

**CAPITAL ASSET PRICING MODEL (CAPM) COST OF COMMON EQUITY ESTIMATES  
FOR VARIOUS PROXY GROUPS AND AMEREN BASED ON 20-YEAR US TREASURY**

	(1)	(2)	(3)	(4)
Company Name	20-Year Risk Free Rate	Beta	Equity Risk Premium	CAPM Cost of Common Equity
Ameren Corporation	2.03%	0.551	6.00%	5.34%
EEI Electric Proxy Group	2.03%	0.571	6.00%	5.46%
Regulated EEI Proxy Group	2.03%	0.559	6.00%	5.39%
Mostly Regulated Electric & Gas Proxy Group	2.03%	0.545	6.00%	5.31%
Pure Play Electric & Gas	2.03%	0.561	6.00%	5.40%
Pure Play Vertically Integrated	2.03%	<u>0.556</u>	6.00%	<u>5.37%</u>
<b>Average</b>		<b><u>0.556</u></b>		<b><u>5.38%</u></b>

Column 1 = Average of last 3 Months of 20-Year Treasuries obtained from the St. Louis Federal Reserve website at <https://fred.stlouisfed.org/series/GS20>

Column 2 = Beta is a measure of the movement and relative risk of an individual stock to the market as a whole. I used a template provided by S&P Market Intelligence that calculates raw betas based on the Value Linen approach. This approach measures the covariance of the company's weekly returns with that of the S&P 500 divided by the variance of the S&P 500 returns over an historical 5 year period. This raw beta is then adjusted by the Blume formula, which is the following:  
Adjusted Beta = 0.35 + 0.67 \* Unadjusted Beta

Column 3 = The equity risk premium is based on range of the mid-point of a range of market risk premiums identified in Exhibit 3.28 of Duff & Phelps 2019 Valuation Handbook - Cost of Capital: Annual U.S. Guidance and Examples of U.S. Data Tables Included, p. 54.

Column 4 = (Column 1 + (Column 2 \* Column 3)).