151,611</b>
<b>DISTRIBUTION LABOR</b>					
MISSOURI	(Dist. Plant)	49,162,315	48,926,336	-	235,979
ILLINOIS	(Direct)	2,840,205	-	2,840,205	-
IOWA	(Dist. Plant)	-	-	-	-
<b>TOTAL DISTRIBUTION LABOR</b>		<b>52,002,520</b>	<b>48,926,336</b>	<b>2,840,205</b>	<b>235,979</b>
<b>CUSTOMER ACCOUNTING LABOR</b>					
MISSOURI	(Direct)	18,066,158	18,055,452	-	10,706
ILLINOIS	(Direct)	1,710,104	-	1,710,104	-
IOWA	(Direct)	-	-	-	-
<b>TOTAL CUSTOMER ACCOUNTING LABOR</b>		<b>19,776,262</b>	<b>18,055,452</b>	<b>1,710,104</b>	<b>10,706</b>
<b>CUSTOMER SERVICE &amp; INFORMATION LABOR</b>					
MISSOURI	(Direct)	1,866,740	1,866,740	-	-
ILLINOIS	(Direct)	222,794	-	222,794	-
IOWA	(Direct)	-	-	-	-
<b>TOTAL CUST. SERV. &amp; INFO. LABOR</b>		<b>2,089,534</b>	<b>1,866,740</b>	<b>222,794</b>	<b>-</b>
<b>SALES LABOR</b>					
MISSOURI	(Direct)	1,304,800	1,304,800	-	-
ILLINOIS	(Direct)	136,179	-	136,179	-
IOWA	(Direct)	-	-	-	-
<b>TOTAL SALES LABOR</b>		<b>1,440,979</b>	<b>1,304,800</b>	<b>136,179</b>	<b>-</b>
<b>ADMINISTRATIVE &amp; GENERAL LABOR</b>					
ACCOUNT 930-1	(Direct)	6,621	6,581	40	-
<b>TOTAL DIRECT OPERATING LABOR</b>		<b>227,733,367</b>	<b>205,210,848</b>	<b>18,074,375</b>	<b>4,448,144</b>
<b>REMAINING A&amp;G LABOR</b>	(Dir. Op.Labor)	<b>30,226,869</b>	<b>27,237,473</b>	<b>2,398,997</b>	<b>590,399</b>
<b>TOTAL OPERATING &amp; MAINTENANCE LABOR</b>		<b>\$ 257,960,236</b>	<b>\$ 232,448,321</b>	<b>\$ 20,473,372</b>	<b>\$ 5,038,543</b>
<b>LABOR ALLOCATION</b>		<b>100.00%</b>	<b>90.11%</b>	<b>7.94%</b>	<b>1.95%</b>

AmerenUE  
Operating Expenses - Total Electric  
For the 12 months ending 06/30/00

		Twelve Months to Date					
		LABOR			OTHER		
		12 MTD (1) UEC Direct	Jul99-Jun00(2) AMS allocated	Total UEC LABOR	12 MTD (1) UEC Direct	Jul99-Jun00(2) AMS allocated	Total UEC OTHER
Production							
Power Plants	500-554	142,778,103	1,520,706	144,298,809	478,913,151	(1,520,706)	477,392,445
Purchased/Interchange Power	555	-	-	-	196,209,634	-	196,209,634
Load Dispatching	556	22,804	1,058,164	1,080,968	1,404,715	(1,058,164)	346,551
Other Production	557	3,378,749	1,044,014	4,422,763	4,813,587	(1,044,014)	3,769,573
Total		146,179,656	3,622,884	149,802,540	681,341,087	(3,622,884)	677,718,203
Transmission Operations	560-567	556,510	1,845,432	2,401,942	9,894,748	(1,845,432)	8,049,316
Transmission Maintenance	568-573	2,834,599	358,685	3,193,284	6,076,424	(358,685)	5,717,739
Distribution Operations	580-589	20,339,615	1,445,500	21,785,115	13,608,024	(1,445,500)	12,162,524
Distribution Maintenance	590-598	25,796,699	1,995,747	27,792,446	39,659,680	(1,995,747)	37,663,933
Customer Accounts	901-905	15,720,183	4,302,713	20,022,896	40,515,982	(4,302,713)	36,213,269
Customer Service and Information	907-910	1,710,022	341,848	2,051,870	3,652,364	(341,848)	3,310,516
Sales	911-916	806,372	674,500	1,480,872	220,758	(674,500)	(453,742)
Administrative & General Operations	920-931	1,999,054	24,152,362	26,151,416	194,182,999	(24,152,362)	170,030,637
Administrative & General Maintenance	935	1,948,405	251,945	2,200,350	2,934,387	(251,945)	2,682,442
Total Operating Expenses		217,891,115	30,991,616	256,882,731	992,086,453	(30,991,616)	953,094,837

(1) Per Operating Expense Report (Report No. GA19607)

(2) Per "AMS nec200 12mtd0600.xls" tab: UEC O&M 12mtd 06-00 (Labor data query from Corp. Model Server)

PROPRIETARY

AmerenUE  
Operating Expenses - Total Gas  
For the 12 months ending 06/30/00

Twelve Months to Date

		LABOR			OTHER			TOTAL
		12 MTD (1) UEC Direct	Jul99-Jun00(2) AMS allocated	Total UEC LABOR	12 MTD (1) UEC Direct	Jul99-Jun00(2) AMS allocated	Total UEC OTHER	UEC LABOR & OTHER
Gas Production								
Gas Production Operation	710-736	6,768	-	6,768	870	-	870	7,638
Manufactured Gas Maintenance	740-742	12,530	-	12,530	38,703	-	38,703	51,233
Total		19,298	-	19,298	39,573	-	39,573	58,871
Production	804-808	-	270,687	270,687	56,924,234	(270,687)	56,653,547	56,924,234
Transmission Operations	850-860	19	164,724	164,743	233,392	(164,724)	68,668	233,411
Transmission Maintenance	861-867	3,471	-	3,471	26,860	-	26,860	30,331
Distribution Operations	870-881	3,247,222	229,559	3,476,781	3,775,660	(229,559)	3,546,101	7,022,882
Distribution Maintenance	885-894	1,809,886	376,623	2,186,509	1,452,508	(376,623)	1,075,885	3,262,394
Customer Accounts	901-905	1,206,130	767,880	1,974,010	2,154,382	(767,880)	1,386,502	3,360,512
Customer Service and Information	907-910	105,571	54,641	160,212	86,219	(54,641)	31,578	191,790
Sales	911-916	79,747	55,144	134,891	82,789	(55,144)	27,655	162,546
Administrative & General Operations	920-931	103,891	2,116,983	2,220,874	8,216,416	(2,116,983)	6,099,433	8,320,307
Administrative & General Maintenance	935	61,404	11,605	73,009	141,879	(11,605)	130,274	203,283
Total Operating Expenses (excl. 700 accts.)		6,617,341	4,047,846	10,665,187	73,094,349	(4,047,846)	69,046,503	79,711,690
Total Operating Expenses		6,636,639	4,047,846	10,684,485	73,133,922	(4,047,846)	69,086,076	79,770,561

(1) Per Operating Expense Report (Report No. GA19607)

(2) Per "AMS nec200 12mtd0600.xls" tab: UEC O&M.12mtd 06-00 (Labor data query from Corp. Model Server)

PROPRIETARY

AmerenUE  
Operating Expenses - Missouri Electric  
For the 12 months ending 06/30/00

Twelve Months to Date

		LABOR			OTHER			TOTAL UEC LABOR & OTHER
		12 MTD (1) UEC Direct	Jul99-Jun00(2) AMS allocated	Total UEC LABOR	12 MTD (1) UEC Direct	Jul99-Jun00(2) AMS allocated	Total UEC OTHER	
Production								
Power Plants	500-554	136,730,896	1,492,739	138,223,635	467,677,918	(1,492,739)	466,185,179	604,408,814
Purchased/Interchange Power	555	-	-	-	196,209,634	-	196,209,634	196,209,634
Load Dispatching	556	22,804	1,047,349	1,070,153	1,391,466	(1,047,349)	344,117	1,414,270
Other Production	557	3,378,749	1,044,014	4,422,763	4,742,870	(1,044,014)	3,698,856	8,121,619
Total		140,132,449	3,584,102	143,716,551	670,021,888	(3,584,102)	666,437,786	810,154,337
Transmission Operations	560-567	209,954	1,786,460	1,996,414	8,993,086	(1,786,460)	7,206,626	9,203,040
Transmission Maintenance	568-573	2,372,779	327,778	2,700,557	5,277,480	(327,778)	4,949,702	7,650,259
Distribution Operations	580-589	19,200,322	1,381,004	20,581,326	13,094,341	(1,381,004)	11,713,337	32,294,663
Distribution Maintenance	590-598	24,361,153	1,853,714	26,214,867	37,104,927	(1,853,714)	35,251,213	61,466,080
Customer Accounts	901-905	14,425,199	4,041,752	18,466,951	38,802,295	(4,041,752)	34,760,543	53,227,494
Customer Service and Information	907-910	1,517,112	319,337	1,836,449	3,464,905	(319,337)	3,145,568	4,982,017
Sales	911-916	731,741	605,926	1,337,667	115,364	(605,926)	(490,562)	847,105
Administrative & General Operations	920-931	1,911,498	22,861,612	24,773,110	189,097,866	(22,861,612)	166,236,254	191,009,364
Administrative & General Maintenance	935	1,830,727	246,906	2,077,633	2,856,627	(246,906)	2,609,721	4,687,354
Total Operating Expenses		206,692,934	37,008,591	243,701,525	968,828,779	(37,008,591)	931,820,188	1,175,521,713

(1) Per Operating Expense Report (Report No. GA19607)

(2) Per "AMS nec200 12mtd0600.xls" tab: UEC O&M 12mtd 06-00 (Labor data query from Corp. Model Server)

PROPRIETARY

AmerenUE  
Operating Expenses - Total Electric  
For the 12 months ending 12/31/2000

Twelve Months to Date

		LABOR			OTHER			TOTAL
		12 MTD (1) UEC Direct	Jan00-Dec00(2) AMS allocated	Total UEC LABOR	12 MTD (1) UEC Direct	Jan00-Dec00(2) AMS allocated	Total UEC OTHER	UEC LABOR & OTHER
Production								
Power Plants	500-554	140,105,154	1,564,901	141,670,055	476,268,297	(1,564,901)	474,703,396	616,373,451
Purchased/Interchange Power	555	-	-	-	198,790,329	-	198,790,329	198,790,329
Load Dispatching	556	22,479	1,103,128	1,125,607	1,409,939	(1,103,128)	306,811	1,432,418
Other Production	557	3,148,672	1,039,045	4,187,717	2,492,805	(1,039,045)	1,453,760	5,641,477
Total		143,276,305	3,707,074	146,983,379	678,961,370	(3,707,074)	675,254,296	822,237,675
Transmission Operations	560-567	512,480	1,941,843	2,454,323	24,048,941	(1,941,843)	22,107,098	24,561,421
Transmission Maintenance	568-573	2,629,594	350,155	2,979,749	7,410,946	(350,155)	7,060,791	10,040,540
Distribution Operations	580-589	20,312,212	1,480,624	21,792,836	14,559,520	(1,480,624)	13,078,896	34,871,732
Distribution Maintenance	590-598	28,152,113	2,057,571	30,209,684	42,285,818	(2,057,571)	40,228,245	70,437,929
Customer Accounts	901-905	15,547,516	4,228,746	19,776,262	38,129,546	(4,228,746)	33,900,800	53,677,062
Customer Service and Information	907-910	1,851,806	237,728	2,089,534	3,552,418	(237,728)	3,314,690	5,404,224
Sales	911-916	745,101	695,878	1,440,979	1,298,883	(695,878)	603,005	2,043,984
Administrative & General Operations	920-931	2,228,103	25,684,569	27,912,672	235,978,514	(25,684,569)	210,293,945	238,206,617
Administrative & General Maintenance	935	2,079,189	241,629	2,320,818	3,961,412	(241,629)	3,719,783	6,040,601
Total Operating Expenses		217,334,419	40,625,817	257,960,236	1,050,187,366	(40,625,817)	1,009,561,549	1,267,521,785

(1) Per Operating Expense Report (Report No. GA19607)

(2) Per "AMS, Allocation by NEC, 2000.xls" tab: UEC O&M Labor (Labor data query from Corp. Model Server)

PROPRIETARY



AmerenUE  
Operating Expenses - Total Gas  
For the 12 months ending 12/31/2000

		Twelve Months to Date					
		LABOR			OTHER		
		12 MTD (1) UEC Direct	Jan00-Dec00(2) AMS allocated	Total UEC LABOR	12 MTD (1) UEC Direct	Jan00-Dec00(2) AMS allocated	Total UEC OTHER
							UEC LABOR & OTHER
Gas Production							
Gas Production Operation	710-736	9,973	-	9,973	43,207	-	43,207
Manufactured Gas Maintenance	740-742	14,189	-	14,189	227,544	-	227,544
Total		24,162	-	24,162	270,751	-	270,751
Production	804-808	-	216,286	216,286	81,830,733	(216,286)	81,614,447
Transmission Operations	850-860	-	164,581	164,581	230,664	(164,581)	66,083
Transmission Maintenance	861-867	2,024	-	2,024	27,570	-	27,570
Distribution Operations	870-881	3,240,343	273,800	3,514,143	3,299,728	(273,800)	3,025,928
Distribution Maintenance	885-894	1,707,816	474,244	2,182,060	1,428,468	(474,244)	954,224
Customer Accounts	901-905	1,223,520	748,512	1,972,032	3,385,403	(748,512)	2,636,891
Customer Service and Information	907-910	144,139	48,097	192,236	76,654	(48,097)	28,557
Sales	911-916	77,616	65,251	142,867	93,156	(65,251)	27,905
Administrative & General Operations	920-931	119,577	2,155,229	2,274,806	8,541,488	(2,155,229)	6,386,259
Administrative & General Maintenance	935	36,581	11,110	47,691	96,281	(11,110)	85,171
Total Operating Expenses (excl. 700 accts.)		6,551,616	4,157,110	10,708,726	99,010,145	(4,157,110)	94,853,035
Total Operating Expenses		6,575,778	4,157,110	10,732,888	99,280,896	(4,157,110)	95,123,786

(1) Per Operating Expense Report (Report No. GA19607)

(2) Per "AMS, Allocation by NEC, 2000.xls" tab: UEC O&M Labor (Labor data query from Corp. Model Server)

PROPRIETARY

AmerenUE  
Operating Expenses - Missouri Electric  
For the 12 months ending 12/31/2000

Twelve Months to Date

		LABOR			OTHER			TOTAL
		12 MTD (1) UEC Direct	Jan00-Dec00(2) AMS allocated	Total UEC LABOR	12 MTD (1) UEC Direct	Jan00-Dec00(2) AMS allocated	Total UEC OTHER	UEC LABOR & OTHER
Production								
Power Plants	500-554	133,602,644	1,414,915	135,017,559	465,291,909	(1,414,915)	463,876,994	598,894,553
Purchased/Interchange Power	555	-	-	-	198,790,329	-	198,790,329	198,790,329
Load Dispatching	556	22,479	1,080,838	1,103,317	1,383,433	(1,080,838)	302,595	1,405,912
Other Production	557	3,148,516	1,039,041	4,187,557	2,418,558	(1,039,041)	1,379,517	5,567,074
Total		136,773,639	3,534,794	140,308,433	667,884,229	(3,534,794)	664,349,435	804,657,868
Transmission Operations	560-567	185,267	1,854,917	2,040,184	23,428,897	(1,854,917)	21,573,980	23,614,164
Transmission Maintenance	568-573	2,110,877	318,681	2,429,558	6,459,387	(318,681)	6,140,706	8,570,264
Distribution Operations	580-589	19,226,757	1,412,034	20,638,791	14,025,424	(1,412,034)	12,613,390	33,252,181
Distribution Maintenance	590-598	26,599,961	1,923,563	28,523,524	39,873,124	(1,923,563)	37,949,561	66,473,085
Customer Accounts	901-905	14,092,872	3,973,286	18,066,158	35,830,981	(3,973,286)	31,857,695	49,923,853
Customer Service and Information	907-910	1,646,249	220,491	1,866,740	3,344,370	(220,491)	3,123,879	4,990,619
Sales	911-916	671,528	633,272	1,304,800	1,200,676	(633,272)	567,404	1,872,204
Administrative & General Operations	920-931	2,132,985	24,422,851	26,555,836	224,918,500	(24,422,851)	200,495,649	227,051,485
Administrative & General Maintenance	935	1,879,667	236,173	2,215,840	3,853,821	(236,173)	3,617,648	5,833,468
Total Operating Expenses		205,419,802	38,530,062	243,949,864	1,020,819,409	(38,530,062)	982,289,347	1,226,239,211

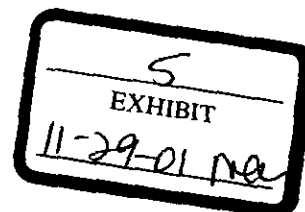
(1) Per Operating Expense Report (Report No. GA18607)

(2) Per "AMS, Allocation by NEC, 2000.xls" tab: UEC O&M Labor (Labor data query from Corp. Model Server)

PROPRIETARY

AmerenUE  
EM-96-149  
Earnings Review

Month	Total Electric		AMS Allocation	MO Electric	
	Month		12 Mos. Ended	Month	12 Mos Ended
	19607	F&S			
Jun	18,238,163		217,891,115	17,146,249	206,692,934
Jul	17,427,745		217,647,770	16,384,581	206,573,569
Aug	20,554,004		220,534,111	19,110,924	209,095,552
Sept	18,730,026		221,878,424	17,534,539	210,172,993
Oct	18,408,519		219,287,759	17,416,523	207,447,355
Nov	17,652,998		217,588,713	16,730,481	205,688,190
Dec	17,866,239		217,334,419	16,960,124	205,419,802
Jan	22,208,126	22,211,694	222,637,274	20,994,843	210,355,257
Feb	21,965,265	21,965,258	228,123,531	20,702,570	215,390,041
March	23,581,608	23,581,622	233,422,008	22,446,473	220,329,685
April	26,474,048		242,231,285	25,339,861	228,933,862
Jan-April	94,229,047				
X3	282687141				



AmerenUE  
Operating Expenses - Total Electric  
For the 12 months ending 06/30/00

Twelve Months to Date

		LABOR			OTHER			TOTAL
		12 MTD (1) UEC Direct	Jul99-Jun00(2) AMS allocated	Total UEC LABOR	12 MTD (1) UEC Direct	Jul99-Jun00(2) AMS allocated	Total UEC OTHER	UEC LABOR & OTHER
Production								
Power Plants	500-554	142,778,103	1,520,706	144,298,809	478,913,151	(1,520,706)	477,392,445	621,691,254
Purchased/Interchange Power	555	-	-	-	196,209,634	-	196,209,634	196,209,634
Load Dispatching	556	22,804	1,058,164	1,080,968	1,404,715	(1,058,164)	346,551	1,427,519
Other Production	557	3,378,749	1,044,014	4,422,763	4,813,587	(1,044,014)	3,769,573	8,192,336
Total		146,179,656	3,622,884	149,802,540	681,341,087	(3,622,884)	677,718,203	827,520,743
Transmission Operations	560-567	556,510	1,845,432	2,401,942	9,894,748	(1,845,432)	8,049,316	10,451,258
Transmission Maintenance	568-573	2,834,599	358,685	3,193,284	6,076,424	(358,685)	5,717,739	8,911,023
Distribution Operations	580-589	20,339,615	1,445,500	21,785,115	13,608,024	(1,445,500)	12,162,524	33,947,639
Distribution Maintenance	590-598	25,796,699	1,995,747	27,792,446	39,659,680	(1,995,747)	37,663,933	65,456,379
Customer Accounts	901-905	15,720,183	4,302,713	20,022,896	40,515,982	(4,302,713)	36,213,269	56,236,165
Customer Service and Information	907-910	1,710,022	341,848	2,051,870	3,652,364	(341,848)	3,310,516	5,362,386
Sales	911-916	806,372	674,500	1,480,872	220,758	(674,500)	(453,742)	1,027,130
Administrative & General Operations	920-931	1,999,054	24,152,362	26,151,416	194,182,999	(24,152,362)	170,030,637	196,182,053
Administrative & General Maintenance	935	1,948,405	251,945	2,200,350	2,934,387	(251,945)	2,682,442	4,882,792
Total Operating Expenses		217,891,115	38,991,616	256,882,731	992,086,453	(38,991,616)	953,094,837	1,209,977,568

(1) Per Operating Expense Report (Report No. GA19607)

(2) Per "AMS nec200 12mtd0600.xls" tab: UEC O&M 12mtd 06-00 (Labor data query from Corp. Model Server)

PROPRIETARY

AmerenUE  
Operating Expenses - Missouri Electric  
For the 12 months ending 06/30/00

Twelve Months to Date

		LABOR			OTHER			TOTAL
		12 MTD (1) UEC Direct	Jul99-Jun00(2) AMS allocated	Total UEC LABOR	12 MTD (1) UEC Direct	Jul99-Jun00(2) AMS allocated	Total UEC OTHER	UEC LABOR & OTHER
Production								
Power Plants	500-554	136,730,896	1,492,739	138,223,635	467,677,918	(1,492,739)	466,185,179	604,408,814
Purchased/Interchange Power	555	-	-	-	196,209,634	-	196,209,634	196,209,634
Load Dispatching	556	22,804	1,047,349	1,070,153	1,391,466	(1,047,349)	344,117	1,414,270
Other Production	557	3,378,749	1,044,014	4,422,763	4,742,870	(1,044,014)	3,698,856	8,121,619
Total		140,132,449	3,584,102	143,716,551	670,021,888	(3,584,102)	666,437,786	810,154,337
Transmission Operations	560-567	209,954	1,786,460	1,996,414	8,993,086	(1,786,460)	7,206,626	9,203,040
Transmission Maintenance	568-573	2,372,779	327,778	2,700,557	5,277,480	(327,778)	4,949,702	7,650,259
Distribution Operations	580-589	19,200,322	1,381,004	20,581,326	13,094,341	(1,381,004)	11,713,337	32,294,663
Distribution Maintenance	590-598	24,361,153	1,853,714	26,214,867	37,104,927	(1,853,714)	35,251,213	61,466,080
Customer Accounts	901-905	14,425,199	4,041,752	18,466,951	38,802,295	(4,041,752)	34,760,543	53,227,494
Customer Service and Information	907-910	1,517,112	319,337	1,836,449	3,464,905	(319,337)	3,145,568	4,982,017
Sales	911-916	731,741	605,926	1,337,667	115,364	(605,926)	(490,562)	847,105
Administrative & General Operations	920-931	1,911,498	22,861,612	24,773,110	189,097,866	(22,861,612)	166,236,254	191,009,364
Administrative & General Maintenance	935	1,830,727	246,906	2,077,633	2,856,627	(246,906)	2,609,721	4,687,354
Total Operating Expenses		206,692,934	37,008,591	243,701,525	968,828,779	(37,008,591)	931,820,188	1,175,521,713

(1) Per Operating Expense Report (Report No. GA19607)

(2) Per "AMS nec200 12mtd0600.xls" tab: UEC O&M 12mtd 06-00 (Labor data query from Corp. Model Server)

PROPRIETARY

AmerenUE's Response to  
MPSC Staff Data Request  
Case No. EM-96-149  
REVIEW of EARP II

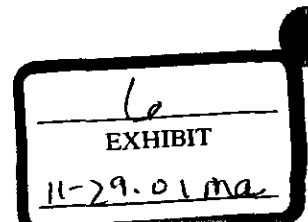
**No. 300R:**

1. Please confirm that the amounts listed under benefits costs on MPSC35R\_Item 1&4 UE/AMS monthly breakdown (Group Medical, Dental, etc.) represent total, and not allocated, costs for AmerenUE and AMS.
2. Why was there a sharp decrease in expenses for Long-term disability for AmerenUE from April 2000 to May 2000 (\$111,283 in April to \$20 in May) with the decreased levels continuing through December, and a concurrent increase in Long-term disability for AMS during the same period (\$973 in April 2000 to \$141,797 in May 2000) with the increased levels continuing for the rest of 2000?
3. Why was there a decrease in the level of Dental/Vision expenses for both AmerenUE and Ameren Services from July 99 to February 2000?
4. Why was there a significant decrease in the level of Group Medical/HMO expenses for the month of August, 2000 for both AmerenUE (\$417,564 in August) and Ameren Services (\$354,786 in August), with a return to more normal levels in September 2000?

**Response:**

1. Yes – These amounts represent total, not allocated costs for AmerenUE and Ameren Services.
2. Beginning May 1, 2000, we began paying all LTD benefits out of Ameren Services in an effort to streamline the administration of this plan. These costs get allocated back to UE Missouri Electric via payroll distribution process.
3. In June, 1999, we discovered that the repeating journal entry which is intended to only book expenses for the Local 1439, 309 & 649 Dental/Optical Reimbursement Plan was set up incorrectly and was booking expenses for all of the dental plans, instead of just the Dental/Optical Reimbursement Plan. Therefore, expenses for the other dental plans were actually being booked twice. An entry was made in June to correct the amount that had been double charged since the beginning of the year and the repeating journal entry was corrected to reflect only the expenses for the Dental/Optical Reimbursement Plan. Beginning in July 1999, the correct amount was booked, resulting in the correct lower expense for dental/optical. The expenses increased again in 2000 due to the new management dental/vision plan, which was established 1/1/2000.
4. At the end of June, a large number of medical claims were backlogged for processing by GenAm Benefits; therefore, an entry of \$447,400 for Ameren Services

**PROPRIETARY**



and \$1,412,800 for AmerenUE was made to true up medical claims expense through June. After actual claims were paid by GenAm benefits, the entries made in June were reversed out, resulting in lower expenses hitting the books in August.

Signed By: Kelly S. Hasenfratz  
Prepared By: Kelly Hasenfratz  
Title: Supervisor, Employee Benefits

**PROPRIETARY**

## DATA RESPONSE CONFIDENTIALITY CLAIM

The attached response, or parts thereof, to Data Request 300 R has been marked as Highly Confidential, Proprietary, or both. Union Electric is providing the information requested pursuant to the terms of the Protective Order issued by the Missouri Public Service Commission in Docket No. EM-96-149. The grounds for this designation are indicated below:

### HIGHLY CONFIDENTIAL

The attached response is Highly Confidential because it contains information concerning:

- ☐ 1. material or documents that contain information relating directly to specific customers;
- ☐ 2. employee-sensitive information;
- ☐ 3. marketing analyses or other market-specific information relating to services offered in competition with others;
- ☐ 4. reports, work papers or other documentation related to work produced by internal or external auditors or consultants;
- ☐ 5. strategies employed, to be employed, or under consideration in contract negotiations.

### PROPRIETARY

The attached response is Proprietary because it contains information concerning:

- ☐ 1. trade secrets;
- ☒ 2. confidential or private technical, financial and business information.

6-4-01

Date

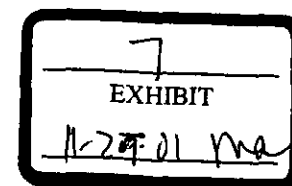
James J. Cook *msjt*



Union Electric Company  
EM-96-149  
Employee Benefits by Month  
DR # 35R

AmerenUE

	Group Medical/ HMO	Dental or Dental/Vision Plan	Ameren Retirement Plan	Ameren Supp Retirement Plan	Group Life Insurance	Group AD&D	Seatbelt Incentive Plan	Travel Accident Insurance
Jul-97	1,799,595	82,568	1,683,238	186,754	38,115	12,640	N/A	0
Aug-97	1,786,211	606,815	1,685,077	185,616	(21)	13,525	N/A	0
Sep-97	1,964,174	172,154	1,685,077	186,754	(63)	(5)	N/A	0
Oct-97	1,970,971	127,361	1,685,077	186,754	0	13,678	N/A	0
Nov-97	1,816,382	121,508	1,685,077	186,754	(31)	13,407	N/A	0
Dec-97	1,264,254	128,350	1,685,077	186,754	29,554	13,274	N/A	0
Jan-98	1,672,362	152,857	1,425,300	130,483	(31)	13,252	N/A	0
Feb-98	1,466,026	137,947	1,425,300	130,483	(27)	(5)	N/A	0
Mar-98	1,384,158	237,402	1,440,283	132,116	(42)	13,225	N/A	0
Apr-98	1,588,108	133,023	1,443,750	132,116	(55)	10,119	N/A	0
May-98	1,566,848	129,253	1,443,750	132,116	(27)	10,107	N/A	0
Jun-98	1,614,849	32,157	(135,250)	132,116	(28)	10,089	N/A	0
Jul-98	1,466,634	133,023	2,612,083	132,116	12,600	10,055	N/A	0
Aug-98	1,466,492	132,942	1,033,083	125,779	0	0	N/A	0
Sep-98	1,498,944	132,942	1,033,083	125,779	7,347	9,947	N/A	0
Oct-98	1,350,853	132,942	1,033,083	125,779	36,294	9,905	N/A	0
Nov-98	1,431,570	129,310	1,033,083	125,779	345,295	9,774	N/A	0
Dec-98	1,646,922	132,967	1,033,083	125,779	8,237	9,813	N/A	0
Jan-99	1,602,885	222,619	1,164,300	121,150	0	0	N/A	7
Feb-99	1,511,040	296,710	1,200,000	47,762	(304,092)	(2)	N/A	0
Mar-99	1,063,150	226,505	1,200,000	47,762	325,176	19,303	N/A	0
Apr-99	1,765,865	226,960	1,200,000	47,762	(28)	(2)	N/A	0
May-99	1,748,582	226,991	1,200,000	47,623	(304,064)	0	N/A	0
Jun-99	1,536,697	(114,944)	2,542,372	47,623	64,423	28,864	N/A	0
Jul-99	1,802,623	76,133	999,690	99,184	0	9,575	N/A	0
Aug-99	1,763,053	930,703	999,690	99,184	(56)	19,066	N/A	0
Sep-99	1,568,603	72,247	999,690	99,184	(28)	9,524	N/A	0
Oct-99	1,596,931	233,180	999,690	99,184	24,916	9,461	N/A	0
Nov-99	1,454,810	72,247	999,690	99,184	(56)	4,521	N/A	0
Dec-99	1,412,829	72,247	999,690	99,184	(28)	9,480	N/A	0
Jan-00	1,376,315	72,352	653,934	35,144	0	9,497	N/A	0
Feb-00	1,251,954	77,066	653,934	35,144	(97)	(5)	N/A	900
Mar-00	1,370,380	194,659	653,934	35,144	(49)	9,599	N/A	0
Apr-00	1,422,288	148,842	653,934	35,144	0	9,572	N/A	2,065
May-00	1,294,108	138,221	622,657	31,644	(97)	9,648	N/A	0
Jun-00	3,612,519	853,465	(2,911,850)	174,008	122,541	9,686	N/A	0
Jul-00	2,214,304	123,907	747,256	285,000	0	9,696	N/A	0
Aug-00	417,564	138,538	(266,242)	106,572	105,253	19,192	N/A	0
Sep-00	1,197,258	460,786	(266,242)	106,572		9,737	N/A	0
Oct-00	1,683,379	137,743	60,725	93,819		9,685	N/A	0
Nov-00	1,838,331	140,019	60,725	93,819		9,703	N/A	0
Dec-00	1,366,005	129,673	60,725	93,819		9,714	N/A	0
12 Mos June 98	19,893,938	2,061,395	17,151,756	1,908,816	67,344	123,306	0	0
12 Mos June 99	18,089,634	1,878,967	16,284,170	1,120,693	191,188	97,657	0	7
12 Mos. June 00	19,926,413	2,941,362	6,324,683	941,332	147,046	109,624	N/A	2,965
12 Mos. Dec 98	18,153,766	1,616,765	14,820,631	1,550,441	409,563	106,281	0	0
12 Mos Dec 99	18,827,068	2,541,598	14,504,812	954,786	(193,837)	109,790	0	7
12 Mos Dec 00	19,044,405	2,615,271	723,490	1,125,829	551	115,724	N/A	2,965



Ameren Corporation

C.W. Mueller  
Chairman, President and CEO

One Ameren Plaza  
1901 Chouteau Avenue  
PO Box 66149, MC 01  
St. Louis, MO 63166-6149  
314.554.2434  
314.554.3066 fax  
cwmueller@ameren.com

February 12, 1999

Dear Fellow Ameren Employee:

I am pleased to report that your strong contributions to 1998 earnings will result in the highest Ameren Incentive Plan payment possible--2.25% of your earnings. That plan focuses on one key measure of value to shareholders: earnings per share (EPS).

As you may recall from my letter to you a year ago, the program offers a tiered approach: the incentive was set at 2.25% of your 1998 year-end normal base earnings for EPS of \$2.95 or above; 1.50% for EPS of \$2.85 to \$2.94; and .75% for EPS of \$2.76 to \$2.84. If Ameren's EPS had fallen below \$2.76, there would have been NO incentive paid.



The most recent earnings release indicated that Ameren earned \$2.82 per share, so why the highest level payment? Incentive plans include a provision that allows the company to factor into the earnings-per-share computation two items that affected 1998 earnings: the net cost of the targeted separation plan, and the difference in the 1998 customer credits actually recorded for the Missouri Alternative Rate Regulation Plan and the credits we originally expected to record in 1998. After factoring these two items into the incentive plan earnings-per-share computation, we exceeded the earnings-per-share target of \$2.95.

Plan eligibility remains unchanged from earlier incentives and includes active, regular full-time or regular part-time Ameren Services, AmerenCIPS or AmerenUE employees as of December 31, 1998. Payments also will be calculated for employees who retired, died or became totally disabled during the plan year. However, employees who terminated employment with the company in 1998 for any other reason are not eligible for an incentive payment. There is no time-of-service requirement to be eligible for a payment. Ameren Leadership Team members also are not eligible.

Payments will be based upon year-to-date, straight-time earnings (no overtime included) as of the last pay period of 1998. You can expect to receive your payment in your paycheck for the last pay period ending in February.

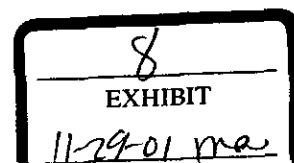
#### 1999 PLAN

The Ameren Incentive Plan will continue in 1999 and will again focus on earnings per share. Again, in 1999, the program offers a tiered approach: The pay-out will be .75% of your 1999 year-end straight-time earnings if Ameren achieves EPS of \$2.81 to \$2.89; 1.50% if the EPS falls at \$2.90 to \$2.99; and 2.25% if Ameren achieves EPS of \$3.00 or above. If Ameren's EPS falls below \$2.81, there will be no pay-out. Eligibility remains unchanged.

In closing, let me extend my congratulations to everyone at Ameren. Each of you helped the company perform well during a challenging year. Let's continue to work together to build upon our progress in reducing costs and increasing revenues. Clearly, we have a highly productive team in place -- a group of employees who are dedicated, creative and resourceful. Thank you for your contributions to a great year at Ameren.

Sincerely,

A handwritten signature in cursive script, appearing to read "C.W. Mueller".



**AMEREN MANAGEMENT INCENTIVE PLAN  
AMEREN UE, AMEREN CIPS, AND AMEREN SERVICES  
1999**

The Ameren Management Incentive Plan is intended to reward management/salaried personnel for contributions to the company's specific achievement of its corporate goals and for individual performance.

**INCENTIVE CRITERIA:**

The following separate and distinct incentive award criteria (corporate and individual) have been established to determine the amount of the Incentive Pay awarded to individual participants:

**1. CORPORATE EARNINGS PERFORMANCE INCENTIVE AWARD:**

The Plan offers a tiered approach based on earnings per share (EPS). Payments will be calculated as a % of year-to-date, straight-time earnings (no overtime included) as of the last pay period of 1999 according to the following performance levels.

- EPS LEVEL \$2.81 TO \$2.89 Equals 1%
  - EPS LEVEL \$2.90 TO \$2.99 Equals 2%
  - EPS LEVEL \$3.00 OR ABOVE Equals 3%
- (There will be no payment if EPS is below the \$2.81 level under this part of the incentive program.)*

**AWARD ELIGIBILITY:** Eligibility for this part of the program remains unchanged from earlier incentives and includes active, regular full-time or regular part-time Ameren Services, AmerenCIPS or AmerenUE employees as of December 31, 1999. Payments also will be calculated for employees who retired, died or became totally disabled during the plan year. However, employees who terminated employment with the company in 1999 for any other reason are not eligible for an incentive payment. There is no time-of-service requirement to be eligible for a payment. Ameren Leadership Team members also are not eligible.

## **2. INDIVIDUAL PERFORMANCE INCENTIVE AWARD:**

An additional 3% of total participant base annual salaries as of December 31, 1999, will become eligible for award once Ameren Corporation achieves a level of earnings equal to its indicated annual dividend of \$2.54 per common share.

**AWARD ELIGIBILITY:** Active, regular full-time or regular part-time Ameren Services, AmerenCIPS or AmerenUE employees as of December 31, 1999, are eligible for this award. Ameren Leadership Team members are not eligible.

The actual payment amount under this category will be entirely contingent upon the participant's individual performance. Each function's management will determine individual awards. A wide range of incentive awards are expected.

### **PAYMENT OF INCENTIVE AWARDS:**

The management incentive awards are expected to be paid near the end of the first quarter in the year 2000.

2/12/99

## **AMEREN CORPORATION**

### **EXECUTIVE INCENTIVE PLAN - 1999**

The Ameren Corporation Executive Incentive Plan is intended to stimulate efforts by management to enhance shareholder value. Enhancing shareholder value will benefit shareholders, customers and employees.

#### **Plan Participation**

Individuals will become eligible upon their designation as a member of the Ameren Leadership Team.

#### **Performance Measurement**

Performance will be measured on the basis of Ameren Corporation's consolidated earnings per share (EPS) for the year ended December 31, 1999.

#### **1999 Target Levels of Achievement**

The 1999 target levels of achievement are as follows:

<u>EPS</u>	<u>Level</u>	
\$2.80	-	(Budget)
2.81	0.5	
2.90	1.0	
3.00	1.5	

To qualify for any incentive payment, EPS must reach at least the 0.5 level. Target levels may be adjusted to reflect refunds and rate changes under regulatory sharing plans and charges associated with deregulation legislation, if applicable. Levels of achievement for EPS falling between the specific EPS set forth above will be interpolated.

### **Individual Awards**

The amount of payment for which each participant will qualify will be defined as a percentage of annual base salary at 12/31/99, and the percentages applicable to each level of achievement will be provided to participants on an individual basis. Payment will be prorated for participants who become eligible after 1/1/99 or who retire, die or become disabled during 1999. The salary basis for those who retire, die or become disabled will be as of the date of retirement, death or disability.

The actual amount of payment will be entirely contingent upon the participant's individual performance which will be determined by the Human Resources Committee of the Board of Directors upon recommendation of the CEO of Ameren Corporation. In making recommendations, the CEO shall, with full input from that individual's supervisor, evaluate each participant based primarily on performance in actively managing that participant's area of responsibility, including emphasis on revenue growth, containment of expenditures, and providing quality service to customers - both internal and external.

### **Payment of Incentive Awards**

Incentive awards for 1999 will be made as soon as feasible after the final 1999 results are known.

  
C. W. Mueller

Dated: February 12, 1999

Ameren Corporation

C.W. Mueller  
Chairman, President and CEO

One Ameren Plaza  
1901 Chouteau Avenue  
PO Box 66149, MC 01  
St. Louis, MO 63166-6149  
314.554.2434  
314.554.3066 fax  
cwmueller@ameren.com

February 14, 2000

Dear Fellow Ameren Employee:

I am pleased to report that your strong contributions to 1999 earnings will result in the highest Ameren Incentive Plan (AIP) payment possible—2.25% of your straight-time earnings. As you know, the AIP focuses on a key measure of value for our shareholders: earnings-per-share (EPS).

As you may recall from my letter to you a year ago, the AIP offers a tiered approach: 2.25% of your 1999 year-end normal straight-time earnings for EPS of \$3.00 or above; 1.50% for EPS of \$2.90 to \$2.99; and .75% for EPS of \$2.81 to \$2.89. If Ameren's EPS had fallen below \$2.81, there would have been no incentive award paid. Following our strategic focus on continually increasing value to our shareholders, 1999 EPS targets moved up from 1998 numbers.

The most recent earnings release indicated that Ameren earned \$2.81 per share, so why are you receiving the highest level of payment? The AIP includes provisions that allow the company to factor into the earnings-per-share computation non-recurring items that affect ongoing earnings. In 1999, we took aggressive steps to reduce our fuel costs through the termination of coal contracts with two coal suppliers for AmerenCIPS plants. A payment to those suppliers resulted in a 23-cent per share charge to earnings. After factoring this non-recurring item into the incentive plan earnings-per-share computation, we reached \$3.04, exceeding the highest earnings-per-share target of \$3.00.

Eligibility for the 1999 AIP award remains unchanged from the previous year and includes active, regular full-time or regular part-time Ameren Services, AmerenCIPS or AmerenUE bargaining unit employees as of December 31, 1999. Payments also will be calculated for employees who retired, died or became totally disabled during the plan year. However, employees who terminated employment with the company in 1999 for any other reason are not eligible for an incentive award.

Payments will be based upon year-to-date, straight-time earnings (no overtime included) as of the last pay period of 1999. You can expect to receive your award in your paycheck for the last pay period in February.

#### 2000 PLAN

The Ameren Incentive Plan will continue in 2000 and will continue to focus on earnings-per-share. Again, in 2000, the AIP offers a tiered approach: The pay-out will be .75% of your 2000 year-end straight-time earnings (no overtime included) if Ameren achieves EPS of \$3.05 to \$3.14; 1.50% if the EPS falls at \$3.15 to \$3.24; and

February 14, 2000

Page 2

2.25% if Ameren achieves EPS of \$3.25 or above. If Ameren's EPS falls below \$3.05, there will be no incentive award paid. Eligibility for 2000 remains unchanged.

In closing, let me extend my congratulations to everyone at Ameren. Each of you helped the company perform well during another challenging year. Let's continue to work together to build upon our progress in reducing costs and increasing revenues. Clearly, we have a highly productive team in place - a group of employees who are dedicated, creative and resourceful. Thank you for your contributions to a great year at Ameren.

Sincerely,

A handwritten signature in cursive script, appearing to read "C. J. Casella".



## **AMEREN MANAGEMENT INCENTIVE PLAN (AMIP) AMEREN UE, AMEREN CIPS, AND AMEREN SERVICES 2000**

The Ameren Management Incentive Plan (AMIP) is intended to reward individual contributions and support the Performance Management process. There are three performance components that impact the AMIP: Corporate Performance, Function/Business Line Performance and Individual Performance.

**Corporate Performance:** To fund the incentive plan, Ameren must achieve certain minimum levels of financial performance. The better the company does, the greater the potential funds available for AMIP awards.

**Business Line/Function Performance:** Assuming strong corporate financial performance, the amount of money awarded is based on whether a business line or function meets certain, pre-determined Performance Management Incentive Compensation targets. It is possible that some business lines/functions will meet all of their Incentive Compensation Targets, while others may not, so business line/function performance awards may vary.

**Individual Performance:** This component of the plan is intended to provide an additional award for those employees who regularly contribute to Ameren's success through positive work habits and who achieve meaningful results.

### **PLAN PARTICIPATION:**

All regular full-time or regular part-time management/salaried employees of AmerenUE, AmerenCIPS, and Ameren Services (excluding members of the Ameren Leadership Team) who are actively employed on December 31, 2000 are eligible to participate.

### **PLAN FUNDING:**

Plan funding is the total amount of incentive money available to award to employees. The plan is funded based on Corporate Performance results. Funding starts with a base level of 3% of all management annual base salaries as of 12/31/00. This base level of 3% can increase to 4%, 5% or 6% with the achievement of targeted levels of earnings-per-share (EPS). Target levels may be adjusted to reflect the following: refunds and rate changes under regulatory sharing plans or other extraordinary one-time events.

The total funding dollars available will then be split into two award pools: a **Business Line Performance Award Pool** and an **Individual Performance Award Pool**. The 2000 AMIP EPS level targets and award distribution is shown below.

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A-320

Mgt 2000

Level of Achievement	Overall % Funding	Available for Award	
Base Level**	3%	Busn. Line Pool	1.0%
		Individual Pool*	2.0%
Level 1 EPS \$3.05 - \$3.14	4%	Busn. Line Pool	2.0%
		Individual Pool	2.0%
Level 2 EPS \$3.15 - \$3.24	5%	Busn. Line Pool	2.5%
		Individual Pool	2.5%
Level 3 EPS \$3.25 and above	6%	Busn. Line Pool	3.0%
		Individual Pool	3.0%

\* Minimum 2% Individual Funding in 2000

\*\*Available only if Ameren Corporation achieves a level of earnings equal to the annual dividend as approved by the Board of Directors.

## PLAN PERFORMANCE AWARDS:

### **Business Line Performance Award:**

Each business line or function has established a number of performance management targets. Some of these targets are designated as incentive compensation targets. (Function leadership is responsible for communicating incentive compensation targets) The percentage of incentive dollars available for award depends on the number of incentive compensation targets the business line or function achieves. Awards will be distributed equally among all management employees of that business line or function, i.e., the same percentage will be applied to the base salary (as of 12/31/00) of each management employee in that business line or function. In business lines where the incentive compensation targets are weighted, that weighting will be factored in to achieve the percentage available for pay-out.

### **Individual Performance Award:**

This award is available for business line management to reward individual performance. Pay-out of this award is discretionary and will be determined by each function's management. A wide range of Individual Performance Awards is expected. Only those management employees who significantly contribute to the success of their business line should receive an Individual Performance Award.

### EXAMPLE:

Ameren's year-end earnings-per-share is \$3.10. This means we met our EPS Level 1 target and have a total funding pool of 4% available for AMIP awards. That funding pool is then split into a **Business Line Performance Award Pool** of 2% (this is the automatic award for all management employees in your business line, assuming your business line meets its incentive compensation targets) and an **Individual Performance Award Pool** of 2% that is discretionary for business line management to use to reward individual performance.

Let's assume your business line only meets two of its four incentive compensation targets. Because the four targets were equally weighted, your business line can only distribute 50% of its Business Line Performance Award Pool. Therefore, each management employee in your business line will automatically receive 1% of his or her base salary as a **Business Line Performance Award**.

In addition, your Business Line has a discretionary 2% Individual Performance Award Pool that can be used to reward employees who significantly contributed to the success of their business line. Based on your individual performance, you could also receive an **Individual Performance Award** of 1%, 2%, 3%, or more.

**PLAN PAYMENT:**

Awards will be paid by 4/15/2001. Employees who voluntarily terminate employment before awards are paid forfeit participation.

## AMEREN CORPORATION

### EXECUTIVE INCENTIVE PLAN - 2000

The Ameren Corporation Executive Incentive Plan is intended to stimulate efforts by management to enhance shareholder value. Enhancing shareholder value will benefit shareholders, customers and employees.

#### Plan Participation

Individuals from AmerenUE, AmerenCIPS and Ameren Services will become eligible upon their designation as a member of the Ameren Leadership Team (ALT).

#### Performance Measurement

Performance will be measured on the basis of Ameren Corporation's consolidated earnings per share (EPS) for the year ended December 31, 2000.

#### 2000 Target Levels of Achievement

In prior years, we utilized budgeted EPS as a baseline, with incentive target levels reflecting incremental earnings above the budget. For 2000, we revamped the budget process to focus on the achievement of 5% annual EPS growth. Accordingly, budgeted EPS for 2000 of \$3.15 represents 5% growth over 1999 ongoing EPS. The 2000 EPS target levels are designed to reward ALT members as progress is achieved towards achieving 5% EPS growth.

The 2000 target levels of achievement are as follows:

<u>EPS</u>	<u>Level</u>
\$3.05	0.5
3.15	1.0 (Budget)
3.25	1.5

To qualify for any incentive payment, EPS must reach at least the 0.5 level. Target levels may be adjusted to reflect refunds and rate changes under regulatory sharing plans and charges associated with deregulation legislation, if applicable. Levels of achievement for EPS falling between the specific EPS set forth above will be interpolated.

### Individual Awards

The amount of payment for which each participant will qualify will be defined as a percentage of annual base salary at 12/31/00, and the percentages applicable to each level of achievement will be provided to participants on an individual basis. Payment will be prorated for participants who become eligible after 1/1/00 or who retire, die or become disabled during 2000. The salary basis for those who retire, die or become disabled will be as of the date of retirement, death or disability.

The actual amount of payment will be entirely contingent upon the participant's individual performance which will be determined by the Human Resources Committee of the Board of Directors upon recommendation of the CEO of Ameren Corporation. In making recommendations, the CEO shall, with full input from that individual's supervisor, evaluate each participant based primarily on performance in actively managing that participant's area of responsibility, including emphasis on revenue growth, containment of expenditures, and providing quality service to customers - both internal and external.

### Payment of Incentive Awards

Incentive awards for 2000 will be made as soon as feasible after the final 2000 results are known.

  
C. W. Mueller

Dated: February 14, 2000

## 2001 Ameren Incentive Plan (AIP)

### Ameren Corporation

The Ameren Incentive Plan (AIP) is intended to reward employees for their contributions to Ameren's success. The AIP has two performance components: Corporate Performance and Business Line/Function Performance.

**Corporate Performance:** To have the additional money available to pay incentive compensation, Ameren must achieve certain levels of financial success, measured by earnings per share (EPS). In addition to determining how much money is available for incentives, a portion of each employee's incentive will also be paid based on the corporate EPS level of achievement.

**Business Line/Function Performance:** Another portion of each employee's incentive will be based on their Business Line or Function's performance. This level of performance is determined by the achievement of certain predefined incentive compensation Key Performance Indicators (KPIs). Each business line will determine and communicate its incentive compensation KPIs.

#### PLAN PARTICIPATION

Eligibility for the 2001 AIP remains unchanged from the previous year and includes active, regular full-time and regular part-time AmerenCIPS, AmerenUE, Ameren Services and AmerenEnergy Generating bargaining unit employees as of December 31, 2001. Payments also will be calculated for employees who retired, died or became totally disabled during the plan year. However, employees who terminated employment with the company in 2001 for any other reason are not eligible for an incentive award.

*As in past years, Ameren reserves the right to revise, modify, continue or discontinue this plan beyond the current plan year.*

#### PLAN FUNDING

Plan funding is the total amount of incentive money available for awards to employees. The plan is funded based on the achievement of target levels of earnings per share (EPS). (Target levels may be adjusted to reflect refunds and rate changes, under regulatory sharing plans, or other extraordinary events.)

There are three levels of AIP funding based on Ameren's financial results (EPS) for the year 2001. The three levels are defined as:

1. **Threshold:** This is the minimum level of corporate financial achievement for awarding an incentive. Since the payment of incentives reflects a large cost to the organization, Ameren must achieve this level of EPS to justify the payment, given our fiduciary responsibility to our owners - the shareholders.

2. **Target:** This is Ameren's targeted level of financial achievement. This is the level our shareholders and Wall Street expect Ameren to achieve.
3. **Maximum:** This level shares higher rewards in years of high financial success. This level will be very difficult to achieve, but in years of outstanding performance, employees will share in Ameren's success.

The EPS targets for the 2001 plan year have not yet been set. The targets will be communicated as soon as they are approved.

#### BONUS AWARD OPPORTUNITIES

Bonus award opportunity percentages are based on each employee's year to date straight time earnings as of 12/31/2001. Below is a table showing the incentive award levels at each of the three EPS levels:

	EPS		
	\$X.XX	\$X.XX	\$X.XX
	Threshold	TARGET	Maximum
Potential Bonus	1.5%	3%	4.5%

#### PERFORMANCE COMPONENT WEIGHTINGS

The plan includes two performance components (or measures): EPS and Business Line/Function. The performance components are the measures used to determine a bonus award payment. Each component is weighted. This weight indicates how much of the available funding (EPS level achieved) will be available for each component. The table below shows the components and weightings:

	EPS	Business Line
Pay-out	25%	75%

This table shows how that amount is split to pay for performance achievements. The following is a definition of each component followed by an example to show how the plan works:

**EPS:** This component is the corporate level of measurement-Ameren's earnings per share (EPS) achievement. Twenty-five percent of the bonus potential will be paid to each union employee to share in corporate success.

**Business Line:** This component is tied directly to Performance Management. Employees will have 75% of their available bonuses determined by their success in achieving their respective business line's or function's incentive compensation KPIs.

## PLAN PAYMENT

Awards will be paid by 3/15/2002.

### 2001 AIP example 1:

- In February 2002, Ameren's financial results indicate that the company met its 2001 Incentive Compensation **Target** EPS level of performance.
- John is a Certified Repairman in AmerenUE's Generation Business Line.
- Since the company achieved its **Target** EPS level, John is eligible for a potential 3% bonus award.

	EPS		
	\$x.xx	\$x.xx	\$x.xx
	Threshold	TARGET	Maximum
Potential Bonus	1.5%	3%	4.5%

- John has year to date straight time earnings of \$56,104. Based on a 3% bonus level, John has a bonus opportunity of \$1,683.
- John's bonus pay-out has two components: 1) Corporate Performance, based on EPS and 2) Business Line Performance, based on incentive compensation KPIs.

**\$1,683 bonus potential**

Pay-out Weightings:	
25% EPS	\$421 (25% of \$1,683)
75% BL (based on KPIs)	\$947 (75% of 75% of \$1,683)

**\$1,368 bonus award**

- 1 John will receive 25% of his 3% bonus potential automatically because Ameren Corporation performed well enough to fund the plan.
- 2 John's business line met three of its four incentive compensation KPIs so he receives \$947 for business line results (3/4 of the potential award).
- 3 John's total AIP bonus award for 2001 is \$1,368.



## 2001 AIP example 2:

- In February 2002, Ameren's financial results indicate that the company met its 2001 Incentive Compensation **Maximum** EPS level of performance.
- Mary is a System Tester in Energy Delivery Business Line.
- Since the company achieved its **Maximum** EPS level, Mary is eligible for a potential 4.5% bonus award.

	EPS		
	\$x.xx	\$x.xx	\$x.xx
	Threshold	TARGET	Maximum
Potential Bonus	1.5%	3%	4.5%

- Mary has year to date straight time earnings of \$54,350. Based on a 4.5% bonus level, Mary has a bonus opportunity of \$2,446.
- Mary's bonus pay-out has two components: 1) Corporate Performance, based on EPS and 2) Business Line Performance, based on incentive compensation KPIs.

**\$2,446 bonus potential**

Pay-out Weightings:	
25% EPS	1 \$612 (25% of \$2,446)
75% BL (based on KPIs)	2 \$1,468 (80% of 75% of \$2,446)

**\$2,080 bonus award**

- 1 Mary will receive 25% of her 4.5% bonus potential automatically because Ameren Corporation performed well enough to fund the plan.
- 2 Mary's business line met four of its five incentive compensation KPIs so she receives \$1,468 for business line results (80% of the potential award).
- 3 Mary's total AIP bonus award for 2001 is \$2,080.

## **2001 Ameren Management Incentive Plan (AMIP)**

### **Ameren Corporation**

(Excluding: AmerenEnergy, AmerenEnergy Marketing & AmerenEnergy Communications)

The Ameren Management Incentive Plan (AMIP) is intended to reward employees for their contributions to Ameren's success. The AMIP has three performance components: Corporate Performance, Business Line/Function Performance and Individual Performance.

**Corporate Performance:** To have the additional money available to pay incentive compensation, Ameren must achieve certain levels of financial success, measured by earnings per share (EPS). In addition to determining how much money is available for incentives, a portion of each employees' incentive will also be paid based on the corporate EPS level of achievement.

**Business Line/Function Performance:** Another portion of each employee's incentive will be based on Business Line or a Function's performance. This level of performance is determined by the achievement of certain predefined incentive compensation Key Performance Indicators (KPIs). Each business line will determine and communicate its incentive compensation KPIs.

**Individual Performance:** This component of the plan is intended to provide an additional award to those employees whose additional efforts contribute to Ameren's success. Each function will determine the award amount based on each employee's individual performance.

### **PLAN PARTICIPATION**

All regular full-time and regular part-time management employees of AmerenUE, AmerenCIPS, Ameren Services, AmerenEnergy Resources, and AmerenEnergy Generating who are actively employed on December 31, 2001, are eligible to participate. Employees who terminate employment, for reasons other than retirement, after 12/31/01 but before awards are paid forfeit participation in the AMIP.

Note: Employees of AmerenEnergy, AmerenEnergy Marketing and AmerenEnergy Communications are not eligible to participate in the AMIP.

## PLAN FUNDING

Plan funding is the total amount of incentive money available for awards to employees. The plan is funded based on the achievement of target levels of earnings per share (EPS). (Target levels may be adjusted to reflect refunds and rate changes, under regulatory sharing plans, or other extraordinary events.)

Three levels of AMIP funding will be based on Ameren's financial results (EPS) for the year 2001. The three levels are defined as:

1. **Threshold:** This is the minimum level of corporate financial achievement for awarding an incentive. Since the payment of incentives reflects a large cost to the organization, Ameren must achieve this level of EPS to justify the payment, given our fiduciary responsibility to our owners-the shareholders.
2. **Target:** This is Ameren's targeted level of financial achievement. This is the level our shareholders and Wall Street expect Ameren to achieve.
3. **Maximum:** This level shares higher rewards in years of high financial success. This level will be very difficult to achieve, but in years of outstanding performance, employees will share in Ameren's success.

The EPS targets for the 2001 plan year have not yet been set. The targets will be communicated as soon as they are approved.

## BONUS AWARD OPPORTUNITIES

Bonus award opportunity percentages are based on each employee's annual base salary as of 12/31/2001. Award opportunities are set for each career band level. This reflects an appropriate bonus award as identified by a market pay analysis of incentives. Below is a table showing the incentive award levels for each career band at the three EPS levels:

		EPS		
		\$x.xx	\$x.xx	\$x.xx
		Threshold	TARGET	Maximum
AMIP	People Leadership	5%	10%	15%
	Project Leadership	4%	8%	12%
	Support	3%	6%	9%

## PERFORMANCE COMPONENT WEIGHTINGS

The plan includes three performance components (or measures): EPS, Business Line and Individual. The performance components are the measures used to determine a bonus award payout. Each component is weighted. This weight indicates how much of the available funding will be available for each component. The table below shows the components and weightings:

	EPS	Business Line	Individual
Management Employees	25%	50%	25%

This table indicates how incentives are actually paid. Depending on the corporate level of EPS achieved as described above, an incentive amount will be available for your career band. This table shows how that amount is split to pay for performance achievements. The following is a definition of each component followed by an example to show how the plan works:

**EPS:** This component is the corporate level of measurement-Ameren's earnings per share (EPS) achievement. 25% of the available bonus funds will be paid to each management employee to share in corporate success. As was stated above, there are 3 levels of corporate EPS: Threshold, Target and Maximum.

**Business Line:** This component is tied directly to the performance management system. Employees will have 50% of their available bonuses determined by the success of their respective business line's or function's incentive compensation KPIs.

**Individual:** This component is distributed based on each employees' performance as assessed by their supervisor. Each business line will review the performance of all employees in its area and determine each employee's award. A wide range of performance awards is expected.

## PLAN PAYMENT

Awards will be paid by 3/15/2002.

An **EXAMPLE** of how the 2001 AMIP works is on the following page:

## 2001 AMIP example:

- In February 2002, Ameren's financial results indicate that the company has met its 2001 Incentive Compensation "target" EPS level of performance.
- As an engineer, Mary is in the Project Leadership Band.
- Since the company has achieved its target EPS level, Mary is eligible for a potential 8% bonus award.

		EPS		
		\$x.xx	\$x.xx	\$x.xx
		Threshold	TARGET	Maximum
AMIP	People Leadership	5%	10	15
	Project Leadership	4%	8%	12
	Support	3%	6%	9%

- Mary works in the Energy Delivery business line, and her base pay is \$60,000. Based on an 8% bonus level, she has a \$4,800 bonus opportunity.
- Mary's bonus payout is weighted based on 3 components:
  - 1) EPS, 2) Business Line KPIs, and 3) individual performance.

**\$4,800 bonus potential**

Payout Weightings:	
25% - EPS	\$1,200 (25% of \$4800)
50% - BL (based on KPIs)	\$1,200 (50% of 50% of \$4800)
25% - Individual Perf.	\$1,000 (variable)

**\$3,400 bonus award**

- 1 The 25% EPS component \$1,200 for Ameren meeting its EPS target.
- 2 Mary's Business Line only met 2 of its 4 incentive compensation KPIs so she receives \$1,200 for BL results (half of the potential award).
- 3 Mary's management has decided to award her \$1,000 for individual performance. (Individual performance bonuses are variable from \$0 to \$7. Mary could actually receive a larger individual performance bonus than represented by the 25% weighting if she performs far above and beyond expectations.)
- 4 Mary's total AMIP award for 2001 is \$3,400.

## 2001 Ameren Executive Incentive Plan

### Ameren Corporation

(Excluding: AmerenEnergy, AmerenEnergy Marketing & AmerenEnergy Communications)

The Ameren Executive Incentive Plan (EIP) is intended to reward contributions to Ameren's shareholder value.

#### PLAN PARTICIPATION

All applicable members of the Ameren Leadership Team are eligible to participate in the EIP.

#### PLAN FUNDING

Plan funding is the total amount of incentive money available to award. The plan is funded based on the achievement of targeted levels of earnings per share (EPS). (Target levels may be adjusted to reflect refunds and rate changes under regulatory sharing plans or other extraordinary one-time events.). Three levels of EIP funding will be based on Ameren's financial results (EPS achievement) for the year 2001. The three levels are defined as:

1. **Threshold:** this is the minimum level of corporate financial achievement for incentive awards to be available. Since the payment of incentives reflects a large cost to the organization, Ameren must achieve this level of EPS to justify the payment in respect to our owners, the shareholders.
2. **Target:** this is Ameren's targeted level of financial achievement. This is the level our shareholders and wall street expects Ameren to achieve.
3. **Maximum:** this level shares higher rewards in years of high financial success. This level will be very difficult to achieve, but in years of outstanding performance, executive's will share in Ameren's success.

The EPS targets for the 2001 plan year will be approved by the Human Resources Committee of the Board of Directors. The targets will be communicated when approved.

#### BONUS AWARD OPPORTUNITIES

Annual bonus award opportunity percentages are set by the Human Resource Committee of the Board of Directors.

#### PERFORMANCE COMPONENT WEIGHTINGS

There are two performance components (or measures) of the plan: EPS and Business Line/Individual. The performance components are the measures used to determine a bonus award pay-out. Each component is weighted. This weight indicates how much of the available funding will be available for each component. The table below shows the components and weightings:

	EPS	Business Line / Individual
ALT Members	50%	50% (EBIT & KPIs)

Depending on the corporate level of EPS achieved as described above, there will be an incentive amount available. This table shows how that amount is split to reward performance achievements. Following is a definition of each component:

**EPS:** This component is the corporate level of measurement; Ameren's earnings per share (EPS) achievement. 50% of the available bonus funds will be available for payment to each executive based on corporate success. As was stated above, there are 3 levels of corporate EPS; Threshold, Target and Maximum.

**Business Line/Individual:** This component is tied directly to the performance management system. Each executive will have 50% of their available bonus determined by the success of their respective business line or functions KPIs and an assessment of their individual contributions.

#### **PLAN PAYMENT**

Awards will be paid by 3/15/2002. The bonus award percentage will be based on each executive's base salary as of 12/31/2001. Payment will be prorated for participants who become eligible after 1/1/2001 or who retire, die or become disabled during 2001. The salary basis for those who retire, die or become disabled will be as of the date of retirement, death or disability. The actual amount of payment will be entirely contingent upon the participant's individual performance which will be determined by the Human Resource Committee of the Board of Directors upon recommendation of the CEO of Ameren Corporation.

#### **TOTAL AWARD LEVELS:**

<b>Level:</b>	<b>Threshold</b>	<b>Target</b>	<b>Maximum</b>
<b>President &amp; CEO – Corporate</b>	<b>30%</b>	<b>60%</b>	<b>90%</b>
<b>President &amp; CEO – Subsidiary</b>	<b>20%</b>	<b>40%</b>	<b>60%</b>
<b>Senior Vice President - Corporate</b>	<b>20%</b>	<b>40%</b>	<b>60%</b>
<b>Senior Vice President - Subsidiary</b>	<b>17.5%</b>	<b>35%</b>	<b>52.5%</b>
<b>Vice President</b>	<b>15%</b>	<b>30%</b>	<b>45%</b>
<b>Manager</b>	<b>10%</b>	<b>20%</b>	<b>30%</b>

