

## Recommended Allowed Rate of Return as of June 30, 2019 for Union Electric Company

| Capital Component   | Percentage<br>of Capital | Cost  | After-Tax<br>ROR    | Pre-Tax<br>ROR      |
|---------------------|--------------------------|-------|---------------------|---------------------|
| Common Stock Equity | 48.00%                   | 9.25% | 4.44%               | 5.82%               |
| Preferred Stock     | 1.01%                    | 4.18% | 0.04%               | 0.06%               |
| Long-Term Debt      | <u>50.99%</u>            | 4.50% | <u>2.29%</u>        | <u>2.29%</u>        |
| Total               | <u><b>100.00%</b></u>    |       | <u><b>6.78%</b></u> | <u><b>8.16%</b></u> |

Sources: Embedded Costs of Debt and Preferred Stock Provided in Response to OPC DR No. 3005  
Adjusted Embedded Cost of Debt to Reflect Additional Debt in Recommended Capital Structure.  
Assumed 3.25% Coupon Consistent with UE's 10/1/2019 \$330 million debt issuance.  
Tax Rate Provided in Laura Moore's Schedule LMM-15.

Do Not Print

Tax Rate Per Laura Moore Schedule LMM-15

|          |               |
|----------|---------------|
| Tax      | 114068        |
| Income   | <u>482089</u> |
| Tax Rate | 0.236612      |

Tax Multiplier 1.30995