

**Exhibit No.:**  
**Issue:** Earnings Report ,  
Amount of Rate Decrease,  
Lobbying Expenses,  
Decommissioning Trust  
Fund Deposits, and  
Territorial Exchanges  
**Witness:** Gary S. Weiss  
**Type of Exhibit:** Rebuttal Testimony  
**Sponsoring Party:** Union Electric Company  
**Case No:** EO-96-14  
EM-96-149

**MISSOURI PUBLIC SERVICE COMMISSION**

**Case No. EO-96-14**  
**Case No. EM-96-149**

**REBUTTAL TESTIMONY**

**OF**

**GARY S. WEISS**

**FILED**  
APR 2 1999  
Missouri Public  
Service Commission

**ST. LOUIS, MISSOURI**  
**APRIL 2, 1999**

**MISSOURI PUBLIC SERVICE COMMISSION**

**STATE OF MISSOURI**

In the Matter of the Investigation into the )  
Class Cost of Service and Rate Design for ) Case No. EO-96-14  
Union Electric Company )

In the Matter of the UE/CIPSCO Merger ) Case No. EM-96-149

**AFFIDAVIT OF GARY S. WEISS**

STATE OF MISSOURI )  
 ) SS.  
CITY OF ST. LOUIS )

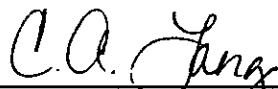
Gary S. Weiss, being first duly sworn on his oath, states:

1. My name is Gary S. Weiss. I work in the City of St. Louis, Missouri, and I am a Supervisor in the Regulatory Accounting Department of Ameren Services Company.
2. Attached hereto and made a part hereof for all purposes is my Rebuttal Testimony consisting of pages 1 through 9, with Appendix A and including Schedules 1 through 6, all of which testimony has been prepared in written form for introduction into evidence in Missouri Public Service Commission Case No. EO-96-14 and Case No. EM-96-149 on behalf of Union Electric Company.
3. I hereby swear and affirm that my answers contained in the attached testimony to the questions therein propounded are true and correct.

  
\_\_\_\_\_  
Affiant

Subscribed and sworn to before me this 15<sup>th</sup> day of April, 1999.

**C. A. LANG**  
Notary Public — Notary Seal  
STATE OF MISSOURI  
St. Louis County  
My Commission Expires: March 3, 2001

  
\_\_\_\_\_  
Notary Public



1 of the impact of the Decommissioning Trust Fund Deposits being delayed during the  
2 third sharing period. Finally, I supply a calculation of the impact on net revenues of  
3 the territorial exchanges with the Black River Cooperative and the Macon Electric  
4 Cooperative.

5 **Q. Have you prepared or have there been prepared under your**  
6 **direction and supervision schedules for presentation to the Commission in**  
7 **this proceeding?**

8 **A. Yes. I am sponsoring Schedules 1 through 6.**

9 **Q. What is the subject matter of Schedule 1?**

10 **A. Schedule 1, pages 1 through 5 constitutes the Final Earnings Report**  
11 **for Union Electric's Missouri Retail Electric Operations for the twelve months ended**  
12 **June 30, 1998 and the required revenue credit which was previously filed pursuant**  
13 **to the terms of the Agreement and is the same as that filed on November 24, 1998.**

14 **Q. Why is this Earnings Report required?**

15 **A. Docket No. ER-95-411 approved a Stipulation and Agreement**  
16 **authorizing a three-year experimental alternative regulation plan starting July 1,**  
17 **1995 and ending June 30, 1998. The three annual sharing periods run from July 1**  
18 **through June 30. After the close of each sharing period the Company is required to**  
19 **file an Earnings Report and the amount of revenue credit required. Schedule 1,**  
20 **pages 1 through 5 is the Earnings Report for the third sharing period, July 1, 1997**  
21 **through June 30, 1998. Page 4 of Schedule 1 shows the amount of revenue credit**  
22 **required for this period.**

23 **Q. Does the Stipulation and Agreement approved in Docket No. ER-**

1 **95-411 detail how the calculation of the Earnings Report should be performed?**

2 A. Yes, Attachment C to the Stipulation and Agreement details how the  
3 earnings report should be calculated and what adjustments the earnings report  
4 should reflect.

5 **Q. Was the Earnings Report in Schedule 1 and the Earnings Reports**  
6 **filed by the Company for the first, second and third sharing periods prepared**  
7 **following the requirements in Attachment C?**

8 A. Yes, the Earnings Reports for all three sharing periods have been  
9 prepared consistently and follow the requirements in Attachment C.

10 **Q. What does Schedule 1 show as the Missouri Jurisdictional Net**  
11 **Operating Income and Achieved Return on Common Equity for the twelve**  
12 **months ended June 30, 1998?**

13 A. The Missouri Jurisdictional Net Operating Income for the twelve  
14 months ended June 30, 1998 is \$420, 267,000 which equals an Achieved Return on  
15 Common Equity of 13.964% per Page 2 of Schedule 1.

16 **Q. What is the amount of revenue credit that results from the**  
17 **Achieved Return on Common Equity of 13.694%?**

18 A. The Missouri Jurisdiction revenue credit for the twelve months ended  
19 June 30, 1998 is \$23,509,000 before gross receipts tax. Including the \$41,000  
20 variation of the actual 1997 credit refunded to customers versus the ordered refund  
21 results in a total revenue credit for the twelve months ended June 30, 1998 of  
22 \$23,550,000 before gross receipts tax.

23 **Q. What does Schedule 2 show?**

1           A.     Schedule 2 shows the amount of the rate reduction applicable to  
2 Missouri Jurisdiction customers based on the weather normalized average revenue  
3 credits for the three sharing periods ending June 30, 1998.

4           **Q.     Why is it necessary to calculate a rate decrease?**

5           A.     The Stipulation and Agreement in Case No. EM-96-149 approving the  
6 merger between Union Electric Company and CIPSCo included a new three-year  
7 experimental alternative regulation plan to run from July 1, 1998 through June-30,  
8 2001. In addition, a rate reduction equal to the average annual total revenues  
9 credited to customers during the three years of the first experimental alternative  
10 regulation plan ending June 30, 1998, adjusted to reflect normal weather was  
11 ordered. It is therefore necessary to weather normalize the first three years of  
12 revenue credits and average them to arrive at the amount of the rate decrease.

13          **Q.     Did the Stipulation and Agreement in Case No. EM-96-149 outline**  
14 **the procedures to follow to determine the rate reduction?**

15          A.     Yes, Attachment A to the Stipulation and Agreement in Case No. EM-  
16 96-149 is titled Procedures To Determine Rate Reduction. Attachment A provides  
17 detailed procedures to follow to normalize the kilowatt-hour sales, to price these  
18 kilowatt-hour sales for revenues, and to calculate the fuel cost for the weather  
19 related kilowatt-hours.

20          **Q.     Are the weather normalized revenue sharing credits for the first**  
21 **three sharing periods listed on Schedule 2, based on the procedures outlined**  
22 **in Attachment A?**

23          A.     Yes they are.

1           **Q.    Based on the Company's weather normalized revenue sharing**  
2 **credits for the first three sharing periods, what is the rate reduction shown on**  
3 **Schedule 2.**

4           A.    The Company's average of the first three years weather normalized  
5 revenue sharing credits equals a rate decrease of \$13,710,000 before gross receipts  
6 tax for the Missouri Jurisdictional customers

7           **Q.    Will you explain the process followed to allocate a portion of the**  
8 **Legal Department labor cost to lobbying expense?**

9           A.    Prior to January 1998, in December of each year a memo was sent  
10 from the Legal Department to General Accounting to have a portion of the Legal  
11 Department's labor transferred from operating expenses to lobbying expense (a non-  
12 operating expense) for the personnel who performed lobbying activities. 25% of  
13 their salary for the year was transferred to lobbying expense.

14           Starting in January 1998 the Union Electric Legal Department was moved to  
15 Ameren Services. Ameren Services is a service company that supplies various  
16 services to the utility operating companies, AmerenUE and AmerenCIPS. There is a  
17 General Service Agreement between Ameren Services Company and Ameren  
18 Corporation, AmerenUE and AmerenCIPS, and CIPSCO Investment Company that  
19 governs the services to be performed, the compensation of the Service Company,  
20 and the use of a Service Request system. The Service Request system captures  
21 the Ameren Services costs and then allocates them to the operating companies  
22 using allocations approved by the Securities and Exchange Commission (SEC). As  
23 part of its approval of the merger between Union Electric Company and CIPSCO,

Rebuttal Testimony of  
Gary S. Weiss

1 Inc. (the parent of Central Illinois Public Service Company), the Missouri Public  
2 Service Commission approved the General Services Agreement, and therefore, the  
3 Service Request system.

4 The Legal Department has a number of Service Requests they charge their  
5 time to. There are four Service Requests of the Legal Department that allocate  
6 charges to AmerenUE. The four Service Requests are: A0386 Regulatory Legal  
7 Work for AmerenUE; A0387 Legislative and Lobbying Activities for AmerenUE;  
8 A0392 Regulatory Legal Work for AmerenUE and AmerenCIPS; and A0393  
9 Legislative and Lobbying Activities for AmerenUE and AmerenCIPS. Service  
10 Requests A0386 and A0392 do not contain Lobbying expenses. The Lobbying  
11 expenses are charged to Service Requests A0387 and A0393. Service Requests  
12 A0387 and A0393 were intended to have a portion of the labor charges allocated to  
13 Lobbying expense, non-operating account 426. However, when these Service  
14 Requests were set up in the Service Request system, the allocation of labor charges  
15 to Lobbying expense was inadvertently left off. The Legal Department and General  
16 Accounting believed the Service Request system was charging labor to Lobbying  
17 expense and thus did not make a transfer in December 1998. Therefore, for the  
18 third sharing period Legal Department labor was transferred to Lobbying expense for  
19 July through December 1997 but was not transferred for January through June  
20 1998.

21 **Q. What is the amount of Legal Department labor for January**  
22 **through June 1998 that should be transferred to Lobbying expense?**

23 **A. Schedules 3 and 4 calculate the amount of Legal Department labor for**



1 January through June 1998 that should be transferred to Lobbying expense from  
2 Service Requests A0387 and A0393.

3 **Q. Please explain how the amount of Legal Department labor on**  
4 **Service Request A0387 that should be transferred to Lobbying expense for**  
5 **January through June 1998 was calculated on Schedule 3?**

6 A. A detailed listing of all of the charges to Service Request A0387 by  
7 account was obtained for January through June 1998. Service Request A0387 only  
8 applies to AmerenUE, so 100% of the charges are allocated to AmerenUE.  
9 However, since AmerenUE has operations in both Missouri and Illinois, the total  
10 amount first had to be allocated between Missouri and Illinois. Then 25% of the  
11 Missouri operating labor and labor related overheads were calculated to be  
12 transferred to Lobbying expense. For Service Request A0387 the amount of  
13 \$34,610 was calculated to be transferred to Lobbying expense.

14 **Q. Please explain how the amount of Legal Department labor on**  
15 **Service Request A0393 that should be transferred to Lobbying expense for**  
16 **January through June 1998 was calculated on Schedule 4?**

17 A. A detailed listing of all of the charges to Service Request A0393 by  
18 account was obtained for January through June 1998. Service Request A0393  
19 applies to AmerenUE and AmerenCIPS, therefore the charges must first be  
20 allocated to AmerenUE. The composite allocator based on sales, customers and  
21 employees is used to allocate Service Request A0393 to AmerenUE. For 1998  
22 72.62% of Service Request A0393 was allocated to AmerenUE. Then, the same as  
23 in Service Request A0387, AmerenUE must be allocated to Missouri. Finally, 25%

1 of the Missouri operating labor and labor related overheads were calculated to be  
2 transferred to Lobbying expense. For Service Request A0393 the amount of  
3 \$15,712 was calculated to be transferred to Lobbying expense.

4 **Q. What is the total Legal Department operating labor and related**  
5 **charges that should have been transferred to Lobbying expense for January**  
6 **through June 1998.**

7 A. \$50,322 is the total Legal Department operating labor and related  
8 charges that should be transferred to Lobbying expense for January through June  
9 1998.

10 **Q. What does Schedule 5 show?**

11 A. Schedule 5, page 1 shows the cash working capital (lead/lag) benefit  
12 for the Decommissioning Trust Fund Deposits being delayed for the third sharing  
13 period as discussed in the testimony of Company witness Warner Baxter. The  
14 September and December 1997 Decommissioning Trust Fund Deposits were  
15 delayed until March 1998. Schedule 5, page 1 compares the revenue lag with the  
16 expense or payment lag to arrive at the cash lag which is then used to calculate the  
17 cash working requirement. The cash working requirement is treated as a rate base  
18 deduction. The cash working requirement for the September and December 1997  
19 delayed Decommission Trust Fund Deposits is a \$452,359 rate base deduction.

20 **Q. What is the impact of this \$452,359 rate base deduction on the**  
21 **third period revenue sharing?**

22 A. Schedule 5, page 2 shows that the third period revenue credit would  
23 be increased by \$31,000 if this \$452,359 rate base deduction were reflected.

1           **Q.    What is the revenue impact during the third sharing period of the**  
2 **Black River Cooperative territorial exchange?**

3           A.    A comparison of the revenues and kwh sales for the areas included in  
4 the Black River Cooperative territorial exchange show the revenues for the twelve  
5 months ended June 1998 compared to the twelve months ended June 1996 have  
6 increased. The revenues have increased \$276,000 and the kwh sales have  
7 increased 22,680,000 kwh. Therefore, an adjustment for the Black River  
8 Cooperative territorial exchange is inappropriate.

9           **Q.    What is the correct impact of the Macon Electric Cooperative**  
10 **territorial exchange?**

11          A.    Schedule 6 shows the correct impact of the Macon Electric  
12 Cooperative territorial exchange based on current information to be a net increase in  
13 revenue of \$216,504. Therefore, an adjustment for the Macon Electric Cooperative  
14 territorial exchange is inappropriate.

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

16          A.    Yes, it does.

1 **QUALIFICATIONS OF GARY S. WEISS**  
2

3 My name is Gary S. Weiss and my business address is 1901 Chateau  
4 Avenue, St. Louis, MO 63103. I reside in St. Louis County, Missouri.  
5

6 My educational background consists of a Bachelor of Science Degree in  
7 Business Management from Southwest Missouri State University received in 1968  
8 and a Masters in Business Administration from Southern Illinois University at  
9 Edwardsville received in 1977.  
10

11 I was employed by Union Electric Company in June of 1968 and was  
12 employed continuously until January 1, 1998, except for a two-year tour of duty with  
13 the United States Army. Effective with the merger of Union Electric Company and  
14 Central Illinois Public Service Company into the Ameren Corporation, I assumed  
15 employment with Ameren Services. My work experience started at Union Electric as  
16 an Accountant in the Controller's function. I worked as an accountant in the Internal  
17 Audit Department, General Accounting Department, and Property Accounting  
18 Department from 1968 through 1973. In 1974 I was promoted to a Senior  
19 Accountant in the Internal Audit Department. In 1976 I was promoted to Supervisor  
20 in the Rate Accounting Department. The Rate Accounting Department was  
21 combined with the Plant Accounting Department in 1990 to form the Plant and  
22 Regulatory Accounting Department. In December 1998 I and the Regulatory  
23 Accounting Section were moved to the Financial Communications Department.  
24

25 My duties as Supervisor of Regulatory Accounting include preparing cost of  
26 service studies by type of utility and regulatory jurisdiction and developing  
27 accounting exhibits and testimony for use in applications for rate changes for both  
28 AmerenUE and AmerenCIPS. I provide assistance to the Controller regarding (1)  
29 rate case and regulatory accounting, (2) the need for and the timing of rate cases  
30 and (3) the effect on financial forecasts of proposed rate changes. I conduct studies  
31 to determine the effect on filed tariffs and operating income of various accounting  
32 policies and practices, analyze the results and suggest appropriate changes. I  
33 prepare regularly required reports and exhibits for the various regulatory  
34 commissions. I provide data, answer inquiries, arrange meetings, and otherwise  
35 assist representatives of regulatory commissions in conducting their audits and  
36 reviews. I am also responsible for filing various reports and requests with the  
37 Securities and Exchange Commission.  
38

39 I have submitted testimony concerning cost of service before the Missouri  
40 Public Service Commission, the Illinois Commerce Commission, the Iowa State  
41 Commerce Commission, and the Federal Energy Regulatory Commission. I have  
42 also provided anti-trust testimony before the Federal Court.  
43  
44

Appendix A

**UNION ELECTRIC COMPANY  
CAPITAL STRUCTURE AND  
EMBEDDED COST OF DEBT AND PREFERRED  
AT JUNE 30, 1997 AND 1998**

**BEGINNING OF SHARING PERIOD (JUNE 30, 1997)**

	(I) CAPITAL STRUCTURE		(III) EMBEDDED COST	(IV) WGTD AVG COST
	DOLLARS	%		
COMMON STOCK EQUITY*	\$2,364,384,244	54.360%	N/A	N/A
PREFERRED STOCK	155,197,000	3.568%	5.775%	0.206%
LONG-TERM DEBT	1,829,910,541	42.072%	7.013%	2.950%
TOTAL CAPITALIZATION	<u>\$4,349,491,785</u>	<u>100.000%</u>		
RETURN PORTION RELATED TO DEBT AND PREFERRED				<u>3.157%</u>

**END OF SHARING PERIOD (JUNE 30, 1998)**

	(V) CAPITAL STRUCTURE		(VII) EMBEDDED COST	(VIII) WGTD AVG COST
	DOLLARS	%		
COMMON STOCK EQUITY*	\$2,415,630,944	55.334%	N/A	N/A
PREFERRED STOCK	155,197,000	3.555%	5.775%	0.205%
LONG-TERM DEBT	1,794,739,172	41.111%	6.978%	2.869%
TOTAL CAPITALIZATION	<u>\$4,365,567,116</u>	<u>100.000%</u>		
RETURN PORTION RELATED TO DEBT AND PREFERRED				<u>3.073%</u>

RETURN PORTION RELATED TO DEBT AND PREFERRED  
AVERAGE BEGINNING AND END OF SHARING PERIOD 3.115%

AVERAGE COMMON STOCK EQUITY\*  
BEGINNING AND END OF SHARING PERIOD (%) 54.847%

\*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.

**UNION ELECTRIC COMPANY**  
**12 MONTHS ENDED JUNE 30, 1998**  
**(IN THOUSANDS OF DOLLARS)**

	<u>TOTAL ELECTRIC</u>	<u>MISSOURI JURISDICTIONAL</u>
Plant in Service	\$ 8,244,371	\$ 7,383,102
Reserve for Depreciation	<u>3,162,393</u>	<u>2,815,145</u>
Net Plant	5,081,978	4,567,957
Add:		
Fuel and Materials & Supplies	197,523	170,633
Cash Working Capital	(27,466)	(24,000)
Prepayments	12,479	10,904
Less:		
Income Tax Offset (Staff Method)	63,030	58,066
Interest Expense Offset (Staff Method)	16,131	14,529
Customer Advances	8,113	8,065
Customer Deposits	10,435	10,435
Accumulated Deferred Income Taxes:		
Account 190	59,063	51,968
Account 282	<u>(895,124)</u>	<u>(785,745)</u>
(A) Total Rate Base	<u>\$ 4,330,744</u>	<u>\$ 3,900,622</u>
(B) Net Operating Income	\$ 455,581	\$ 420,267
(C) Return on Rate Base ((B) / (A))	<u>10.520%</u>	<u>10.774%</u>
(D) Return Portion Related to Debt & Preferred	3.115%	3.115%
(E) Return Portion Related to Common Equity ((C) - (D))	7.405%	7.659%
(F) Equity Percentage of Capital Structure	<u>54.847%</u>	<u>54.847%</u>
(G) Achieved Cost of Common Equity ((E) / (F))	<u>13.501%</u>	<u>13.964%</u>

**UNION ELECTRIC COMPANY**  
**12 MONTHS ENDED JUNE 30, 1998**  
**(IN THOUSANDS OF DOLLARS)**

	<u>TOTAL ELECTRIC</u>	<u>MISSOURI JURISDICTIONAL</u>
Operating Revenues	\$ 2,131,069	\$ 1,914,181
Operating & Maintenance Expenses:		
Production:		
Fixed Allocation	90,281	78,662
Variable Allocation	548,556	468,303
Directly Assigned	(2,436)	(2,048)
Total Production Expenses	<u>636,401</u>	<u>544,917</u>
Transmission Expenses (Fixed)	14,593	12,715
Distribution Expenses (Distr. Plant)	84,419	78,927
Customer Accounting Expenses (Direct)	48,446	45,409
Customer Serv. & Info. Expenses (Direct)	7,144	6,650
Sales Expenses (Direct)	3,838	3,600
Administrative & General Expenses:		
Directly Assigned	4,191	3,822
Labor Allocation	209,734	185,363
Total Administrative & General Expenses	<u>213,925</u>	<u>189,185</u>
Total Operating & Maintenance Expenses	<u>1,008,766</u>	<u>881,403</u>
Depreciation & Amortization Expense:		
Fixed Allocation	66,965	58,346
Labor Allocation	9,724	8,594
Directly Assigned	171,412	156,257
Total Depreciation & Amortization Expense	<u>248,101</u>	<u>223,197</u>
Taxes Other than Income Taxes:		
Fixed Allocation	52,194	45,477
Variable Allocation	1,848	1,578
Labor Allocation	3,502	3,095
Directly Assigned	145,747	134,524
Total Taxes Other than Income Taxes	<u>203,291</u>	<u>184,674</u>
Income Taxes:		
Federal Income Taxes	179,699	173,661
Environmental Tax & Credit for Fuel Tax (Net Plant)	(445)	(400)
Missouri State Income Tax	32,316	31,379
Other States' Income Taxes	3,760	0
Total Income Taxes	<u>215,330</u>	<u>204,640</u>
Net Operating Income	<u>\$ 455,581</u>	<u>\$ 420,267</u>

**UNION ELECTRIC COMPANY  
MISSOURI ELECTRIC  
CALCULATION OF POSSIBLE SHARING REVENUES  
BASED ON TWELVE MONTHS ENDING JUNE 30, 1998  
(IN THOUSANDS OF DOLLARS)**

	<u>6/30/98</u>
MISSOURI RATE BASE	\$3,900,622
TOTAL RETURN ON RATE BASE	10.774%
EARNED RETURN ON COMMON EQUITY	13.964%
50% SHARING FOR EARNED RETURN > 12.61% = 14.00%	
[(13.964% - 12.61%) * 50% * \$3,900,622 (RB) * 0.54847 (C.E. %)]	\$14,484
TOTAL 50% SHARING INCLUDING INCOME TAXES (.6231)	\$23,509
100% SHARING FOR EARNED RETURN > 14.00%	
[(14.000% - 14.00%) * 100% * \$3,900,622 (RB) * 0.54847 (C.E. %)]	\$0
TOTAL 100% SHARING INCLUDING INCOME TAXES (.6231)	\$0
TOTAL SHARING INCLUDING TAXES (EXCLUDES GROSS RECEIPTS TAX)	\$23,509
ACTUAL 1997 CREDIT TO MISSOURI RETAIL CUSTOMERS LESS THAN ORDERED	\$41
ADJUSTED TOTAL SHARING	\$23,550



**UNION ELECTRIC COMPANY  
12 MONTHS ENDED JUNE 30, 1998**

**ALLOCATION FACTORS**

	<b><u>TOTAL ELECTRIC</u></b>	<b><u>MISSOURI JURISDICTIONAL</u></b>
Fixed	100.00%	87.13%
Variable	100.00%	85.37%
Nuclear	100.00%	86.99%
Distribution	100.00%	94.30%
Mo. Distribution Plant	100.00%	99.35%
Labor	100.00%	88.38%
Net Plant	100.00%	89.89%
Operating Revenues	100.00%	89.82%
Operating Expenses	100.00%	87.38%
Callaway Post Operational	100.00%	94.34%
EPRI	100.00%	91.60%

**UNION ELECTRIC COMPANY**  
**MISSOURI REVENUE CREDITS**  
**ACTUAL AND WEATHER NORMALIZED**  
**AND CALCULATION OF RATE DECREASE**  
**FOR THE TWELVE MONTHS ENDED JUNE 30, 1996, 1997, AND 1998**  
**(IN THOUSANDS OF DOLLARS)**

	<u>ACTUAL REVENUE CREDITS</u>	<u>WEATHER NORMALIZED REVENUE CREDITS</u>
TWELVE MONTHS ENDED JUNE 30, 1996	\$43,662	\$11,133
TWELVE MONTHS ENDED JUNE 30, 1997	17,897	21,358
TWELVE MONTHS ENDED JUNE 30, 1998	23,550	8,639
TOTAL	<u>85,109</u>	<u>41,130</u>
THREE YEAR AVERAGE	<u>28,370</u>	<u>13,710</u>
RATE DECREASE		<u>\$13,710</u>

**AMEREN SERVICES  
CHARGES TO SERVICE REQUEST A0387  
LEGISLATIVE AND LOBBYING ACTIVITIES FOR AmerenUE  
JANUARY THROUGH JUNE 1998**

<u>ELECTRIC</u>	<u>SERVICE REQUEST A0387</u>	<u>ALLOCATED TO AmerenUE 100%</u>	<u>ALLOCATED TO AmerenUE MO. (94%)</u>	<u>AmerenUE-MO TRANSFER TO ACCT. 426 25%</u>
CONSTRUCTION LABOR (GES, LEGAL)	\$11,422	\$11,422	\$10,737	\$0
ACCOUNT 426 LABOR	0	0	0	0
O&M LABOR (GES, LEGAL, & CORP. COMMUNICATIONS)	105,130	105,130	98,822	24,706
TOTAL LABOR	<u>116,552</u>	<u>116,552</u>	<u>109,559</u>	<u>24,706</u>
EXPENSES CAPITALIZED	4,573	4,573	4,299	0
TRANSPORTATION APPORTIONMENT-CONST.	5	5	5	0
TOTAL OTHER CONSTRUCTION EXPENSES	<u>4,578</u>	<u>4,578</u>	<u>4,303</u>	<u>0</u>
ACCOUNT 426 CHARGES				
PERSONAL AUTO	598	598	562	0
EXPENSE ACCOUNTS AND AIRLINE TICKETS	4,284	4,264	4,008	0
PETTY CASH	0	0	0	0
OTHER PROFESSIONAL SERVICES	5,604	5,604	5,268	0
OTHER NON OPERATING EXPENSES	6,000	6,000	5,640	0
TOTAL ACCOUNT 428 EXPENSES	<u>16,466</u>	<u>16,466</u>	<u>15,478</u>	<u>0</u>
O&M CHARGES				
ALLOCATED LABOR OVERHEADS	42,100	42,100	39,574	9,894
PERSONAL AUTO	1,657	1,657	1,558	0
EXPENSE ACCOUNTS	19,855	19,855	18,664	0
TRADE MEMBERSHIPS	0	0	0	0
PETTY CASH	5,211	5,211	4,898	0
OFFICE SUPPLIES	0	0	0	0
POSTAGE	14	14	13	0
EQUIPMENT EXPENSES	516	516	485	0
TRANSPORTATION APPORTIONMENT	48	48	45	11
TOTAL O&M CHARGES	<u>69,401</u>	<u>69,401</u>	<u>65,237</u>	<u>9,905</u>
TOTAL ELECTRIC	<u>\$206,997</u>	<u>\$206,997</u>	<u>\$194,577</u>	<u>\$34,610</u>

**AMEREN SERVICES  
CHARGES TO SERVICE REQUEST A0393  
LEGISLATIVE AND LOBBYING ACTIVITIES FOR AmerenUE AND AmerenCIPS  
JANUARY THROUGH JUNE 1998**

<u>ELECTRIC</u>	<u>SERVICE REQUEST A0393</u>	<u>ALLOCATED TO AmerenUE 72.62%</u>	<u>ALLOCATED AmerenUE MO. (94%)</u>	<u>AmerenUE-MO TRANSFER TO ACCT. 426 25%</u>
CONSTRUCTION LABOR (GES, LEGAL)	\$7,651	\$5,556.16	\$5,223	\$0
ACCOUNT 426 LABOR	0	0	0	0
O&M LABOR (GES, LEGAL, & CORP. COMMUNICATIONS)	65,789	47,761	44,896	11,224
TOTAL LABOR	<u>73,420</u>	<u>53,318</u>	<u>50,119</u>	<u>11,224</u>
EXPENSES CAPITALIZED	3,058	2,221	2,087	0
TRANSPORTATION APPORTIONMENT-CONST.	3	2	2	0
TOTAL OTHER CONSTRUCTION EXPENSES	<u>3,061</u>	<u>2,223</u>	<u>2,090</u>	<u>0</u>
ACCOUNT 426 CHARGES				
PERSONAL AUTO	160	116	109	0
EXPENSE ACCOUNTS AND AIRLINE TICKETS	2,943	2,137	2,009	0
PETTY CASH	300	218	205	0
OTHER PROFESSIONAL SERVICES	0	0	0	0
OTHER NON OPERATING EXPENSES	0	0	0	0
TOTAL ACCOUNT 426 EXPENSES	<u>3,403</u>	<u>2,471</u>	<u>2,323</u>	<u>0</u>
O&M CHARGES				
ALLOCATED LABOR OVERHEADS	26,270	19,077	17,933	4,483
PERSONAL AUTO	1,680	1,220	1,147	0
EXPENSE ACCOUNTS	9,891	7,183	6,752	0
TRADE MEMBERSHIPS	8,000	4,357	4,096	0
PETTY CASH	759	551	518	0
OFFICE SUPPLIES	346	251	236	0
POSTAGE	29	21	20	0
EQUIPMENT EXPENSES	0	0	0	0
TRANSPORTATION APPORTIONMENT	30	22	20	5
TOTAL O&M CHARGES	<u>45,005</u>	<u>32,683</u>	<u>30,722</u>	<u>4,488</u>
TOTAL ELECTRIC	<u>\$124,889</u>	<u>\$90,694</u>	<u>\$85,253</u>	<u>\$15,712</u>

AmerenUE  
**CASH WORKING CAPITAL ON  
 DECOMMISSIONING TRUST FUND DEPOSITS DELAYED  
 FOR THE THIRD SHARING PERIOD JULY 1997 THROUGH JUNE 1998**

<u>DECOMMISSIONING FUND DEPOSITS (1)</u>			<u>REVENUE LAG (2)</u>	<u>EXPENSE LAG</u>	<u>CASH LAG</u>	<u>CASH FACTOR</u>	<u>AMOUNT OF DEPOSIT</u>	<u>CASH WORKING REQUIREMENT</u>
<u>QUARTER</u>	<u>NORMAL PAYMENT</u>	<u>ACTUAL PAYMENT</u>						
Sep-97	10/25/97	3/11/98	36.86	136	(99.14)	(0.271616)	\$1,553,546	(\$421,969)
Dec-97	1/25/98	3/11/98	36.86	44	(7.14)	(0.019562)	1,553,546	(30,390)
TOTAL							<u>\$3,107,092</u>	<u>(\$452,359) (3)</u>

- (1) DECOMMISSIONING FUND DEPOSITS FOR THE THIRD SHARING PERIOD NOT MADE AT NORMAL TIME.
- (2) REVENUE LAG DEVELOPED BY THE MPSC STAFF IN CASE NO. EC-87-114
- (3) ADD TO RATE BASE.

**UNION ELECTRIC COMPANY  
MISSOURI ELECTRIC  
CALCULATION OF POSSIBLE SHARING REVENUES  
BASED ON TWELVE MONTHS ENDING JUNE 30, 1998  
(IN THOUSANDS OF DOLLARS)**

**CORRECTED FILING  
ADJUSTED FOR DECOMMISSIONING TRUST FUND DEPOSITS BEING DELAYED**

	<u>6/30/98</u>
MISSOURI RATE BASE	\$3,900,170
TOTAL RETURN ON RATE BASE	10.775%
EARNED RETURN ON COMMON EQUITY	13.966%
50% SHARING FOR EARNED RETURN > 12.61% = 14.00%	
[(13.966% - 12.61%) * 50% * \$3,900,170 (RB) * .54847 (C.E. %)]	\$14,503
TOTAL 50% SHARING INCLUDING INCOME TAXES (.6231)	\$23,540
100% SHARING FOR EARNED RETURN > 14.00%	
[(14.000% - 14.000%) * 100% * \$3,900,170 (RB) * .54847 (C.E. %)]	\$0
TOTAL 100% SHARING INCLUDING INCOME TAXES (.6231)	\$0
TOTAL SHARING INCLUDING TAXES (EXCLUDES GROSS RECEIPTS TAX)	\$23,540
FILED 1998 MISSOURI REVENUE SHARING CREDIT	\$23,509
INCREASE IN MISSOURI REVENUE SHARING CREDIT FOR DECOMMISSIONING	\$31

**AmerenUE**  
**MACON ELECTRIC COOPERATIVE TERRITORIAL EXCHANGE**  
**SCHEDULE OF ESTIMATED ADDITIONAL NET REVENUE**

ANNUAL REVENUE LOST 1996 VERUS 1998	(\$1,690,000)
ENERGY SAVINGS (LESS EXCESS SALES)	282,095
EXCESS ENERGY SALES	1,313,009
REDUCTION OF EMPLOYEES	200,000
LOWER ANNUAL TREE-TRIMMING SAVINGS	60,000
LOWER MAINTENCE DUE TO LESS POLEMILES	33,000
LOWER ANNUAL SUBSTATION MAINTENANCE	6,400
OTHER SAVINGS	12,000
 TOTAL ADDITIONAL NET REVENUE	 <u>\$216,504</u>