

To: All parties to Case No. ER-2010-0036

Re: Corrections to the Depreciation section of the **Staff Revenue Requirement and Cost of Service Report** in Case No. ER-2010-0036 ("Staff Report"), involving the net salvage component of the depreciation rates and the resulting depreciation rates proposed by Arthur Rice.

Staff inadvertently used net salvage analysis results from a prior trial run instead of the final case run in preparation of the Depreciation recommendation. While this error was detected prior to the direct testimony filing and corrections were made, John Wiedmayer reviewed Staff testimony and notified Staff of additional anomalies in some accounts. Upon further review Staff discovered that additional correction was warranted.

**Summary:** The overall correction to Staff proposed depreciation is a change in overall plant depreciation rate from 2.72% to 2.70%, or a depreciation expense reduction of approximately 0.5%.

. The corrections are summarized as follows:

Summary of changes to AWR Schedules				
Account Number	Net Salvage %		Depreciation Rate	
	From	To	From	To
316	-20	0	2.67	2.22
331	-150	-20	1.92	0.92
353	0	5	1.67	1.58
355	-33	-75	2.51	3.30
356	-40	-20	2.15	1.85
365	-75	-65	3.43	3.24
370	5	0	3.65	3.85
391	0	10	6.67	6.00

Staff Exhibit No. 230  
Date 3/11/10 Reporter PF  
File No. ER-2010-0036

Corrections to the **Rebuttal Testimony** of Arthur Rice in Case No. ER-2010-0036

- Page 2, line 3 should read "rejected the life span *approach* because"
- Page 4, Full sentence starting on line 11 with "Staff" and ending line 13 with "depreciation rates." Should be removed. It is an incorrect statement.

Corrections to the **Surrebuttal Testimony** of Arthur Rice in Case No. ER-2010-0036

- Page 2. lines 19 & 20. Change to read "annual depreciation expense from approximately \$325.1 million to \$342.8 million, an increase of approximately \$17.8 million, or 5.5%. And this same correction for Page 15, lines 7 & 8.
- Page 9 line 21. Replace the last three words in the sentence, "for many generations", with the words "in 40 years".
- Schedules AWR-1B, 2B, 3B, and 4B corrections associated with the Mr. Wiedmayer's rebuttal testimony change that did not get incorporated into Staff's surrebuttal testimony comparisons.

Account	Company Direct	Company Rebuttal
341	2.41 %	2.31 %
342	2.63	2.53
344	1.94	1.85
345	2.68	2.59
346	3.96	3.81

And attached copies of schedules with yellow highlighted corrections resulting from this change.

Surrebuttal DEPRECIATION RATE & ACCRUAL SUMMARY COMPARISON SPREADSHEET														
Accounting Group	Depreciation Rate Compare			Adjusted Plant Original Cost Dec 31 2008	No Reserve Amortization Accruals			AmerenUE Case ER-2010-0036 Proposal Company Remaining Life Accruals			PSC Staff ER-2010-0036 Proposal Staff Accruals with Amortization			
	Case 2008-0318	Company 2010-0036	PSC Staff 2010-0036		Case 2008-0318	Company 2010-0036	PSC Staff 2010-0036	Total Reserve Variance	Reserve Remain Life Amortization	Remain Life Depreciation Accrual	Total Reserve Variance	Reserve Annual Amortization	Annual Depreciation Accrual	
	Year Ordered -->	2007			Staff			(neg = over)			(neg = over)			
Steam Production Plant	2.00	3.11	2.61	2,926,312,418	58,640,359	95,983,107	76,311,062	-205,980,943	-5,118,514	90,864,593	-249,567,972	0	76,311,062	
Nuclear Production Plant	2.19	2.02	2.02	2,812,616,747	61,690,556	63,950,415	63,950,415	-236,146,314	-7,199,461	56,750,954	-236,124,110	-7,199,461	56,750,954	
Hydraulic Production Plant	1.54	2.55	1.86	245,906,142	3,785,270	5,526,095	4,567,186	28,849,994	740,964	6,267,059	26,426,852	0	4,567,186	
Other Production Plant	2.63	1.93	2.02	1,178,321,614	30,989,858	30,128,969	31,007,667	-242,338,756	-7,394,618	22,734,351	-236,047,824	-7,188,174	23,819,493	
Total Production plant	2.17	2.47	2.25	7,163,156,921	155,106,044	195,588,586	175,836,330	-655,616,019	-18,971,627	176,616,959	-695,313,054	0	161,448,695	
Transmission Plant	2.35	2.39	2.06	586,819,798	13,811,073	13,552,708	12,124,460	17,396,663	501,172	14,053,880	-9,545,105	0	12,124,460	
Distribution plant	3.44	3.37	3.43	3,893,051,128	134,082,529	131,664,963	133,533,194	-22,641,582	-472,855	131,192,108	17,686,870	0	133,533,194	
General Plant	5.07	4.81	5.17	435,447,175	22,065,547	22,205,026	22,514,482	-5,456,960	-1,251,117	20,953,909	3,038,358	0	22,514,482	
Total Plant	2.69	2.64	2.73	12,080,475,022	325,065,194	363,011,283	344,008,466	-666,317,898	-20,194,428	342,816,855	-684,132,931	-14,387,635	329,620,831	
Difference from company -->											-13,196,024			
Difference from current -->											4,555,638			
Changed in Wiedmayer Rebuttal														

Changed in Wiedmayer Rebuttal

Ameren UE ER-2010-0036  
Surrebuttal DEPRECIATION RATE COMPARISON SPREADSHEET

Account No.	Title	Ordered EC-2002-1			ER-2007-0002 and ER-2008-0318				Probable Retirement Year	ER-2010-0036 --> Company				ER-2010-0036 --> Staff Mass Prop except Nuclear				
		Life (Yr.)	Net Salvage (%)	Deprec. Rate (%)	Life (Yr.)	Curve	Net Salvage (%)	Deprec. Rate (%)		Life (Yr.)	Curve	Net Salvage (%)	Deprec. Rate (%)	Account No.	Life (Yr.)	Curve	Net Salvage (%)	Deprec. Rate (%)
	Taum Sauk Hydraulic Production Plant								Life Span									
331	Structures and Improvements	91	0	1.10%	150	R1.5	(41)	0.94%	06-2049	130	R1(a)	(20)	1.83%	331	130	R2	(20)	0.92%
332	Reservoirs, Dams, and Waterways	85	(1)	1.19%	180	R3	0	0.56%	06-2049	150	L2(a)	(20)	1.74%	332	91	R2	(43)	1.57%
333	Water Wheels, Turbines, and Generators	96	0	1.04%	125	S0	(161)	2.09%	06-2049	95	S0.5(a)	(30)	2.43%	333	85	R2.5	(75)	2.06%
334	Accessory Electric Equipment	90	(2)	1.13%	65	O1	(9)	1.68%	06-2049	65	R0.5(a)	(8)	2.21%	334	65	R0.5	(40)	2.15%
335	Misc. Power Plant Equipment	74	5	1.28%	60	O1	0	1.67%	06-2049	60	R0.5(a)	(5)	2.67%	335	60	R0.5	(25)	2.08%
336	Roads, Railroads, and Bridges	22	0	4.55%	60	SQ	0	1.63%	06-2049	40	O2(a)	0	2.63%	336	50	SQ	0	2.00%
	Other Production Plant																	
341	Structures and Improvements	25	0	4.00%	40	R4	(5)	2.63%		40	R4	(2)	2.53%	341	40	R4	(5)	2.63%
342	Fuel Holders, Products, and Accessories	25	0	4.00%	40	R4	(5)	2.63%		40	R4	(2)	2.55%	342	40	R4	(5)	2.63%
344	Generators	25	0	4.00%	40	R4	(5)	2.63%		40	R4	(2)	2.55%	344	40	R4	(5)	2.63%
345	Accessory Electric Equipment	25	0	4.00%	40	R4	(5)	2.63%		40	R4	(2)	2.55%	345	40	R4	(5)	2.63%
346	Misc. Power Plant Equipment	25	0	4.00%	40	R4	(5)	2.63%		25	R1	(2)	4.04%	346	25	L0.5	3	3.88%
	Transmission Plant																	
352	Structures and Improvements	79	(5)	1.33%	60	R2	(5)	1.75%		60	R2	0	1.67%	352	60	R2	0	1.67%
353	Station Equipment	50	0	2.00%	55	R2.5	0	1.82%		55	R2.5	0	1.82%	353	60	R2.5	5	1.58%
354	Tower and Fixtures	50	7	1.86%	65	R4	(10)	1.69%		70	R4	(14)	1.63%	354	70	R4	(14)	1.63%
355	Poles and Fixtures	43	(20)	2.79%	52	R4	(90)	3.65%		53	R4	(90)	3.59%	355	53	R4	(75)	3.30%
356	Overhead Conductors and Devices	60	13	1.45%	55	R4	(25)	2.27%		55	R4	(20)	2.18%	356	65	R2.5	(20)	1.85%
359	Roads and Trails	50	0	2.00%	50	SQ	0	2.00%		50	SQ	0	2.00%	359	50	SQ	0	2.00%

changed in Wiedmeyer Rebuttal

Changed in Windmay in Robottal

Summary DEPRECIATION ACCRUAL COMPARISON SPREADSHEET

PSC Staff ER-2010-0036																				
Annual Accrual Compare (no amortization)												Company Proposed Remaining Life Amortization Adjustment								
Account No.	Title	Case 2002-1	Case 2007-0002	Case 2009-0316	Company 2010-0036	PSC Staff 2010-0036	Plant Company Books	Adjusted Plant Original Cost Dec 31 2008	Case 2002-1	Case 2009-0316	Company 2010-0036	PSC Staff 2010-0036	Total Reserve Variance	Remaining Life	Annual Amortization	Remaining Life	Adj %	Total Reserve Variance	Depr %	Annual Amortization
Transmission Plant																				
352	Structures and Improvements	1.33%	1.75%	1.75%	1.67%	1.67%		6,271,634	83,413	109,754	104,736	104,627	-65,900	38.3	-1,722	103,014	1.64	-65,900	1.67%	1,67%
353	Station Equipment	2.00%	1.82%	1.82%	1.80%	1.80%		2,283,112	4,561,702	4,155,040	4,105,980	3,815,558	-4,939,281	41.5	-167,130	3,648,451	1.75	-14,559	1.59%	1,59%
354	Towers and Poles	1.80%	1.80%	1.80%	1.63%	1.63%		70,394,133	1,167,311	1,169,661	1,169,661	1,148,419	-7,800,144	38.3	-203,550	1,430,861	1.34	-9,763,130	1.43%	1,43%
355	Poles and Structures	2.70%	3.65%	3.65%	3.60%	3.60%		136,665,625	3,668,482	5,000,930	4,979,580	4,578,252	16,828,618	39.2	429,301	5,408,391	3.90	4,959,658	3.30%	4,718,232
356	Overhead Conductors and Devices	1.45%	2.27%	2.27%	2.16%	2.16%		145,108,058	2,104,067	3,293,653	3,194,552	2,678,918	15,392,639	34.4	447,110	3,511,722	2.49	4,839,532	1.85%	2,678,918
359	Roads and Trails	2.00%	2.00%	2.00%	2.00%	2.00%		39,226	785	785	785	785	-12,229	4.4	-2,779	-1,994	-6.08	-11,429	2.00%	785
Total Transmission Plant								668,619,798	11,933,100	13,811,073	13,552,705	12,124,460	17,395,663		501,172	14,053,890	2.39	-8,545,105	2.06%	12,124,460
Distribution Plant																				
361	Structures and Improvements	1.48%	1.75%	1.75%	1.67%	1.67%		16,306,771	227,428	268,918	256,625	256,113	62,810	39.5	1,560	258,175	1.86	62,810	1.67%	256,113
362	Station Equipment	2.39%	1.82%	1.82%	1.84%	1.84%		588,830,097	14,312,036	10,886,107	11,000,568	11,300,503	-3,744,321	43.0	-87,077	10,913,431	1.82	-7,509,242	1.86%	11,300,503
364	Poles, Towers, and Structures	6.88%	5.47%	5.47%	5.65%	5.65%		787,060,219	41,529,623	41,568,194	42,568,865	43,682,967	-17,890,650	31.4	-570,053	41,098,812	5.48	20,462,923	5.66%	43,682,967
365	Overhead Conductors and Devices	3.19%	3.19%	3.19%	3.12%	3.12%		856,325,070	27,316,776	27,316,776	26,127,624	27,704,811	-14,813,931	39.2	-387,769	27,115,043	3.17	26,337,951	3.24%	27,704,811
366	Underground Conductors and Devices	1.73%	2.31%	2.31%	2.00%	2.00%		223,567,546	3,867,373	5,163,648	4,475,422	4,470,951	-8,372,363	58.4	-148,446	4,326,505	1.84	-8,372,363	2.00%	4,470,951
367	Underground Services	2.08%	2.36%	2.36%	2.31%	2.31%		527,667,632	8,128,655	12,452,887	12,202,316	11,892,451	11,892,451	41.3	44,184	12,246,513	2.32	-688,631	2.27%	11,892,451
368	Line Transformers	2.08%	2.40%	2.40%	2.36%	2.36%		401,740,745	8,345,701	12,044,112	12,041,900	12,074,438	-1,897,085	26.2	-189,438	11,852,462	7.40	4,037,085	7.88%	12,074,438
369.001	Overhead Services	8.25%	8.11%	8.11%	7.87%	7.87%		153,326,409	3,487,982	5,369,141	4,394,952	4,063,305	-13,292,681	38.6	-344,376	4,048,677	3.02	-13,292,681	3.27%	4,394,952
369.002	Underground Services	2.25%	3.57%	3.57%	3.85%	3.85%		104,163,821	3,487,982	5,369,141	4,394,952	4,063,305	-10,041	15.9	-1,434	4,414,805	4.10	5,196,297	3.66%	4,063,305
370	Materials	2.60%	5.00%	5.00%	3.13%	3.13%		184,411	3,821	8,231	5,190	8,365	-10,041	7.0	-1,434	3,726	2.26	-7,402	3.10%	8,365
371	Installations on Customer Premises	2.60%	5.00%	5.00%	3.13%	3.13%		184,411	3,821	8,231	5,190	8,365	-10,041	7.0	-1,434	3,726	2.26	-7,402	3.10%	8,365
373.00	Street Lighting and Signal Systems	5.01%	4.50%	4.50%	3.06%	3.06%		109,202,915	6,453,862	4,784,106	4,341,253	4,337,782	-6,013,246	25.6	-348,174	3,993,607	3.66	-6,013,246	3.97%	4,337,782
Total Distribution Plant								3,893,051,128	139,952,169	134,082,529	131,664,063	123,853,194	-22,641,562		-472,656	131,192,108	3.37	17,666,670	3.43%	133,633,194
General Plant																				
380.0	Structures and Improvements	2.59%	2.53%	2.53%	2.44%	2.71%		199,883,144	4,343,286	4,419,151	4,829,015	5,141,979	4,056,443	32.4	125,261	4,704,276	2.51	10,475,760	2.71%	5,141,979
381.0	Office Furniture and Equipment	3.29%	6.67%	6.67%	6.67%	6.67%		42,863,873	1,414,438	2,667,661	2,807,861	2,579,632	-2,833,706	8.3	-363,459	2,514,232	5.65	-2,693,706	6.00%	2,579,632
381.1	Mainframe Computers	3.29%	0.00%	0.00%	20.00%	20.00%		0	0	0	0	0	-332,101	0.0	0	0	0.00	-332,101	20.00%	0
381.2	Personal Computers	3.29%	0.00%	0.00%	20.00%	20.00%		1,527,337	50,240	305,467	305,467	305,467	-187,459	2.4	-69,775	235,692	15.43	-167,459	20.00%	305,467
386.0	Storage Equipment	8.00%	8.27%	8.27%	8.20%	8.27%		64,534,723	7,562,778	7,818,022	7,748,066	7,020,500	-2,801,728	8.9	-420,435	7,327,635	7.75	-510,658	8.27%	7,818,022
386.00	Tools, Shop and Garage Equipment	2.75%	5.00%	5.00%	5.00%	5.00%		2,024,509	63,379	115,235	115,235	115,235	-18,658	12.3	-286	113,102	4.03	-3,263	5.00%	115,235
386.00	Laboratory Equipment	1.82%	5.00%	5.00%	5.00%	5.00%		12,071,031	124,597	331,376	331,376	331,376	-3,263	11.4	-286	328,112	5.20	147,427	5.00%	331,376
386.00	Power Operated Equipment	4.58%	5.87%	5.87%	5.88%	5.87%		8,575,690	367,340	489,242	485,100	485,956	220,055	8.0	25,588	4,510,149	5.88	220,055	5.87%	485,956
387.00	Communication Equipment	3.50%	6.67%	6.67%	6.67%	6.67%		76,583,686	2,673,779	5,081,038	5,081,038	5,082,912	-3,539,559	8.2	-570,886	4,510,149	5.80	-3,539,559	6.67%	5,081,038
388.00	Miscellaneous Equipment	4.75%	5.00%	5.00%	5.00%	5.00%		795,476	35,085	37,774	37,774	37,774	13,137	12.6	1,026	38,800	5.14	13,137	5.00%	37,774
Total General Plant								435,447,175	16,855,185	22,065,547	22,205,026	22,514,482	-5,456,960		-1,261,117	20,953,909	4.81	3,038,598	5.17%	22,514,482
Column Totals								12,060,475,622	381,661,897	325,065,194	363,011,233	344,068,466	-665,317,698		-29,194,428	342,874,038	2.84	-684,132,931	2.73%	328,620,831
Difference from company ->																				
-13,198,024																				
4,565,639																				

Changed in Wiedmayer Rebuttal

Account No.	Title	Adjusted Plant Balance Dec 31 2008	Adjusted Book Reserve Bal Dec 31 2008	Theoretical Reserve Calc Company	Theoretical Reserve Calc Staff	Difference	Book % Reserve	Theoretical % Reserve	Company Book Reserve	Staff Plant/Reserve Adjustment
	Other Production Plant									
341	Structures and Improvements	25,892,740	7,436,994	5,663,308	5,829,874	-1,607,120	28.7%	22.5%	7,436,994	
342	Fuel Holders, Products, and Accessories	24,520,526	5,486,183	5,357,859	5,515,444	29,261	22.4%	22.5%	5,486,183	
344	Generators	1,051,873,156	433,024,882	192,014,263	197,661,738	-235,363,144	41.2%	18.8%	433,024,882	
345	Accessory Electric Equipment	69,921,659	13,833,369	14,684,488	15,116,387	1,283,018	19.8%	21.6%	13,833,369	
346	Misc. Power Plant Equipment	6,113,533	1,433,017	1,155,771	1,043,178	-389,839	23.4%	17.1%	1,433,017	
	<b>Total Other Production Plant</b>	<b>1,178,321,614</b>	<b>461,214,445</b>	<b>218,875,689</b>	<b>225,166,621</b>	<b>-236,047,824</b>	<b>39.1%</b>	<b>19.1%</b>	<b>461,214,445</b>	
	Transmission Plant									
352	Structures and Improvements	6,271,634	2,327,929	2,261,969	2,261,969	-65,960	37.1%	36.1%	2,327,929	
353	Station Equipment	228,351,122	62,940,658	56,004,397	48,580,477	-14,360,181	27.6%	21.3%	62,940,658	
354	Tower and Fixtures	70,394,133	44,155,918	36,355,774	34,362,782	-9,702,136	62.7%	48.8%	44,155,918	
355	Poles and Fixtures	138,655,625	51,679,866	68,508,484	61,536,435	-9,866,569	37.3%	44.4%	51,679,866	
356	Overhead Conductors and Devices	145,108,058	49,972,709	65,355,348	54,802,241	-4,829,532	34.4%	37.8%	49,972,709	
359	Roads and Trails	39,226	48,009	68,343	36,080	-11,929	122.4%	92.0%	80,572	(32,563)
	<b>Total Transmission Plant</b>	<b>588,819,798</b>	<b>211,125,089</b>	<b>228,554,315</b>	<b>201,579,984</b>	<b>-9,545,105</b>	<b>35.9%</b>	<b>34.2%</b>	<b>211,157,652</b>	<b>(32,563)</b>
	Distribution Plant									
361	Structures and Improvements	15,366,771	5,180,137	5,242,947	5,242,947	62,810	33.7%	34.1%	5,180,137	
362	Station Equipment	598,830,057	189,119,546	185,375,225	181,611,304	-7,508,242	31.6%	30.3%	189,119,546	
364	Poles, Towers, and Fixtures	767,080,219	597,821,521	579,921,871	618,304,144	20,482,623	77.9%	80.6%	597,821,521	
365	Overhead Conductors and Devices	856,325,270	273,417,973	288,231,904	299,755,924	26,337,951	31.9%	35.0%	273,417,973	
366	Underground Conduit	223,547,546	68,816,867	60,444,504	60,444,504	-8,372,363	30.8%	27.0%	68,816,867	
367	Underground Conductors and Devices	527,667,832	153,703,427	155,528,645	153,014,596	-688,831	29.1%	29.0%	153,703,427	
368	Line Transformers	401,240,245	121,966,245	134,595,997	131,293,547	-9,327,302	30.4%	32.7%	121,966,245	
369.001	Overhead Services	153,326,209	171,826,238	166,889,153	166,889,153	-4,937,085	112.1%	108.8%	171,826,238	
369.002	Underground Services	134,153,521	85,139,432	71,846,551	71,846,551	-13,292,881	63.5%	53.6%	85,139,432	
370	Meters	106,165,932	36,289,818	41,486,115	41,486,115	5,196,297	34.2%	39.1%	36,289,818	
371	Installations on Customer Premises	164,611	138,509	128,468	131,047	-7,462	84.1%	79.6%	138,509	
373.00	Street Lighting and Signal Systems	109,202,915	54,093,400	45,180,151	45,180,151	-8,913,249	49.5%	41.4%	54,093,400	
	<b>Total Distribution Plant</b>	<b>3,893,051,128</b>	<b>1,757,513,113</b>	<b>1,734,871,531</b>	<b>1,775,199,983</b>	<b>17,686,870</b>	<b>45.1%</b>	<b>45.6%</b>	<b>1,757,513,113</b>	

*Change in Windmeyer Rebuttal*