

October 11, 2000

VIA FEDERAL EXPRESS



Mr. Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge
Missouri Public Service Commission
P. O. Box 360
Jefferson City, MO 65102

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 it's **"Final Earnings Report Filing for the Second 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 black ink, appearing to read "J. Cook", written over a large, stylized circular flourish.

James J. Cook
Managing Associate General Counsel

JJC/dhb
Enclosures

cc: Ms. Shelly Register
Parties on Attached Service List

FILED³

OCT 12 2000

Missouri Public
Service Commission

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

FILED³

OCT 12 2000

Missouri Public
Service Commission

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.)

Case No. EM-96-149

“FINAL” EARNINGS REPORT FILING
SECOND 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 Second Sharing Period of the Second Experimental Alternative Regulation Plan (EARP).
2. On September 28, 2000, 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 Second 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.

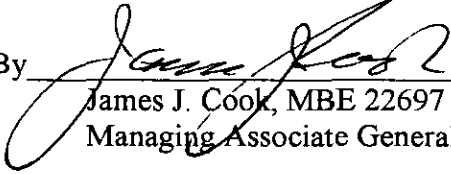
WHEREFORE, Union Electric Company submits the attached Schedule for filing in this matter.

Handwritten initials or mark in the bottom left corner.

Respectfully submitted,

UNION ELECTRIC COMPANY
d/b/a AmerenUE

By


James J. Cook, MBE 22697
Managing Associate General Counsel

Ameren Services Company
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(314) 554-2237
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DATED: October 11, 2000

UNION ELECTRIC COMPANY
12 MONTHS ENDED JUNE 30, 2000
(IN THOUSANDS OF DOLLARS)

EARNINGS REPORT
FINAL

	TOTAL ELECTRIC	MISSOURI JURISDICTIONAL
Plant in Service	\$ 8,551,118	\$ 7,765,221
Reserve for Depreciation	3,547,239	3,201,252
Net Plant	5,003,879	4,563,969
Add:		
Fuel and Materials & Supplies	188,376	165,115
Cash Working Capital	(27,000)	(24,000)
Prepayments	15,632	13,895
Less:		
Income Tax Offset (Staff Method)	63,340	58,367
Interest Expense Offset (Staff Method)	14,291	13,028
Customer Advances	8,977	8,934
Customer Deposits	13,658	13,658
Accumulated Deferred Income Taxes:		
Account 190	97,753	87,485
Account 282	(894,370)	(806,940)
(A) Total Rate Base	\$ 4,284,004	\$ 3,905,537
(B) Net Operating Income	\$ 457,994	\$ 425,796
(C) Return on Rate Base ((B) / (A))	10.691%	10.902%
(D) Return Portion Related to Debt & Preferred	2.818%	2.818%
(E) Return Portion Related to Common Equity ((C) - (D))	7.873%	8.084%
(F) Equity Percentage of Capital Structure	59.494%	59.494%
(G) Achieved Cost of Common Equity ((E) / (F))	13.233%	13.588%

UNION ELECTRIC COMPANY
12 MONTHS ENDED JUNE 30, 2000
(IN THOUSANDS OF DOLLARS)

EARNINGS REPORT
FINAL

	<u>TOTAL ELECTRIC</u>	<u>MISSOURI JURISDICTIONAL</u>
Operating Revenues	\$ 2,171,831	\$ 1,975,559
Operating & Maintenance Expenses:		
Production:		
Fixed Allocation	117,565	104,363
Variable Allocation	517,108	450,401
Directly Assigned	(4,274)	(3,585)
Total Production Expenses	<u>630,399</u>	<u>551,179</u>
Transmission Expenses (Fixed)	19,362	17,188
Distribution Expenses (Distr. Plant)	99,404	93,254
Customer Accounting Expenses (Direct)	56,390	53,370
Customer Serv. & Info. Expenses (Direct)	6,421	6,041
Sales Expenses (Direct)	1,027	847
Administrative & General Expenses:		
Directly Assigned	16,982	14,425
Labor Allocation	197,344	176,899
Total Administrative & General Expenses	<u>214,326</u>	<u>191,324</u>
Total Operating & Maintenance Expenses	<u>1,027,329</u>	<u>913,203</u>
Depreciation & Amortization Expense:		
Fixed Allocation	70,899	62,937
Labor Allocation	9,607	8,611
Directly Assigned	174,628	161,035
Total Depreciation & Amortization Expense	<u>255,134</u>	<u>232,583</u>
Taxes Other than Income Taxes:		
Fixed Allocation	50,690	44,998
Variable Allocation	1,450	1,263
Labor Allocation	4,043	3,624
Directly Assigned	137,902	134,334
Total Taxes Other than Income Taxes	<u>194,085</u>	<u>184,219</u>
Income Taxes:		
Federal Income Taxes	204,842	188,216
Missouri State Income Tax	32,212	31,542
Other States' Income Taxes	235	0
Total Income Taxes	<u>237,289</u>	<u>219,758</u>
Net Operating Income	<u>\$ 457,994</u>	<u>\$ 425,796</u>

UNION ELECTRIC COMPANY
12 MONTHS ENDED JUNE 30, 2000

EARNINGS REPORT
FINAL

ALLOCATION FACTORS

	<u>TOTAL ELECTRIC</u>	<u>MISSOURI JURISDICTIONAL</u>
Fixed	100.00%	88.77%
Variable	100.00%	87.10%
Nuclear	100.00%	88.89%
Distribution	100.00%	94.45%
Mo. Distribution Plant	100.00%	99.46%
Labor	100.00%	89.64%
Net Plant	100.00%	91.21%
Operating Revenues	100.00%	90.96%
Operating Expenses	100.00%	88.89%
Callaway Post Operational	100.00%	95.55%
EPRI	100.00%	92.10%

UNION ELECTRIC COMPANY
 MISSOURI ELECTRIC
 CALCULATION OF SHARING REVENUES
 BASED ON TWELVE MONTHS ENDING JUNE 30, 2000
 (IN THOUSANDS OF DOLLARS)
 EARNINGS REPORT
 FINAL

	Preliminary 6/30/00
MISSOURI RATE BASE	\$ 3,905,537
TOTAL RETURN ON RATE BASE	10.902%
EARNED RETURN ON COMMON EQUITY	13.588%
50% SHARING FOR EARNED RETURN > 12.61% = 14.00%	
$[(13.588\% - 12.61\%) * 50\% * \$3,905,537 \text{ (RB)} * 0.59494 \text{ (C.E. \%)}]$	\$ 11,362
TOTAL 50% SHARING INCLUDING INCOME TAXES (.6231)	\$ 18,442
90% SHARING FOR EARNED RETURN > 14.00% = 16.00%	
$[(14.000\% - 14.00\%) * 90\% * \$3,905,537 \text{ (RB)} * 0.59494 \text{ (C.E. \%)}]$	\$ -
TOTAL 90% SHARING INCLUDING INCOME TAXES (.6231)	\$ -
100% SHARING FOR EARNED RETURN > 16.00%	
$[(16.000\% - 16.00\%) * 100\% * \$3,905,537 \text{ (RB)} * 0.59494 \text{ (C.E. \%)}]$	\$ -
TOTAL 100% SHARING INCLUDING INCOME TAXES (.6231)	\$ -
TOTAL SHARING INCLUDING TAXES (EXCLUDES GROSS RECEIPTS TAX)	\$ 18,442

**UNION ELECTRIC COMPANY
CAPITAL STRUCTURE AND
EMBEDDED COST OF DEBT AND PREFERRED
AT JUNE 30, 1999 AND 2000
FINAL EARNINGS REPORT**

BEGINNING OF SHARING PERIOD (JUNE 30, 1999)

	(I) CAPITAL STRUCTURE DOLLARS	(II) %	(III) EMBEDDED COST	(IV) WGTD AVG COST
COMMON STOCK EQUITY*	\$2,497,618,986	58.019%	N/A	N/A
PREFERRED STOCK	155,197,000	3.605%	5.775%	0.208%
LONG-TERM DEBT	1,652,029,074	38.376%	6.953%	2.668%
TOTAL CAPITALIZATION	<u>\$4,304,845,060</u>	<u>100.000%</u>		
RETURN PORTION RELATED TO DEBT AND PREFERRED				<u>2.876%</u>

END OF SHARING PERIOD (JUNE 30, 2000)

	(V) CAPITAL STRUCTURE DOLLARS	(VI) %	(VII) EMBEDDED COST	(VIII) 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>
RETURN PORTION RELATED TO DEBT AND PREFERRED AVERAGE BEGINNING AND END OF SHARING PERIOD				<u>2.818%</u>
AVERAGE COMMON STOCK EQUITY* BEGINNING AND END OF SHARING PERIOD (%)				<u>59.494%</u>

*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 11th day of October, 2000, on the following parties of record:

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