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APR 25 2007

S&P Credit Rating Financial Ratios at ROE of 9.8%

Missouri Public
Service Commission

Line	Description	Ratio at 9.8% Equity Return (1)	S&P "A" Rating (BP: 5) Benchmark* (2)	S&P "BBB" Rating (BP: 5) Benchmark* (3)	Reference (4)
1	Rate Base	\$ 5,854,574			SCHEDULE GSW-E36.
2	Weighted Common Return	5.12%			Page 2, Line 4, Col. 4.
3	Income to Common	\$ 299,634			Line 1 x Line 2.
4	Depreciation & Amortization	\$ 269,345			SCHEDULE GSW-E36 minus an adjustment of \$118.2 million**
5	Funds from Operations (FFO)	\$ 568,979			Sum of Line 3 and Line 4
6	Weighted Interest Rate	2.50%			Page 2, Sum of Line 1 and 2, Col. 4.
7	Interest Expense	\$ 146,451			Line 1 x Line 6.
8	FFO Plus Interest	\$ 715,430			Line 5 + Line 7.
9	FFO Interest Coverage	4.9x	4.5x - 3.8x	3.8x - 2.8x	Line 8 / Line 7.
10	Total Debt Ratio	45.8%	42% - 50%	50% - 60%	Page 2, Sum of Line 1 and 2, Col. 2.
11	FFO to Total Debt	21.2%	30% - 22%	22% - 15%	Line 5 / (Line 1 x Line 10).

Source:

* Standard and Poors. New Business Profile Scores Assigned to U.S. Utility and Power Companies; Financial Guidelines Revised; June 2, 2004.

** Depreciation adjustment proposed by MIEC witness James Selecky.

MIEC Exhibit No. 716
Date 3-21-07 Case No. ER-2007-008
Reporter PK

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Rate of Return at 9.8% ROE

<u>Line</u>	<u>Description</u>	<u>Amount</u> (1)	<u>Weight</u> (2)	<u>Cost</u> (3)	<u>Weighted</u> <u>Cost</u> (4)
1	Long-Term Debt	\$ 2,551,919,839	44.964%	5.47%	2.46%
2	Short-Term Debt	\$ 45,093,124	0.795%	5.11%	0.04%
3	Preferred Stock	\$ 114,502,040	2.017%	5.19%	0.10%
4	<u>Common Equity</u>	<u>\$ 2,963,961,528</u>	<u>52.224%</u>	9.80%	<u>5.12%</u>
5	Total	\$ 5,675,476,531	100.00%		7.72%

Source:

Schedule LRN-E5-1.