

October 16, 2001

VIA FEDERAL EXPRESS

FILED

OCT 17 2001



Mr. Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge
Missouri Public Service Commission
Governor Office Building
200 Madison Street, Suite 100
Jefferson City, MO 65101

Missouri Public
Service Commission

Re: MPSC Case No. EM-96-149

Dear Mr. Roberts:

Enclosed for filing on behalf of Union Electric Company, d/b/a AmerenUE, in the above matter, please find an original and eight (8) copies of its **"Final" Earnings Report Filing for the Third Sharing Period of the Second Experimental Alternative Regulation Plan.**

Kindly acknowledge receipt of this filing by stamping a copy of the enclosed letter and returning it to me in the enclosed self-addressed envelope.

Very truly yours,

A handwritten signature in cursive script that reads "James J. Cook".

James J. Cook
Managing Associate General Counsel

JJC/mlh
Enclosures

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

FILED

OCT 17 2001

In the Matter of the Application of Union)
Electric Company for an order authorizing)
(1) certain merger transactions involving)
UE Company, (2) the transfer of certain)
assets, real estate, leased property,)
easements and contractual agreements to)
Central Illinois Public Service Company,)
and (3) in connection therewith, certain)
other related transactions.)

Missouri Public
Service Commission

Case No. EM-96-149

**“FINAL” EARNINGS REPORT FILING
THIRD SHARING PERIOD – SECOND EARP**

COMES NOW Union Electric Company (d/b/a AmerenUE and referred to herein as “the Company” or “AmerenUE”) and submits this “Final” Earnings Report. In explanation thereof, the Company states as follows:

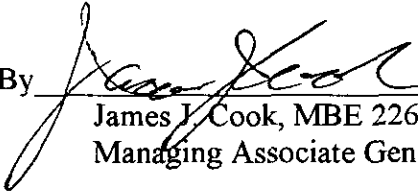
1. This filing is for the Third Sharing Period of the Second Experimental Alternative Regulation Plan (EARP).
2. On September 26, 2001, the Company submitted its “Preliminary Earnings and Sharing Report.”
3. Attached to this pleading and designated as Schedule 1, pages 1 through 5, is the Company’s “Final” Earnings Report for the Third Sharing Period of the Second Experimental Alternative Regulation Plan, as that term is used in Section 7 of the Stipulation and Agreement in Case No. EM-96-149.

289

WHEREFORE, Union Electric Company submits the attached Schedule for filing in this matter.

Respectfully submitted,

UNION ELECTRIC COMPANY
d/b/a AmerenUE

By  _____
James J. Cook, MBE 22697
Managing Associate General Counsel

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DATED: October 16, 2001

UNION ELECTRIC COMPANY
12 MONTHS ENDED JUNE 30, 2001
(IN THOUSANDS OF DOLLARS)

EARNINGS REPORT
FINAL

	<u>TOTAL ELECTRIC</u>	<u>MISSOURI JURISDICTIONAL</u>
Plant in Service	\$ 8,770,434	\$ 8,074,575
Reserve for Depreciation	3,751,751	3,432,579
 Net Plant	 5,018,683	 4,641,996
Add:		
Fuel and Materials & Supplies	189,246	168,336
Cash Working Capital	(26,664)	(24,000)
Prepayments	12,239	11,016
Less:		
Income Tax Offset (Staff Method)	61,481	56,386
Interest Expense Offset (Staff Method)	12,926	11,949
Customer Advances	10,138	10,058
Customer Deposits	14,710	14,710
 Accumulated Deferred Income Taxes:		
Account 190	69,191	62,819
Account 282	(918,069)	(842,411)
Account 283	(2,713)	(2,436)
 (A) Total Rate Base	 <u>\$ 4,242,658</u>	 <u>\$ 3,922,217</u>
 (B) Net Operating Income	 \$ 450,608	 \$ 421,292
 (C) Return on Rate Base ((B) / (A))	 <u>10.621%</u>	 <u>10.741%</u>
 (D) Return Portion Related to Debt & Preferred	 2.592%	 2.592%
 (E) Return Portion Related to Common Equity ((C) - (D))	 8.029%	 8.149%
 (F) Equity Percentage of Capital Structure	 <u>62.210%</u>	 <u>62.210%</u>
 (G) Achieved Cost of Common Equity ((E) / (F))	 <u>12.906%</u>	 <u>13.099%</u>

UNION ELECTRIC COMPANY
12 MONTHS ENDED JUNE 30, 2001
(IN THOUSANDS OF DOLLARS)

EARNINGS REPORT
FINAL

	TOTAL ELECTRIC	MISSOURI JURISDICTIONAL
Operating Revenues	\$ 2,268,195	\$ 2,076,228
Operating & Maintenance Expenses:		
Production:		
Fixed Allocation	136,830	123,913
Variable Allocation	516,907	457,101
Directly Assigned	(5,259)	(4,451)
Total Production Expenses	<u>648,478</u>	<u>576,563</u>
Transmission Expenses (Fixed)	30,141	27,296
Distribution Expenses (Distr. Plant)	111,698	104,485
Customer Accounting Expenses (Direct)	58,461	53,935
Customer Serv. & Info. Expenses (Direct)	5,184	4,765
Sales Expenses (Direct)	1,615	1,467
Administrative & General Expenses:		
Directly Assigned	2,906	2,670
Labor Allocation	264,774	239,885
Total Administrative & General Expenses	<u>267,680</u>	<u>242,555</u>
Total Operating & Maintenance Expenses	<u>1,123,257</u>	<u>1,011,066</u>
Depreciation & Amortization Expense:		
Fixed Allocation	73,880	66,906
Labor Allocation	9,437	8,550
Directly Assigned	184,405	171,413
Total Depreciation & Amortization Expense	<u>267,722</u>	<u>246,869</u>
Taxes Other than Income Taxes:		
Fixed Allocation	51,152	46,323
Variable Allocation	1,863	1,648
Labor Allocation	4,122	3,734
Directly Assigned	144,060	137,947
Total Taxes Other than Income Taxes	<u>201,197</u>	<u>189,652</u>
Income Taxes:		
Federal Income Taxes	193,885	176,878
Missouri State Income Tax	31,211	30,471
Other States' Income Taxes	315	0
Total Income Taxes	<u>225,411</u>	<u>207,349</u>
Net Operating Income	<u>\$ 450,608</u>	<u>\$ 421,292</u>

UNION ELECTRIC COMPANY
12 MONTHS ENDED JUNE 30, 2001

EARNINGS REPORT
FINAL

ALLOCATION FACTORS

	<u>TOTAL ELECTRIC</u>	<u>MISSOURI JURISDICTIONAL</u>
Fixed	100.00%	90.56%
Variable	100.00%	88.43%
Nuclear	100.00%	90.96%
Distribution	100.00%	94.47%
Mo. Distribution Plant	100.00%	99.48%
Labor	100.00%	90.60%
Net Plant	100.00%	92.50%
Operating Revenues	100.00%	91.54%
Operating Expenses	100.00%	90.01%
Callaway Post Operational	100.00%	97.48%
EPRI	100.00%	91.86%

UNION ELECTRIC COMPANY
MISSOURI ELECTRIC
CALCULATION OF SHARING REVENUES
BASED ON TWELVE MONTHS ENDING JUNE 30, 2001
(IN THOUSANDS OF DOLLARS)
EARNINGS REPORT
FINAL

	Preliminary 6/30/01
MISSOURI RATE BASE	\$ 3,922,217
TOTAL RETURN ON RATE BASE	10.741%
EARNED RETURN ON COMMON EQUITY	13.099%
50% SHARING FOR EARNED RETURN > 12.61% = 14.00%	
$[(13.099\% - 12.61\%) * 50\% * \$3,922,217 \text{ (RB)} * 0.62210 \text{ (C.E. \%)}]$	\$ 5,966
TOTAL 50% SHARING INCLUDING INCOME TAXES (.6231)	\$ 9,683
90% SHARING FOR EARNED RETURN > 14.00% = 16.00%	
$[(14.000\% - 14.00\%) * 90\% * \$3,922,217 \text{ (RB)} * 0.62210 \text{ (C.E. \%)}]$	\$ -
TOTAL 90% SHARING INCLUDING INCOME TAXES (.6231)	\$ -
100% SHARING FOR EARNED RETURN > 16.00%	
$[(16.000\% - 16.00\%) * 100\% * \$3,922,217 \text{ (RB)} * 0.62210 \text{ (C.E. \%)}]$	\$ -
TOTAL 100% SHARING INCLUDING INCOME TAXES (.6231)	\$ -
TOTAL SHARING INCLUDING TAXES (EXCLUDES GROSS RECEIPTS TAX)	\$ 9,683

**UNION ELECTRIC COMPANY
CAPITAL STRUCTURE AND
EMBEDDED COST OF DEBT AND PREFERRED
AT JUNE 30, 2000 AND 2001
FINAL**

BEGINNING OF SHARING PERIOD (JUNE 30, 2000)

	(I) CAPITAL STRUCTURE DOLLARS	(II) %	(III) EMBEDDED COST	(IV) WGTD AVG COST
COMMON STOCK EQUITY*	\$2,523,579,615	60.969%	N/A	N/A
PREFERRED STOCK	155,197,000	3.750%	5.775%	0.217%
LONG-TERM DEBT	1,460,359,853	35.282%	7.207%	2.543%
TOTAL CAPITALIZATION	<u>\$4,139,136,468</u>	<u>100.000%</u>		
RETURN PORTION RELATED TO DEBT AND PREFERRED				<u>2.759%</u>

END OF SHARING PERIOD (JUNE 30, 2001)

	(V) CAPITAL STRUCTURE DOLLARS	(VI) %	(VII) EMBEDDED COST	(VIII) WGTD AVG COST
COMMON STOCK EQUITY*	\$2,670,071,248	63.451%	N/A	N/A
PREFERRED STOCK	155,197,000	3.688%	5.775%	0.213%
LONG-TERM DEBT	1,382,833,093	32.861%	6.728%	2.211%
TOTAL CAPITALIZATION	<u>\$4,208,101,341</u>	<u>100.000%</u>		
RETURN PORTION RELATED TO DEBT AND PREFERRED				<u>2.424%</u>

RETURN PORTION RELATED TO DEBT AND PREFERRED
AVERAGE BEGINNING AND END OF SHARING PERIOD

2.592%

AVERAGE COMMON STOCK EQUITY*
BEGINNING AND END OF SHARING PERIOD (%)

62.210%

*Since common dividends payable at the end of a quarter and preferred dividends payable during the subsequent quarter are removed from common equity in their entirety during the first month of every quarter, the balance for common stock equity for the end of the first or second month in each quarter (if used as the beginning or end of the sharing period) should be adjusted from actual book value. The balance for the end of the first month in the quarter should be adjusted by adding back two-thirds of the quarterly preferred and common dividend. The balance for the end of the second month in the quarter should be adjusted by adding back one-third of the quarterly preferred and common dividend.

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing was served via first class U.S. mail, postage prepaid, on this 16th day of October, 2001, on the following parties of record:

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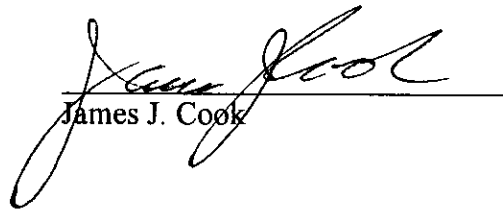
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