

Exhibit No.:  
Issues: Effect of Transfer on Nuclear  
Decommissioning Trust  
Witness: Kevin L. Redhage  
Type of Exhibit: Surrebuttal  
Sponsoring Party: Union Electric Company  
d/b/a AmerenUE  
Case No.: EO-2004-0108  
Date Testimony Prepared: March 1, 2004

**MISSOURI PUBLIC SERVICE COMMISSION**

**CASE NO. EO-2004-0108**

**SURREBUTTAL TESTIMONY**

**OF**

**KEVIN L. REDHAGE**

**ON**

**BEHALF OF**

**UNION ELECTRIC COMPANY  
d/b/a AmerenUE**

**St. Louis, Missouri  
March 1, 2004**

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

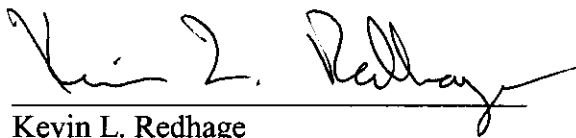
**In the Matter of the Application of Union )  
Electric Company d/b/a AmerenUE for )  
an Order Authorizing the Sale, Transfer )  
an Assignment of Certain Assets, Real Estate ) Case No. EO-2004-0108  
Leased Property, Easements and Contractual )  
Agreements to Central Illinois Public )  
Service Company d/b/a AmerenCIPS, and )  
in Connection Therewith, Certain Other )  
Related Transactions. )**

**AFFIDAVIT OF KEVIN L. REDHAGE**

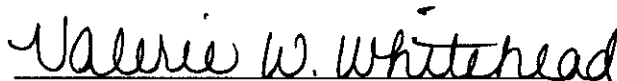
**STATE OF MISSOURI     )  
                                      )     ss  
CITY OF ST. LOUIS     )**

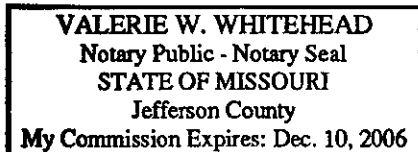
Kevin L. Redhage, being first duly sworn on his oath, states:

1. My name is Kevin L. Redhage. I am a Finance Professional for Ameren Services Company.
2. Attached hereto and made a part hereof for all purposes is my Surrebuttal Testimony consisting of 14 pages, including Schedules 1 – 4, all of which have been prepared in written form for introduction into evidence in the above-referenced docket.
3. I hereby swear and affirm that my answers contained in the attached testimony to the questions therein propounded are true and correct.

  
Kevin L. Redhage

Subscribed and sworn to before me this 15<sup>th</sup> day of March, 2004.

  
Notary Public





1 I am also addressing precisely what Union Electric Company d/b/a  
2 AmerenUE (“AmerenUE” or the “Company”) requires from the Commission in  
3 order to contribute periodic decommissioning expense and contribution amounts  
4 to the Callaway Plant Tax-Qualified Nuclear Decommissioning Trust Fund (the  
5 “qualified decommissioning trust fund”), should the amounts be increased as a  
6 result of this proceeding.

7 **Q. Are you sponsoring any schedules?**

8 A. Yes. I am sponsoring Schedule Numbers 1 through 4.

9 **Q. Please summarize the proposed post-property transfer decommissioning**  
10 **funding for the Missouri jurisdiction put forth in your direct testimony.**

11 A. In my direct testimony, I requested Commission approval to reallocate a portion  
12 of the funds currently in the Illinois jurisdictional sub-account of the qualified  
13 decommissioning trust fund to the Missouri jurisdictional sub-account. The  
14 reallocation would be based on 12-month coincident peak demand allocation  
15 factors, adjusted to exclude the Illinois demands. I also requested Commission  
16 approval to continue the Missouri decommissioning expense and contribution  
17 amount at its current annual level of \$6,214,184 following the property transfer.  
18 Finally, I indicated that any adjustments in the level of annual contributions  
19 necessary to maintain decommissioning funding adequacy will be addressed at  
20 the next triennial update filing, required by September 1, 2005, and in ongoing  
21 triennial update filings required every three years thereafter.

22 **Q. Did the Commission Staff agree with the proposed reallocation of the Illinois**  
23 **jurisdictional sub-account?**

1 A. Yes. Mr. Ronald L. Bible and Mr. Meyer both concurred with the proposed  
2 reallocation of the Illinois jurisdictional sub-account in their testimony. Mr. Alan  
3 J. Bax specifically concurred in his testimony with the use of 12-month coincident  
4 peak demand allocation factors for performing the reallocation.

5 **Q. Did the Commission Staff agree with the Company's proposal to maintain**  
6 **the Missouri decommissioning expense and contribution amount at its**  
7 **current annual level of \$6,214,184 following the property transfer?**

8 A. No. Mr. Meyer states in his testimony (Page 5, Lines 20-23 and Page 6, Lines 1-  
9 5), as follows:

10 The Staff, at this time, cannot agree to this condition. The transfer  
11 of Callaway almost totally to the Missouri retail jurisdiction,  
12 except for the very small wholesale jurisdiction piece, without a  
13 corresponding increase in the Missouri decommissioning expense  
14 accrual will mean that the total amount to decommission Callaway  
15 at the time of the transfer will be deficient by that portion that was  
16 funded by the AmerenUE Illinois retail jurisdiction. AmerenUE  
17 seeks to have the Callaway assets transferred almost totally to  
18 Missouri retail, yet requests that the funding level of UE not be  
19 changed at this time to reflect this reallocation of the Callaway  
20 decommissioning cost that is associated with the reallocation of  
21 the Callaway generation.

22  
23 Further in his testimony (Page 7, Lines 5-8), Mr. Meyer goes on to state as  
24 follows:

25 Simply stated, without a continuance of the total current funding to  
26 cover the cost of decommissioning Callaway, a deficit in that  
27 funding will occur as a result of this transfer from a level that  
28 previously was determined to be reasonable by all parties involved.  
29

30 **Q. Did the Commission Staff concur with the Company's position that any**  
31 **future adjustments in the level of annual contributions necessary to maintain**

1            **decommissioning funding adequacy could be addressed in the next triennial**  
2            **update filing, required by September 1, 2005 ?**

3        A.     No. Mr. Meyer states as follows in his testimony (Page 6, Lines 6-14):

4                     AmerenUE witness Kevin L. Redhage states in his direct  
5                     testimony that AmerenUE must make its next decommissioning  
6                     filing before this Commission by September 1, 2005. At that time,  
7                     if this proposed transfer has been approved by the Commission, the  
8                     Callaway decommissioning cost recovery responsibility will be  
9                     nearly 100% assigned to Missouri for the determination of the  
10                    proper level of decommissioning expense and its recovery from  
11                    Missouri ratepayers. However, in the interim period (currently  
12                    through the next time Callaway decommissioning expense is  
13                    determined to be included in AmerenUE's Missouri retail rates or  
14                    a change in rates is effectuated), that portion of the AmerenUE-  
15                    Illinois retail funding will not be considered, as no further funding  
16                    will occur.

17  
18        **Q.     Does the Company agree with Mr. Meyer's position that decommissioning**  
19            **funding will be deficient unless the total funding level is maintained at its**  
20            **current level following the proposed property transfer?**

21        A.     No. The calculation of an annual decommissioning expense and contribution  
22                    amount adequate to cover future decommissioning liabilities is sensitive to  
23                    varying forecasts of future decommissioning inflation and investment returns.  
24                    Forecasted nominal investment returns are dependent on future investment policy  
25                    and on forecasts of real returns on bond investments, equity premiums over and  
26                    above bond investment returns and on general inflation levels. Since the  
27                    determination of an annual decommissioning contribution can be sensitive to  
28                    these various factors, the Company utilizes a "Zone of Reasonableness" model  
29                    that computes the required annual decommissioning contribution within a  
30                    "reasonable" range of economic and financial parameters.

1           This methodology computes “optimistic,” “expected” and “conservative”  
2           annual contribution amounts required for the future decommissioning liability to  
3           be fully funded at various decommissioning inflation rates and under various  
4           portfolio return assumptions. The “conservative” contribution boundary is  
5           computed using conservative assumptions that would require higher contributions  
6           in order for the trust to be adequately funded, such as low real rates of return on  
7           bonds, low equity premiums and an earlier divestiture out of equity investments.  
8           Conversely, the “optimistic” contribution level is computed using more  
9           aggressive assumptions that would allow smaller contributions with the  
10          decommissioning liability still being adequately funded, such as higher real rates  
11          of return on bonds, higher equity premiums and a later divestiture out of equity  
12          investments. Required contribution amounts based on an “expected” set of  
13          assumptions, estimated to be about midway between those assumed for the  
14          “optimistic” and “conservative” scenarios, are also computed. These  
15          “optimistic,” “expected” and “conservative” contribution levels form a “zone of  
16          reasonableness” for decommissioning funding. Provided the established funding  
17          level falls within the zone formed by the upper (“conservative”) and lower  
18          (“optimistic”) contribution boundaries at a projected rate of decommissioning  
19          inflation, it can be concluded that funding adequacy is being achieved under a  
20          reasonable set of economic and financial assumptions.

21   **Q.   Does the current annual Missouri decommissioning expense and contribution**  
22   **of \$6,214,184 continue to be within the zone of reasonableness boundaries, as**

1           **described above, following the assumption by Missouri of the additional**  
2           **decommissioning liability associated with the property transfer?**

3       A.     Yes. A zone of reasonableness analysis was performed reflecting the assumption  
4           by Missouri ratepayers of a portion of the decommissioning expense formerly  
5           borne by the Illinois ratepayers and incorporating the reallocation of a portion of  
6           the funds currently in the Illinois jurisdictional sub-account to the Missouri sub-  
7           account. With the exception of updating the beginning sub-account balance and  
8           starting date of the analysis, all other input factors to the zone of reasonableness  
9           analysis were held identical to those submitted in the Company's most recent  
10          triennial update filing (Case No. EO-2003-0083). This analysis was submitted as  
11          Schedule 3 to my direct testimony.

12   **Q.     Please summarize the results of this analysis.**

13   A.     The zone of reasonableness methodology was used to determine the  
14          decommissioning inflation values for which the current annual funding level of  
15          \$6,214,184 would continue to be adequate under the economic and financial  
16          assumptions associated with "optimistic," "expected" and "conservative"  
17          contribution boundaries, given the increased decommissioning cost liability that  
18          Missouri ratepayers would assume following the property transfer. The  
19          decommissioning inflation values were, respectfully, 4.500%, 3.854% and  
20          3.312%. Thus, if the economic and financial conditions assumed for the  
21          "optimistic" scenario are actually experienced, an annual contribution of  
22          \$6,214,184 would be adequate up to a decommissioning inflation rate of 4.500%.  
23          Should the economic and financial conditions assumed for the "conservative"



1 scenario be experienced, an annual contribution of \$6,214,184 would be adequate  
2 up to a decommissioning inflation rate of 3.312%. If the economic and financial  
3 conditions assumed for the “expected” scenario are actually experienced, an  
4 annual contribution of \$6,214,184 would be adequate up to a decommissioning  
5 inflation rate of 3.854%.

6 At the time of the 2002 triennial update filing (Case No. EO-2003-0083),  
7 a decommissioning inflation rate of 4.036% was projected. As part of the  
8 analysis submitted in my direct testimony, I re-evaluated the decommissioning  
9 inflation projection (using the same methodology as in the projection performed  
10 in Case No. EO-2003-0083) based on the most recent data available at the current  
11 time. Applying the new data resulted in a projected decommissioning inflation  
12 rate of 3.472%. Since the current annual Missouri decommissioning expense and  
13 contribution amount of \$6,214,184 was calculated to be adequate up to a  
14 projected decommissioning inflation rate of 3.854%, it would certainly be  
15 assumed to be adequate at the projected rate of 3.472%.

16 Another way of viewing the zone of reasonableness results would be to  
17 consider that at an assumed decommissioning inflation rate of 4.00%, annual  
18 contributions ranging from \$3,307,452 (under “optimistic” assumptions) to  
19 \$10,535,758 (under “conservative” assumptions) would be required. Since the  
20 current annual contribution of \$6,214,184 is within the “spread” established by  
21 these “upper” and “lower” bounds, it is considered adequate within the tolerance  
22 of the zone of reasonableness model’s parameters.

1   **Q.    Has the Company updated the zone of reasonableness analysis to reflect**  
2       **more recent data than the one submitted with your direct testimony in this**  
3       **case?**

4    A.    Yes. The zone of reasonableness analysis submitted with my direct testimony  
5       was based on qualified decommissioning trust fund balances as of June 30, 2003  
6       and 12-CP demand allocation factors as of December 31, 2002 (the latest  
7       available at the time the direct testimony was filed). I have since updated the  
8       analysis using trust fund balances and 12-CP demand allocation factors as of  
9       December 31, 2003. No other input parameters were changed.

10   **Q.    Please summarize the results of this updated analysis.**

11   A.       As a result of the improved investment returns experienced in the 2<sup>nd</sup> half  
12       of the year, the beginning balances of the qualified decommissioning trust fund's  
13       jurisdictional sub-accounts had grown considerably since the previous analysis.  
14       Holding all of the other input parameters the same as in the previous analysis, but  
15       starting with the increased fund balances and applying the later 12-CP demand  
16       allocators indicates that the current annual Missouri decommissioning expense  
17       and contribution amount of \$6,214,184 would be adequate up to a projected  
18       decommissioning inflation rate of 3.964%. Thus, this provides further credence  
19       to the proposal to leave the annual decommissioning expense and contribution to  
20       the Missouri jurisdictional sub-account unchanged at the current \$6,214,184  
21       amount following the property transfer.

1 Schedules 1, 2 and 3 illustrate the foregoing qualified decommissioning  
2 trust fund valuations and the zone of reasonableness analysis. They are attached  
3 to my surrebuttal.

4 **Q. Does the Company agree with Mr. Meyer's position that in the interim**  
5 **period, from the time the property transfer occurs through the next triennial**  
6 **decommissioning update filing in 2005, the portion of the AmerenUE-Illinois**  
7 **retail funding will not be considered, as no further funding will occur?**

8 A. No. Mr. Meyer is considering a given decommissioning funding level to be a  
9 value that is fixed at a given point in time relative to a fixed amount of  
10 decommissioning cost liability, and that is "locked in" from one triennial update  
11 analysis to the next. He is ignoring the fact that the various projections and input  
12 parameters used in deriving the given funding level are not static and can change  
13 within the three-year periods between mandated update analyses. Such changes  
14 would have a subsequent effect on the required decommissioning funding level,  
15 or would change the amount of decommissioning liability that could be funded at  
16 a given funding level.

17 It is the Company's contention that there is nothing in the Missouri statute  
18 that precludes performing an updated funding analysis prior to the next legally  
19 mandated triennial update and adjusting the decommissioning expense and  
20 contribution amount accordingly, as long as the triennial update schedule  
21 established in the statute continues to be adhered to. In fact, when an  
22 "extraordinary" event, such as the Illinois property transfer, occurs that could  
23 have ramifications on the decommissioning funding process, the Company

1 contends that it would be imprudent to not update the funding analysis using the  
2 latest available data at the time the event occurred.

3 **Q. If the post-property transfer Missouri decommissioning expense and**  
4 **contribution amount were to be increased by \$272,554 annually (the current**  
5 **Illinois decommissioning expense and contribution amount that will no**  
6 **longer be collected from Illinois ratepayers following the property transfer),**  
7 **as proposed by Mr. Meyer, what would be the effect on decommissioning**  
8 **funding adequacy?**

9 A. The increased annual decommissioning expense and contribution amount of  
10 \$6,486,738 (the current \$6,214,184 amount plus the additional \$272,554) would  
11 be adequate within a range of decommissioning inflation values from a low of  
12 3.472% (based on “conservative” financial and economic assumptions) to a high  
13 of 4.643% (based on “optimistic” assumptions). At “expected” financial and  
14 economic assumption values, the current annual contribution amount would be  
15 adequate for a decommissioning inflation level of 4.006%.

16 Schedule 4 contains the zone of reasonableness analysis from which the  
17 foregoing funding adequacy values were derived.

18 **Q. If the amount of decommissioning costs that are included in the Company’s cost**  
19 **of service for ratemaking purposes were to be increased, would the Company**  
20 **contribute the increased amount to the qualified decommissioning trust fund?**

21 A. Yes. In its Order in the early Callaway cases regarding the establishment of the  
22 decommissioning trust fund (Case No. EO-85-17 and Case No. ER-85-160), the  
23 Commission stated as follows:

1 “The Commission, though, requires that UE establish the external  
2 fund to take the maximum advantage of the 1984 tax law and  
3 follow the requirements of the tax law in making investments for  
4 the fund.”

5  
6 Consequently, the Company is actually required by Commission order to  
7 fund its future decommissioning liability through contributions to the qualified trust  
8 fund.

9 **Q. Will this proceeding require the Company to file a request for a schedule of**  
10 **ruling amounts from the Internal Revenue Service in order to ensure that it can**  
11 **make tax-deductible contributions to the qualified decommissioning trust fund?**

12 A. The obligation to make a filing with the Internal Revenue Service will depend upon  
13 the Commission’s decision on the amount of decommissioning costs that is included  
14 in the Company’s cost of service for ratemaking purposes. If that amount is left  
15 unchanged (as the Company has requested), there will be no Internal Revenue  
16 Service filing obligation, and the Company will continue to be permitted to make  
17 tax-deductible contributions to the qualified fund consistent with the authorization  
18 that it has previously received from the Internal Revenue Service. If that amount  
19 were to be decreased, the Company would be required to request and receive from  
20 the Internal Revenue Service a schedule of ruling amounts before making any further  
21 tax deductible contributions to the qualified fund for the year in which the order  
22 takes effect. If the amount is increased, the Company would increase its tax-  
23 deductible contribution to the higher level and it would be required to request and  
24 receive from the Internal Revenue Service a schedule of ruling amounts authorizing  
25 the higher amount before it could make the higher contribution.

**Q. If the Company is required to request a schedule of ruling amounts due to an increase in the amount of decommissioning costs that are included in the Company's cost of service for ratemaking purposes, what must be demonstrated to the Internal Revenue Service in order to receive such authorization to make the requested tax-deductible contributions?**

A. The Company will be required to establish that the Commission has determined the amount of decommissioning costs included in the Company's cost of service for ratemaking purposes and has disclosed the after-tax return and any other assumptions, estimates, determinations and other factors used in establishing or approving such amount. This is in accordance with the applicable Treasury Regulation (26 C.F.R. Section 1.468A-3(g)), which reads as follows:

(g) Requirement Of Determination By Public Utility  
Commission Of Decommissioning Costs To Be Included In Cost  
Of Service

The Internal Revenue Service shall not provide a taxpayer with a schedule of ruling amounts for any nuclear decommissioning fund unless a public utility commission that establishes or approves rates for electric energy generated by the nuclear power plant to which the nuclear decommissioning fund relates has –

(1) Determined the amount of decommissioning costs of such nuclear power plant to be included in the taxpayer's cost of service for ratemaking purposes; and

(2) Disclosed the after-tax return and any other assumptions and determinations used in establishing or approving such amount for any taxable year beginning on or after January 1, 1987.

## SUMMARY

**Q. Please summarize what the Company is seeking from the MPSC with regard to nuclear decommissioning costs.**

1     A.     In conjunction with the proposed transfer of AmerenUE's properties in the Metro  
2           East area in Illinois to AmerenCIPS, the Company is requesting that the  
3           Commission concurrently approve the following:

- 4                   1)     The reallocation of a portion of the decommissioning cost  
5                            previously allocated to Illinois ratepayers to Missouri ratepayers;
- 6                   2)     The reallocation of a portion of the funds currently in the Illinois  
7                            jurisdictional sub-account of the qualified decommissioning trust  
8                            fund to the Missouri jurisdictional sub-account;
- 9                   3)     The use of the latest available 12-Month Coincident Peak Demand  
10                           Allocation Factors, adjusted for the elimination of the Illinois  
11                           demands, for the performance of the above reallocations; and
- 12                   4)     The Company's continuing to accrue decommissioning expenses  
13                           and to make contributions to the qualified decommissioning trust  
14                           fund at the current level of \$6,214,184 annually.

15                 If the Commission does not approve the Company's continuing to accrue  
16                 decommissioning expenses and to make contributions to the qualified  
17                 decommissioning trust fund at the current level of \$6,214,184 annually and  
18                 instead requires the Company to make contributions to the fund at the level of  
19                 \$6,486,738 annually, as proposed by Mr. Meyer, then, in addition to items 1  
20                 through 4 above, the Company would also request the following:

- 21                   1)     Commission confirmation that the Company's current Missouri  
22                            jurisdictional cost of service for nuclear decommissioning will  
23                            increase by \$272,554 as a result of the property transfer and that a

1                   total, annual decommissioning expense of \$6,486,738 will be  
2                   included in the Company's cost of service in Missouri for  
3                   ratemaking purposes; and  
4                   2)   Commission confirmation that the foregoing decommissioning  
5                   expense to be included in the Company's cost of service is  
6                   established based on the economic and financial input parameters  
7                   used in the zone of reasonableness analysis contained in Schedule  
8                   4 to this surrebuttal testimony. The Company would present  
9                   Schedule 4 to the Internal Revenue Service in support of its  
10                  request for a revised schedule of ruling amounts.

11   **Q.    Does this conclude your testimony?**

12   A.    Yes, it does.



**Union Electric Company**  
**(d/b/a AmerenUE)**  
**AVERAGE PEAK DEMANDS AT TIME OF AMEREN PEAK**  
**12 Months Ended**  
**December 31, 2003**

<b>Pre-Property Transfer</b> <b>Includes Illinois Demands</b>				
	<b>Total Company</b>	<b>Ultimate Consumers</b>		<b>Sales For Resale</b>
		<b>Missouri</b>	<b>Illinois</b>	
<b>Average Demands:</b>	6,168,583	5,729,500	439,083	0
<b>Applicable to Resale:</b>	0	(119,114)	0	119,114
<b>Total:</b>	6,168,583	5,610,386	439,083	119,114
<b>Fixed Allocation %:</b>	100.00%	90.95%	7.12%	1.93%

<b>Post-Property Transfer</b> <b>Excludes Illinois Demands</b>				
	<b>Total Company</b>	<b>Ultimate Consumers</b>		<b>Sales For Resale</b>
		<b>Missouri</b>	<b>Illinois</b>	
<b>Average Demands:</b>	5,729,500	5,729,500	0	0
<b>Applicable to Resale:</b>	0	(119,114)	0	119,114
<b>Total:</b>	5,729,500	5,610,386	0	119,114
<b>Fixed Allocation %:</b>	100.00%	97.92%	0.00%	2.08%

**CALLAWAY PLANT TAX-QUALIFIED NUCLEAR DECOMMISSIONING TRUST FUND**  
**REALLOCATION OF ILLINOIS JURISDICTIONAL SUBACCOUNT BALANCES**  
**Sub-Account Valuations as of December 31, 2003**

	Jurisdictional Sub-Account			Total
	Missouri	Illinois	Wholesale	
<b>Pre-Property Transfer Balances (Pre-Reallocations):</b>				
Market Value:	\$191,531,417.12	\$15,098,999.61	\$5,456,245.74	\$212,086,662.47
Book Value:	146,285,746.31	11,867,593.11	5,079,839.17	163,233,178.59
Unrealized Gains:	45,245,670.81	3,231,406.50	376,406.57	48,853,483.88
Composite Income Tax Rate:	24.5283%	24.5283%	24.5283%	24.5283%
Income Tax Liability on Unrealized Gains:	(11,097,993.87)	(792,609.08)	(92,326.13)	(11,982,929.09)
After-Tax Liquidation Value:	\$180,433,423.25	\$14,306,390.53	\$5,363,919.61	\$200,103,733.38
<b>Post-Property Transfer Reallocation Factor (As of 12/31/03):</b>	97.92%	0.00%	2.08%	100.00%
<b>Amounts of Reallocations:</b>				
Market Value:	\$14,785,097.48	(\$15,098,999.61)	\$313,902.13	(\$0.00)
Book Value:	11,620,870.62	(11,867,593.11)	246,722.49	0.00
Unrealized Gains:	3,164,226.86	(3,231,406.50)	67,179.64	0.00
Income Tax Liability on Unrealized Gains:	(776,131.06)	792,609.08	(16,478.02)	0.00
After-Tax Liquidation Value:	\$14,008,966.43	(\$14,306,390.53)	\$297,424.10	(\$0.00)
<b>Post-Property Transfer Balances (Post-Reallocations):</b>				
Market Value:	\$206,316,514.60	\$0.00	\$5,770,147.87	\$212,086,662.47
Book Value:	157,906,616.93	0.00	5,326,561.66	163,233,178.59
Unrealized Gains:	48,409,897.67	0.00	443,586.21	48,853,483.88
Income Tax Liability on Unrealized Gains:	(11,874,124.93)	0.00	(108,804.16)	(11,982,929.09)
After-Tax Liquidation Value:	\$194,442,389.67	\$0.00	\$5,661,343.71	\$200,103,733.38

**Note 1:**

The reallocation factor used above is based on the 12CP coincident demand factors for the 12-months ending December 31, 2002. This is the latest available value for this parameter at the time of preparation of this testimony.

**Note 2:**

In actual practice, the securities in the Illinois sub-account will not be sold and the proceeds reinvested in the remaining jurisdictional sub-accounts. Doing this would result in a realized gain which would incur an income tax liability. Instead, the individual securities in the Illinois sub-account will be "reassigned" to the Missouri and Wholesale sub-accounts. This "reassignment" will be performed in such a manner that the market value is reallocated as closely as possible in accordance with the reallocation factors, while maintaining the index replication of the sub-accounts. But, since the reallocation is being performed by reassigning individual securities with fixed book values, the exact reallocation amounts may vary slightly when considered from a market versus a book value perspective.

In addition, the actual reallocation will be performed at the time the Company so directs the trustee, following receipt of Commission approval. The actual market values will, in all probability, have changed from those indicated in the above spreadsheet.

Consequently, the reallocation of the "After-Tax Liquidation Value" should coincide closely with the values indicated in the above spreadsheet, but cannot be expected to match precisely.

<b>AmerenUE</b> <b>Callaway Plant Tax-Qualified Nuclear Decommissioning Trust Fund Projection</b> <b>Missouri Jurisdiction</b>
--

**1 Current Year:**

2003

**2 Year Decommissioning Begins:**

2024

**3 Year Decommissioning Ends:**

2033

**4 End-Of-Year Fund Balances**

Dec 31, 2003 End-Of-Quarter Fund Balance:

\$194,442,390

2033 End-Of-Year Fund Balance:

\$0

↑ After entering all data, manually set this cell equal to the Final, Ending Balance of Fund, located on "Fund Projections" worksheet!

**5 Annual Contribution to Fund**

Current:

\$6,214,184

Revised:

\$6,214,184

**Effective Date of Revised Annual Contribution**

Year:

2004

Quarter:

3

**6 Portfolio Return Assumptions**

Asset Allocation

Equities:

65.000%

Bonds:

35.000%

Real Return on Bonds:

4.500%

CPI Inflation:

3.000%

Nominal Return on Bonds:

7.500%

Equity Premium over Bonds:

4.000%

Nominal Return on Equities:

11.500%

Weighted Average Return:

10.100%

Switch Out of Equities at End-Of-Year:

2022

**7 Investment Management & Trust Fees (Basis Points):**

15.00

**8 Federal & State Tax Assumptions**

Federal Tax Rate:

20.0000%

Missouri State Income Tax Rate:

6.2500%

Percentage of Federal Taxes Deductible on MO Taxes:

50.0000%

Composite Tax Rate:

24.5283%

**AmerenUE**  
**Callaway Plant Tax-Qualified Nuclear Decommissioning Trust Fund Projection**  
**Missouri Jurisdiction**

**1 Decommissioning Expense Estimates**

Original, Total Decommissioning Cost Estimate:

Original Estimate Based On:

Current, Total Decommissioning Cost Estimate:

Demand Allocator (Missouri - Post Property Transfer):

MO Jurisdictional, Total Decommissioning Cost Estimate:

Decommissioning Inflation:

<b>\$515,339,000</b>
<b>Aug. 2002 TLG Study</b>
<b>\$515,339,000</b>
<b>97.92%</b>
<b>\$504,625,310</b>
<b>3.964%</b>

Decommissioning Expense Calculation						
Year	Aug. 2002 TLG Study Total Decommissioning Expenses	Aug. 2002 TLG Study Decommissioning Expenses % OF TOTAL	Missouri Jurisdictional Decommissioning Expenses 2002	# of Years of Inflation	Inflation Factor At 3.964% Decommissioning Inflation Rate	Missouri Jurisdictional Decommissioning Expenses (Inflated \$\$)
<b>TOTAL</b>	<b>\$515,339,000.00</b>	<b>100.00%</b>	<b>\$504,625,310</b>			<b>\$1,380,946,608</b>
2003	\$0	0.00%	\$0	1	1.0396	\$0
2004	\$0	0.00%	\$0	2	1.0808	\$0
2005	\$0	0.00%	\$0	3	1.1237	\$0
2006	\$0	0.00%	\$0	4	1.1682	\$0
2007	\$0	0.00%	\$0	5	1.2145	\$0
2008	\$0	0.00%	\$0	6	1.2627	\$0
2009	\$0	0.00%	\$0	7	1.3127	\$0
2010	\$0	0.00%	\$0	8	1.3648	\$0
2011	\$0	0.00%	\$0	9	1.4188	\$0
2012	\$0	0.00%	\$0	10	1.4751	\$0
2013	\$0	0.00%	\$0	11	1.5336	\$0
2014	\$0	0.00%	\$0	12	1.5943	\$0
2015	\$0	0.00%	\$0	13	1.6575	\$0
2016	\$0	0.00%	\$0	14	1.7232	\$0
2017	\$0	0.00%	\$0	15	1.7915	\$0
2018	\$0	0.00%	\$0	16	1.8625	\$0
2019	\$0	0.00%	\$0	17	1.9364	\$0
2020	\$0	0.00%	\$0	18	2.0131	\$0
2021	\$0	0.00%	\$0	19	2.0929	\$0
2022	\$0	0.00%	\$0	20	2.1759	\$0
2023	\$0	0.00%	\$0	21	2.2621	\$0
2024	\$9,627,000	1.87%	\$9,426,859	22	2.3518	\$22,169,899
2025	\$56,737,000	11.01%	\$55,557,461	23	2.4450	\$135,837,845
2026	\$108,154,000	20.99%	\$105,905,522	24	2.5419	\$269,202,240
2027	\$103,226,000	20.03%	\$101,079,973	25	2.6427	\$267,120,274
2028	\$57,321,000	11.12%	\$56,129,319	26	2.7474	\$154,210,228
2029	\$57,164,000	11.09%	\$55,975,583	27	2.8563	\$159,883,520
2030	\$49,358,000	9.58%	\$48,331,867	28	2.9695	\$143,522,607
2031	\$31,638,000	6.14%	\$30,980,259	29	3.0872	\$95,643,058
2032	\$34,101,000	6.62%	\$33,392,054	30	3.2096	\$107,174,931
2033	\$8,013,000	1.55%	\$7,846,413	31	3.3368	\$26,182,006

**AmerenUE**  
**Callaway Plant Tax-Qualified Nuclear Decommissioning Trust Fund Projection**  
**Missouri Jurisdiction**

Current Year:	<b>2003</b>	Equities:	<b>65.00%</b>	Federal Tax Rate:	<b>20.00%</b>
Year Decommissioning Begins:	<b>2024</b>	Bonds:	<b>35.00%</b>	Missouri State Income Tax Rate:	<b>6.25%</b>
Year Decommissioning Ends:	<b>2033</b>	Real Return on Bonds:	<b>4.50%</b>	Percentage of Federal Taxes Deductible on MO Taxes:	<b>50.00%</b>
		CPI Inflation:	<b>3.00%</b>	Composite Tax Rate:	<b>24.5283%</b>
Dec 31, 2003 End-Of-Qtr Fund Balance:	<b>\$194,442,390</b>	Nominal Return on Bonds:	<b>7.50%</b>		
2033 EOY Fund Balance:	<b>\$0</b>	Equity Premium over Bonds:	<b>4.00%</b>	Original, Total Decommissioning Cost Est: Aug. 2002 TLG Study	<b>\$515,339,000</b>
		Nominal Return on Equities:	<b>11.50%</b>	Current, Total Decommissioning Cost Est: 2003	<b>\$515,339,000</b>
Current Contribution:	<b>\$6,214,184</b>	Weighted Average Return:	<b>10.100%</b>	MO Demand Allocator - Post Property Transfer:	<b>97.92%</b>
Revised contribution:	<b>\$6,214,184</b>	Switch Out of Equities at EOY:	<b>2022</b>	MO Jurisdictional, Total Decommissioning Cost Estimate:	<b>\$504,625,310</b>
		Management & Trust Fees: (BP)	<b>15.00</b>	Decommissioning Inflation Assumption:	<b>3.964%</b>

Fund Projections								
Year	Beginning-of-Year Balance	Annual Contributions To Fund	Pre Tax & Fee Income	Investment Management & Trust Fees	Federal & State Income Taxes	After Tax & Fee Income	Missouri Jurisdictional Decommissioning Expenses (Inflated \$\$)	End-Of-Year Balance
<b>TOTAL</b>		<b>\$ 130,497,865</b>	<b>\$ 1,423,831,654</b>	<b>\$ 24,623,235</b>	<b>\$ 343,202,065</b>	<b>\$ 1,056,006,354</b>	<b>\$ 1,380,946,608</b>	
2003								\$ 194,442,390
2004	\$ 194,442,390	\$ 6,214,184	\$ 19,952,498	\$ 311,289	\$ 4,817,655	\$ 14,823,554	-	215,480,128
2005	215,480,128	6,214,184	22,077,309	344,439	5,330,704	16,402,166	-	238,096,478
2006	238,096,478	6,214,184	24,361,561	380,077	5,882,251	18,099,233	-	262,409,895
2007	262,409,895	6,214,184	26,817,216	418,388	6,475,184	19,923,643	-	288,547,723
2008	288,547,723	6,214,184	29,457,136	459,575	7,112,609	21,884,952	-	316,646,859
2009	316,646,859	6,214,184	32,295,149	503,852	7,797,865	23,993,431	-	346,854,474
2010	346,854,474	6,214,184	35,346,118	551,452	8,534,541	26,260,125	-	379,328,784
2011	379,328,784	6,214,184	38,626,023	602,623	9,326,494	28,696,906	-	414,239,873
2012	414,239,873	6,214,184	42,152,044	657,634	10,177,874	31,316,535	-	451,770,593
2013	451,770,593	6,214,184	45,942,646	716,774	11,093,139	34,132,734	-	492,117,511
2014	492,117,511	6,214,184	50,017,685	780,350	12,077,082	37,160,253	-	535,491,947
2015	535,491,947	6,214,184	54,398,503	848,697	13,134,858	40,414,948	-	582,121,079
2016	582,121,079	6,214,184	59,108,045	922,173	14,272,006	43,913,866	-	632,249,129
2017	632,249,129	6,214,184	64,170,978	1,001,163	15,494,483	47,675,333	-	686,138,645
2018	686,138,645	6,214,184	69,613,819	1,086,079	16,808,691	51,719,049	-	744,071,879
2019	744,071,879	6,214,184	75,465,076	1,177,367	18,221,513	56,066,195	-	806,352,258
2020	806,352,258	6,214,184	81,755,394	1,275,506	19,740,350	60,739,539	-	873,305,981
2021	873,305,981	6,214,184	88,517,720	1,381,008	21,373,156	65,763,557	-	945,283,722
2022	945,283,722	6,214,184	95,787,472	1,494,427	23,128,483	71,164,563	-	1,022,662,468
2023	1,022,662,468	6,214,184	76,932,717	1,596,354	18,478,731	56,857,633	-	1,085,734,285
2024	1,085,734,285	6,214,184	80,831,732	1,677,258	19,415,248	59,739,225	22,169,899	1,129,517,795
2025	1,129,517,795	-	79,619,915	1,652,113	19,124,178	58,843,624	135,837,845	1,052,523,575
2026	1,052,523,575	-	68,844,184	1,428,517	16,535,918	50,879,749	269,202,240	834,201,083
2027	834,201,083	-	52,548,071	1,090,372	12,621,700	38,835,999	267,120,274	605,916,808
2028	605,916,808	-	39,660,877	822,963	9,526,281	29,311,633	154,210,228	481,018,213
2029	481,018,213	-	30,080,734	624,175	7,225,194	22,231,365	159,883,520	343,366,058
2030	343,366,058	-	20,370,357	422,685	4,892,825	15,054,847	143,522,607	214,898,298
2031	214,898,298	-	12,530,758	260,013	3,009,805	9,260,939	95,643,058	128,516,179
2032	128,516,179	-	5,619,654	116,608	1,349,804	4,153,242	107,174,931	25,494,490
2033	25,494,490	-	930,262	19,303	223,443	687,516	26,182,006	(0)

**AmerenUE**

**Callaway Plant Tax-Qualified Nuclear Decommissioning Trust Fund Projection**

**Missouri Jurisdiction**

**1 Portfolio Return Assumptions**

Equity Allocation:  
 Bond Allocation:  
 Real Return on Bonds:  
 CPI Inflation:  
 Nominal Return on Bonds:  
 Equity Premium over Bonds:  
 Nominal Return on Equities:  
 Weighted Average Return:  
 Switch out of Equities at End-Of-Year:

Contribution Boundary Estimates		
Optimistic Estimate	Expected Estimate	Conservative Estimate
65.000%	65.000%	65.000%
35.000%	35.000%	35.000%
4.750%	4.500%	4.250%
3.250%	3.000%	2.750%
8.000%	7.500%	7.000%
4.500%	4.000%	3.500%
12.500%	11.500%	10.500%
10.925%	10.100%	9.275%
2024	2022	2021

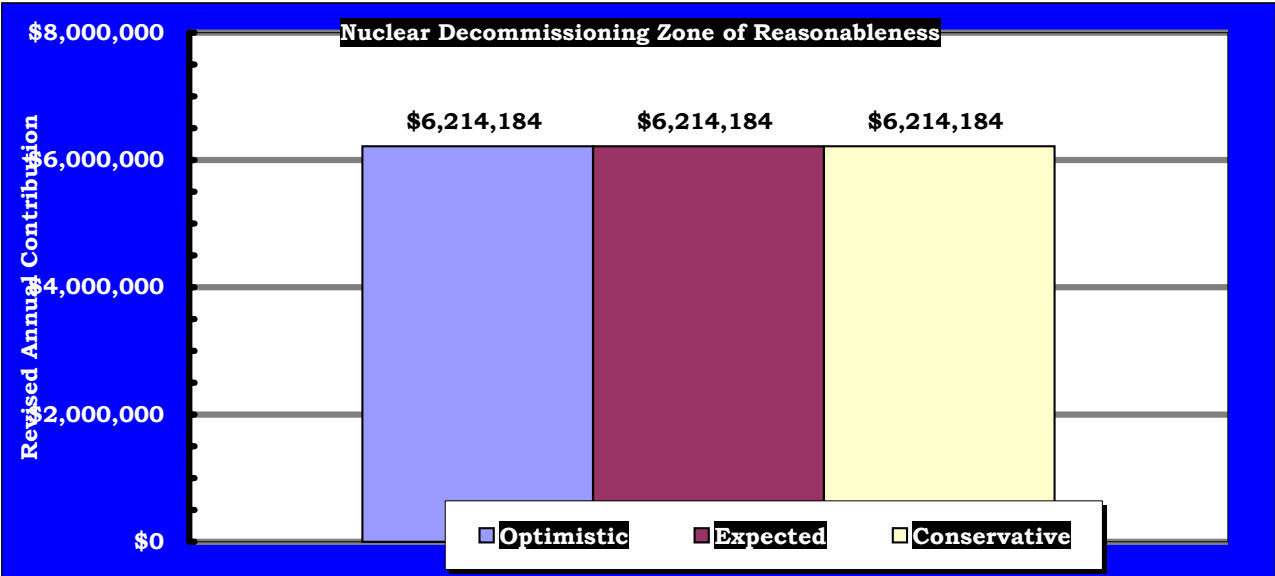
**2 Decommissioning Expense Estimates**

Decommissioning Inflation:

4.603%	3.964%	3.429%
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**Revised Annual Contribution:**

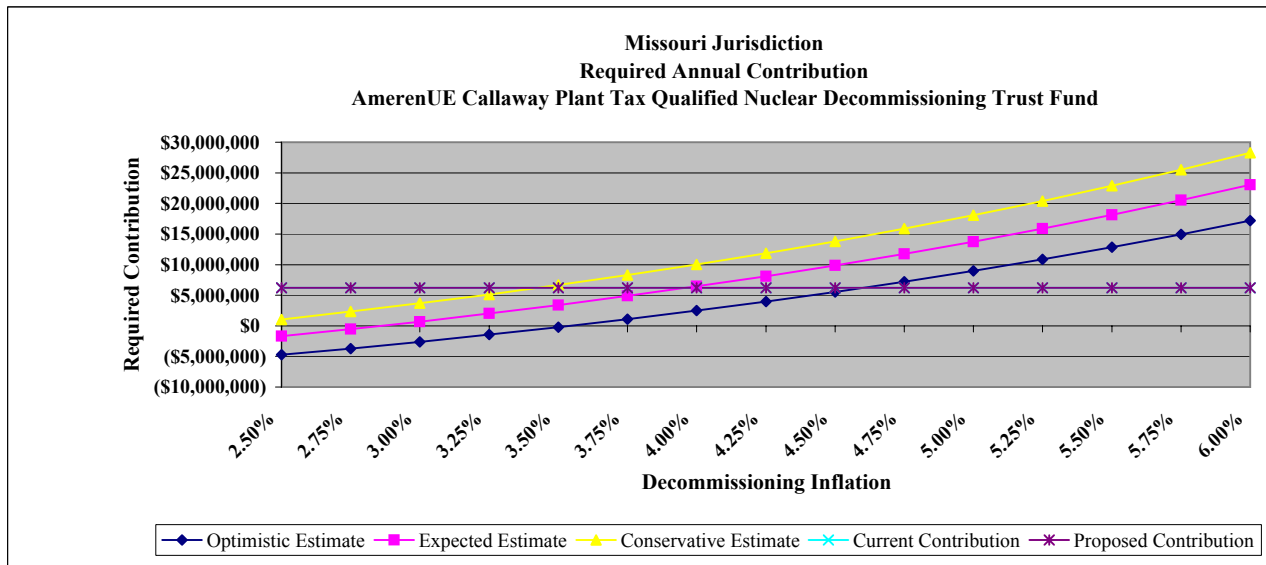
Optimistic	Expected	Conservative
\$6,214,184	\$6,214,184	\$6,214,184



**AmerenUE**  
**Callaway Plant Tax-Qualified Nuclear Decommissioning Trust Fund Projection**  
**Missouri Jurisdiction**  
**Zone of Reasonableness Analysis**

Portfolio Return Assumptions	Contribution Boundary Estimates		
	Optimistic Estimate	Expected Estimate	Conservative Estimate
Equity Allocation:	65.00%	65.00%	65.00%
Bond Allocation:	35.00%	35.00%	35.00%
Real Return on Bonds:	4.75%	4.50%	4.25%
CPI Inflation:	3.25%	3.00%	2.75%
Nominal Return on Bonds:	8.00%	7.50%	7.00%
Equity Premium over Bonds:	4.50%	4.00%	3.50%
Nominal Return on Equities:	12.50%	11.50%	10.50%
Weighted Average Return:	10.93%	10.10%	9.28%
Switch out of Equities at End-Of-Year:	2024	2022	2021

Decommissioning Inflation:	Required Contribution Amounts		
	Optimistic Estimate	Expected Estimate	Conservative Estimate
2.50%	\$ (4,734,399)	\$ (1,707,099)	\$ 1,047,477
2.75%	\$ (3,703,641)	\$ (544,302)	\$ 2,326,127
3.00%	\$ (2,608,665)	\$ 690,994	\$ 3,684,556
3.25%	\$ (1,445,608)	\$ 2,003,153	\$ 5,127,571
3.50%	\$ (210,383)	\$ 3,396,794	\$ 6,660,257
3.75%	\$ 1,101,337	\$ 4,876,803	\$ 8,287,997
4.00%	\$ 2,494,124	\$ 6,448,349	\$ 10,016,484
4.25%	\$ 3,972,818	\$ 8,116,900	\$ 11,851,742
4.50%	\$ 5,542,536	\$ 9,888,240	\$ 13,800,139
4.75%	\$ 7,208,691	\$ 11,768,484	\$ 15,868,415
5.00%	\$ 8,977,003	\$ 13,764,100	\$ 18,063,692
5.25%	\$ 10,853,525	\$ 15,881,927	\$ 20,393,505
5.50%	\$ 12,844,651	\$ 18,129,193	\$ 22,865,818
5.75%	\$ 14,957,144	\$ 20,513,542	\$ 25,489,053
6.00%	\$ 17,198,149	\$ 23,043,052	\$ 28,272,108



**AmerenUE**  
**Callaway Plant Tax-Qualified Nuclear Decommissioning Trust Fund Projection**  
**Missouri Jurisdiction**

**1 Current Year:**

2003

**2 Year Decommissioning Begins:**

2024

**3 Year Decommissioning Ends:**

2033

**4 End-Of-Year Fund Balances**

Dec 31, 2003 End-Of-Quarter Fund Balance:

\$194,442,390

2033 End-Of-Year Fund Balance:

\$0



After entering all data, manually set this cell equal to the Final, Ending Balance of Fund, located on "Fund Projections" worksheet!

**5 Annual Contribution to Fund**

Current:

\$6,214,184

Revised:

\$6,486,738

**Effective Date of Revised Annual Contribution**

Year:

2004

Quarter:

3

**6 Portfolio Return Assumptions**

Asset Allocation

Equities:

65.000%

Bonds:

35.000%

Real Return on Bonds:

4.500%

CPI Inflation:

3.000%

Nominal Return on Bonds:

7.500%

Equity Premium over Bonds:

4.000%

Nominal Return on Equities:

11.500%

Weighted Average Return:

10.100%

Switch Out of Equities at End-Of-Year:

2022

**7 Investment Management & Trust Fees (Basis Points):**

15.00

**8 Federal & State Tax Assumptions**

Federal Tax Rate:

20.0000%

Missouri State Income Tax Rate:

6.2500%

Percentage of Federal Taxes Deductible on MO Taxes:

50.0000%

Composite Tax Rate:

24.5283%



**AmerenUE**  
**Callaway Plant Tax-Qualified Nuclear Decommissioning Trust Fund Projection**  
**Missouri Jurisdiction**

**1 Decommissioning Expense Estimates**

Original, Total Decommissioning Cost Estimate:

Original Estimate Based On:

Current, Total Decommissioning Cost Estimate:

Demand Allocator (Missouri - Post Property Transfer):

MO Jurisdictional, Total Decommissioning Cost Estimate:

Decommissioning Inflation:

<b>\$515,339,000</b>
<b>Aug. 2002 TLG Study</b>
<b>\$515,339,000</b>
<b>97.92%</b>
<b>\$504,625,310</b>
<b>4.006%</b>

Decommissioning Expense Calculation						
Year	Aug. 2002 TLG Study Total Decommissioning Expenses	Aug. 2002 TLG Study Decommissioning Expenses % OF TOTAL	Missouri Jurisdictional Decommissioning Expenses 2002	# of Years of Inflation	Inflation Factor At 4.006% Decommissioning Inflation Rate	Missouri Jurisdictional Decommissioning Expenses (Inflated \$\$)
<b>TOTAL</b>	<b>\$515,339,000.00</b>	<b>100.00%</b>	<b>\$504,625,310</b>			<b>\$1,395,605,037</b>
2003	\$0	0.00%	\$0	1	1.0401	\$0
2004	\$0	0.00%	\$0	2	1.0817	\$0
2005	\$0	0.00%	\$0	3	1.1251	\$0
2006	\$0	0.00%	\$0	4	1.1701	\$0
2007	\$0	0.00%	\$0	5	1.2170	\$0
2008	\$0	0.00%	\$0	6	1.2658	\$0
2009	\$0	0.00%	\$0	7	1.3165	\$0
2010	\$0	0.00%	\$0	8	1.3692	\$0
2011	\$0	0.00%	\$0	9	1.4240	\$0
2012	\$0	0.00%	\$0	10	1.4811	\$0
2013	\$0	0.00%	\$0	11	1.5404	\$0
2014	\$0	0.00%	\$0	12	1.6021	\$0
2015	\$0	0.00%	\$0	13	1.6663	\$0
2016	\$0	0.00%	\$0	14	1.7331	\$0
2017	\$0	0.00%	\$0	15	1.8025	\$0
2018	\$0	0.00%	\$0	16	1.8747	\$0
2019	\$0	0.00%	\$0	17	1.9498	\$0
2020	\$0	0.00%	\$0	18	2.0279	\$0
2021	\$0	0.00%	\$0	19	2.1091	\$0
2022	\$0	0.00%	\$0	20	2.1936	\$0
2023	\$0	0.00%	\$0	21	2.2815	\$0
2024	\$9,627,000	1.87%	\$9,426,859	22	2.3729	\$22,368,899
2025	\$56,737,000	11.01%	\$55,557,461	23	2.4679	\$137,112,827
2026	\$108,154,000	20.99%	\$105,905,522	24	2.5668	\$271,839,383
2027	\$103,226,000	20.03%	\$101,079,973	25	2.6696	\$269,846,608
2028	\$57,321,000	11.12%	\$56,129,319	26	2.7766	\$155,847,448
2029	\$57,164,000	11.09%	\$55,975,583	27	2.8878	\$161,646,618
2030	\$49,358,000	9.58%	\$48,331,867	28	3.0035	\$145,164,238
2031	\$31,638,000	6.14%	\$30,980,259	29	3.1238	\$96,776,337
2032	\$34,101,000	6.62%	\$33,392,054	30	3.2489	\$108,488,910
2033	\$8,013,000	1.55%	\$7,846,413	31	3.3791	\$26,513,768

**AmerenUE**  
**Callaway Plant Tax-Qualified Nuclear Decommissioning Trust Fund Projection**  
**Missouri Jurisdiction**

Current Year:	<b>2003</b>
Year Decommissioning Begins:	<b>2024</b>
Year Decommissioning Ends:	<b>2033</b>
Dec 31, 2003 End-Of-Qtr Fund Balance:	<b>\$194,442,390</b>
2033 EOY Fund Balance:	<b>\$0</b>
Current Contribution:	<b>\$6,214,184</b>
Revised contribution:	<b>\$6,486,738</b>

Equities:	<b>65.00%</b>
Bonds:	<b>35.00%</b>
Real Return on Bonds:	<b>4.50%</b>
CPI Inflation:	<b>3.00%</b>
Nominal Return on Bonds:	<b>7.50%</b>
Equity Premium over Bonds:	<b>4.00%</b>
Nominal Return on Equities:	<b>11.50%</b>
Weighted Average Return:	<b>10.100%</b>
Switch Out of Equities at EOY:	<b>2022</b>
Management & Trust Fees: (BP)	<b>15.00</b>

Federal Tax Rate:	<b>20.00%</b>
Missouri State Income Tax Rate:	<b>6.25%</b>
Percentage of Federal Taxes Deductible on MO Taxes:	<b>50.00%</b>
Composite Tax Rate:	<b>24.5283%</b>
Original, Total Decommissioning Cost Est: Aug. 2002 TLG Study	<b>\$515,339,000</b>
Current, Total Decommissioning Cost Est: 2003	<b>\$515,339,000</b>
MO Demand Allocator - Post Property Transfer:	<b>97.92%</b>
MO Jurisdictional, Total Decommissioning Cost Estimate:	<b>\$504,625,310</b>
Decommissioning Inflation Assumption:	<b>4.006%</b>

Fund Projections								
Year	Beginning-of-Year Balance	Annual Contributions To Fund	Pre Tax & Fee Income	Investment Management & Trust Fees	Federal & State Income Taxes	After Tax & Fee Income	Missouri Jurisdictional Decommissioning Expenses (Inflated \$\$)	End-Of-Year Balance
<b>TOTAL</b>		<b>\$ 136,017,083</b>	<b>\$ 1,436,159,642</b>	<b>\$ 24,841,769</b>	<b>\$ 346,172,308</b>	<b>\$ 1,065,145,564</b>	<b>\$ 1,395,605,037</b>	
2003								\$ 194,442,390
2004	\$ 194,442,390	\$ 6,282,323	\$ 19,955,939	\$ 311,342	\$ 4,818,486	\$ 14,826,110	-	215,550,823
2005	215,550,823	6,486,738	22,098,213	344,765	5,335,751	16,417,697	-	238,455,258
2006	238,455,258	6,486,738	24,411,561	380,857	5,894,324	18,136,381	-	263,078,376
2007	263,078,376	6,486,738	26,898,496	419,656	6,494,810	19,984,030	-	289,549,144
2008	289,549,144	6,486,738	29,572,044	461,368	7,140,355	21,970,322	-	318,006,204
2009	318,006,204	6,486,738	32,446,207	506,209	7,834,339	24,105,659	-	348,598,601
2010	348,598,601	6,486,738	35,536,039	554,415	8,580,398	26,401,226	-	381,486,564
2011	381,486,564	6,486,738	38,857,723	606,238	9,382,440	28,869,045	-	416,842,348
2012	416,842,348	6,486,738	42,428,657	661,950	10,244,664	31,522,043	-	454,851,129
2013	454,851,129	6,486,738	46,267,544	721,842	11,171,587	34,374,115	-	495,711,982
2014	495,711,982	6,486,738	50,394,490	786,229	12,168,064	37,440,197	-	539,638,917
2015	539,638,917	6,486,738	54,831,111	855,447	13,239,314	40,736,350	-	586,862,005
2016	586,862,005	6,486,738	59,600,643	929,859	14,390,947	44,279,837	-	637,628,581
2017	637,628,581	6,486,738	64,728,067	1,009,854	15,628,996	48,089,217	-	692,204,536
2018	692,204,536	6,486,738	70,240,238	1,095,852	16,959,944	52,184,443	-	750,875,716
2019	750,875,716	6,486,738	76,166,028	1,188,303	18,390,763	56,586,962	-	813,949,416
2020	813,949,416	6,486,738	82,536,471	1,287,692	19,928,946	61,319,834	-	881,755,988
2021	881,755,988	6,486,738	89,384,935	1,394,538	21,582,550	66,407,847	-	954,650,573
2022	954,650,573	6,486,738	96,747,288	1,509,401	23,360,236	71,877,650	-	1,033,014,961
2023	1,033,014,961	6,486,738	77,719,375	1,612,677	18,667,681	57,439,017	-	1,096,940,717
2024	1,096,940,717	6,486,738	81,674,973	1,694,756	19,617,789	60,362,428	22,368,899	1,141,420,983
2025	1,141,420,983	-	80,464,843	1,669,645	19,327,124	59,468,073	137,112,827	1,063,776,230
2026	1,063,776,230	-	69,589,245	1,443,977	16,714,876	51,430,388	271,839,383	843,367,234
2027	843,367,234	-	53,133,295	1,102,516	12,762,267	39,268,512	269,846,608	612,789,139
2028	612,789,139	-	40,114,906	832,384	9,635,336	29,647,186	155,847,448	486,588,877
2029	486,588,877	-	30,432,418	631,473	7,309,666	22,491,279	161,646,618	347,433,538
2030	347,433,538	-	20,613,856	427,738	4,951,812	15,234,807	145,164,238	212,501,107
2031	217,504,107	-	12,683,695	263,187	3,046,540	9,373,969	96,776,337	130,101,739
2032	130,101,739	-	5,689,296	118,053	1,366,531	4,204,712	108,488,910	25,817,540
2033	25,817,540	-	942,049	19,548	226,274	696,228	26,513,768	0

**AmerenUE**

**Callaway Plant Tax-Qualified Nuclear Decommissioning Trust Fund Projection**

**Missouri Jurisdiction**

**1 Portfolio Return Assumptions**

Equity Allocation:  
 Bond Allocation:  
 Real Return on Bonds:  
 CPI Inflation:  
 Nominal Return on Bonds:  
 Equity Premium over Bonds:  
 Nominal Return on Equities:  
 Weighted Average Return:  
 Switch out of Equities at End-Of-Year:

Contribution Boundary Estimates		
Optimistic Estimate	Expected Estimate	Conservative Estimate
65.000%	65.000%	65.000%
35.000%	35.000%	35.000%
4.750%	4.500%	4.250%
3.250%	3.000%	2.750%
8.000%	7.500%	7.000%
4.500%	4.000%	3.500%
12.500%	11.500%	10.500%
10.925%	10.100%	9.275%
2024	2022	2021

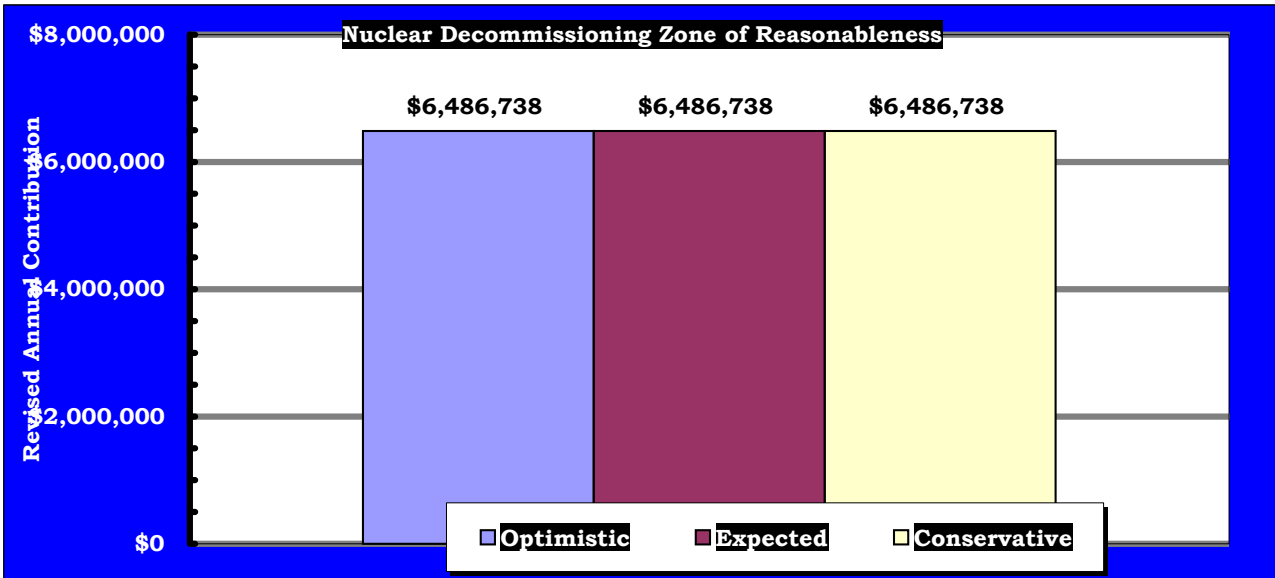
**2 Decommissioning Expense Estimates**

Decommissioning Inflation:

4.643%	4.006%	3.472%
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**Revised Annual Contribution:**

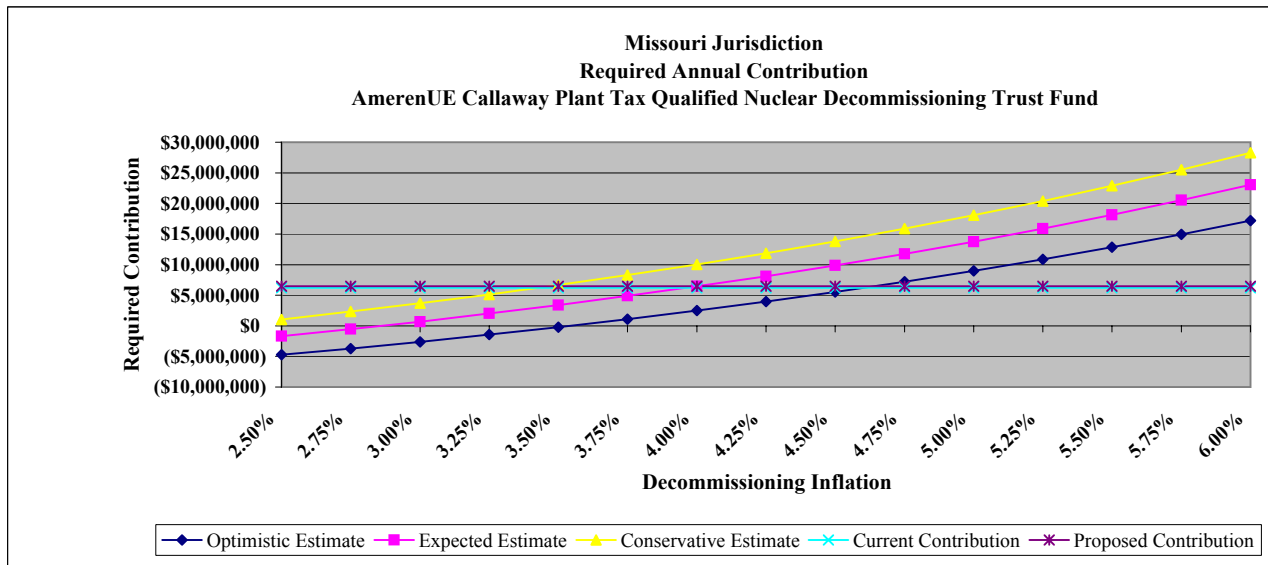
Optimistic	Expected	Conservative
\$6,486,738	\$6,486,738	\$6,486,738



**AmerenUE**  
**Callaway Plant Tax-Qualified Nuclear Decommissioning Trust Fund Projection**  
**Missouri Jurisdiction**  
**Zone of Reasonableness Analysis**

Portfolio Return Assumptions	Contribution Boundary Estimates		
	Optimistic Estimate	Expected Estimate	Conservative Estimate
Equity Allocation:	65.00%	65.00%	65.00%
Bond Allocation:	35.00%	35.00%	35.00%
Real Return on Bonds:	4.75%	4.50%	4.25%
CPI Inflation:	3.25%	3.00%	2.75%
Nominal Return on Bonds:	8.00%	7.50%	7.00%
Equity Premium over Bonds:	4.50%	4.00%	3.50%
Nominal Return on Equities:	12.50%	11.50%	10.50%
Weighted Average Return:	10.93%	10.10%	9.28%
Switch out of Equities at End-Of-Year:	2024	2022	2021

Decommissioning Inflation:	Required Contribution Amounts		
	Optimistic Estimate	Expected Estimate	Conservative Estimate
2.50%	\$ (4,734,399)	\$ (1,707,099)	\$ 1,047,477
2.75%	\$ (3,703,641)	\$ (544,302)	\$ 2,326,127
3.00%	\$ (2,608,665)	\$ 690,994	\$ 3,684,556
3.25%	\$ (1,445,608)	\$ 2,003,153	\$ 5,127,571
3.50%	\$ (210,383)	\$ 3,396,794	\$ 6,660,257
3.75%	\$ 1,101,337	\$ 4,876,803	\$ 8,287,997
4.00%	\$ 2,494,124	\$ 6,448,349	\$ 10,016,484
4.25%	\$ 3,972,818	\$ 8,116,900	\$ 11,851,742
4.50%	\$ 5,542,536	\$ 9,888,240	\$ 13,800,139
4.75%	\$ 7,208,691	\$ 11,768,484	\$ 15,868,415
5.00%	\$ 8,977,003	\$ 13,764,100	\$ 18,063,692
5.25%	\$ 10,853,525	\$ 15,881,927	\$ 20,393,505
5.50%	\$ 12,844,651	\$ 18,129,193	\$ 22,865,818
5.75%	\$ 14,957,144	\$ 20,513,542	\$ 25,489,053
6.00%	\$ 17,198,149	\$ 23,043,052	\$ 28,272,108



**CERTIFICATE OF SERVICE**

I hereby certify that a copy of the foregoing has been sent to all parties of record this 1st day of March, 2004 by electronic mail (e-mail) or U.S. Mail.

**/s/ Joseph H. Raybuck**

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