

AMEREN MISSOURI

Estimated RoE Single Stage DCF with Analyst Growth Rates

Line	Utility	Close 11/2010-1/2011 Avg. Stock Price	Avg. 10-11 Dividend	Div. Yield	Analysts' Estimated Growth Rates				Exclude Companies w/Negative Growth	
					Value Line	Zacks	Yahoo Finance	Average	RoE	RoE
1	American Electric Power Co.	36.12	1.78	4.9%	3.00%	4.00%	3.90%	3.63%	8.5%	8.5%
2	Ameren Corporation	28.60	1.54	5.4%	-2.50%	-8.00%	-2.03%	-4.18%	1.2%	
3	CMS Energy	18.63	0.78	4.2%	10.00%	6.00%	5.88%	7.29%	11.5%	11.5%
4	Consolidated Edison Inc.	49.41	2.39	4.8%	2.50%	5.00%	4.23%	3.91%	8.7%	8.7%
5	DTE Energy	45.56	2.24	4.9%	6.50%	5.00%	5.20%	5.57%	10.5%	10.5%
6	Dominion Resources, Inc.	42.59	1.90	4.5%	6.50%	5.00%	3.53%	5.01%	9.5%	9.5%
7	Entergy Corporation	72.22	3.31	4.6%	2.00%	2.00%	2.00%	2.00%	6.6%	6.6%
8	Exelon Corporation	41.16	2.10	5.1%	-3.00%	-4.00%	-0.80%	-2.60%	2.5%	
9	Integrus Energy Group, Inc.	49.23	2.72	5.5%	11.00%	21.00%	7.93%	13.31%	18.8%	18.8%
10	PPL Corporation	25.88	1.40	5.4%	3.00%	-7.00%	3.60%	-0.13%	5.3%	
11	Pepco Holdings, Inc.	18.41	1.08	5.9%	0.50%	7.00%	7.33%	4.94%	10.8%	10.8%
12	Pinnacle West Capital Corporation	40.80	2.10	5.1%	6.00%	8.00%	6.18%	6.73%	11.9%	11.9%
13	Southern Company	38.10	1.84	4.8%	4.50%	5.00%	4.90%	4.80%	9.6%	9.6%
14	TECO Energy, Inc.	17.53	0.83	4.7%	8.00%	5.00%	7.83%	6.94%	11.7%	11.7%
15	Wisconsin Energy Corporation	59.36	1.85	3.1%	9.50%	9.00%	10.18%	9.56%	12.7%	12.7%
16	Xcel Energy Inc.	23.54	1.02	4.3%	5.50%	7.00%	6.19%	6.23%	10.5%	10.5%
17	Average							4.6%	9.4%	10.9%
18	Median							5.0%	10.1%	10.5%
19	Average excluding negative growth							6.1%		
20	Median excluding negative growth							5.57%		

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Estimated RoE Using Single Stage DCF with Long Term GDP Growth

<u>Line</u>	<u>Utility</u>	<u>Close</u> <u>11/2010-1/2011</u> <u>Avg. Stock Price</u>	<u>Avg.</u> <u>10-11</u> <u>Dividend</u>	<u>Dividend</u> <u>Yield</u>	<u>Long Term</u> <u>GDP</u> <u>Growth Rate*</u>	<u>Estimated</u> <u>RoE</u>
1	American Electric Power Co.	36.12	1.78	4.9%	5.75%	10.7%
2	Ameren Corporation	28.60	1.54	5.4%	5.75%	11.1%
3	CMS Energy	18.63	0.78	4.2%	5.75%	9.9%
4	Consolidated Edison Inc.	49.41	2.39	4.8%	5.75%	10.6%
5	DTE Energy	45.56	2.24	4.9%	5.75%	10.7%
6	Dominion Resources, Inc.	42.59	1.90	4.5%	5.75%	10.2%
7	Entergy Corporation	72.22	3.31	4.6%	5.75%	10.3%
8	Exelon Corporation	41.16	2.10	5.1%	5.75%	10.9%
9	Integrus Energy Group, Inc.	49.23	2.72	5.5%	5.75%	11.3%
10	PPL Corporation	25.88	1.40	5.4%	5.75%	11.2%
11	Pepeco Holdings, Inc.	18.41	1.08	5.9%	5.75%	11.6%
12	Pinnacle West Capital Corporation	40.80	2.10	5.1%	5.75%	10.9%
13	Southern Company	38.10	1.84	4.8%	5.75%	10.6%
14	TECO Energy, Inc.	17.53	0.83	4.7%	5.75%	10.5%
15	Wisconsin Energy Corporation	59.36	1.85	3.1%	5.75%	8.9%
16	Xcel Energy Inc.	23.54	1.02	4.3%	5.75%	10.1%
17	Average					10.6%
18	Median					10.6%

* Historical long-term GDP growth.

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Estimated RoE Using Two-Stage DCF Model and Analysts' Forecast Long-Term Growth

Line	Utility	Close	Avg.		Annual	Recent	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6-150	IRR
		11/2010-1/2011	10-11	2015	Change								Years 0-150
		<u>Avg. Stock Price</u>	<u>Dividend</u>	<u>Dividend</u>	<u>to 2015</u>	<u>Price</u>	<u>Div.</u>	<u>Div.</u>	<u>Div.</u>	<u>Div.</u>	<u>Div.</u>	<u>Div Growth</u>	<u>RoE</u>
1	American Electric Power Co.	36.12	1.78	2.00	0.06	(36.12)	1.78	1.83	1.89	1.94	2.05	5.57%	10.2%
2	Ameren Corporation	28.60	1.54	1.54	-	(28.60)	1.54	1.54	1.54	1.54	1.63	5.57%	10.2%
3	CMS Energy	18.63	0.78	1.00	0.06	(18.63)	0.78	0.84	0.89	0.95	1.00	5.57%	9.9%
4	Consolidated Edison Inc.	49.41	2.39	2.46	0.02	(49.41)	2.39	2.41	2.43	2.44	2.58	5.57%	9.8%
5	DTE Energy	45.56	2.24	2.60	0.09	(45.56)	2.24	2.33	2.42	2.51	2.65	5.57%	10.3%
6	Dominion Resources, Inc.	42.59	1.90	2.40	0.13	(42.59)	1.90	2.03	2.15	2.28	2.40	5.57%	10.1%
7	Entergy Corporation	72.22	3.31	3.60	0.07	(72.22)	3.31	3.38	3.46	3.53	3.72	5.57%	9.7%
8	Exelon Corporation	41.16	2.10	2.10	-	(41.16)	2.10	2.10	2.10	2.10	2.22	5.57%	10.0%
9	Integrus Energy Group, Inc.	49.23	2.72	2.72	-	(49.23)	2.72	2.72	2.72	2.72	2.87	5.57%	10.3%
10	PPL Corporation	25.88	1.40	1.60	0.05	(25.88)	1.40	1.45	1.50	1.55	1.64	5.57%	10.7%
11	Pepco Holdings, Inc.	18.41	1.08	1.12	0.01	(18.41)	1.08	1.09	1.10	1.11	1.17	5.57%	10.8%
12	Pinnacle West Capital Corporation	40.80	2.10	2.30	0.05	(40.80)	2.10	2.15	2.20	2.25	2.38	5.57%	10.3%
13	Southern Company	38.10	1.84	2.10	0.07	(38.10)	1.84	1.91	1.97	2.04	2.15	5.57%	10.1%
14	TECO Energy, Inc.	17.53	0.83	0.95	0.03	(17.53)	0.83	0.86	0.89	0.92	0.97	5.57%	10.0%
15	Wisconsin Energy Corporation	59.36	1.85	2.70	0.21	(59.36)	1.85	2.06	2.28	2.49	2.63	5.57%	9.1%
16	Xcel Energy Inc.	23.54	1.02	1.15	0.03	(23.54)	1.02	1.05	1.08	1.12	1.18	5.57%	9.6%
17	Average							11.5%	10.3%	9.3%	5.6%		10.1%
18	Median												10.1%

* Long term growth rate is average of analysts' forecast EPS growth, from Schedule BSL-1.

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Estimated RoE Using Two-Stage DCF Model with Long-Term GDP

Line	Utility	Close	Avg.		Annual	Recent	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6-150	IRR
		11/2010-1/2011	10-11	2015	Change								Years 0-150
		<u>Avg. Stock Price</u>	<u>Dividend</u>	<u>Dividend</u>	<u>to 2015</u>	<u>Price</u>	<u>Div.</u>	<u>Div.</u>	<u>Div.</u>	<u>Div.</u>	<u>Div.</u>	<u>Div Growth</u>	<u>RoE</u>
1	American Electric Power Co.	36.12	1.78	2.00	0.08	(36.12)	1.78	1.85	1.93	2.00	2.12	5.75%	10.4%
2	Ameren Corporation	28.60	1.54	1.54	-	(28.60)	1.54	1.54	1.54	1.54	1.63	5.75%	10.4%
3	CMS Energy	18.63	0.78	1.00	0.07	(18.63)	0.78	0.85	0.93	1.00	1.06	5.75%	10.3%
4	Consolidated Edison Inc.	49.41	2.39	2.46	0.02	(49.41)	2.39	2.41	2.44	2.46	2.60	5.75%	10.0%
5	DTE Energy	45.56	2.24	2.60	0.12	(45.56)	2.24	2.36	2.48	2.60	2.75	5.75%	10.6%
6	Dominion Resources, Inc.	42.59	1.90	2.40	0.17	(42.59)	1.90	2.07	2.23	2.40	2.54	5.75%	10.5%
7	Entergy Corporation	72.22	3.31	3.60	0.10	(72.22)	3.31	3.41	3.50	3.60	3.81	5.75%	10.0%
8	Exelon Corporation	41.16	2.10	2.10	-	(41.16)	2.10	2.10	2.10	2.10	2.22	5.75%	10.1%
9	Integrus Energy Group, Inc.	49.23	2.72	2.72	-	(49.23)	2.72	2.72	2.72	2.72	2.88	5.75%	10.5%
10	PPL Corporation	25.88	1.40	1.60	0.07	(25.88)	1.40	1.47	1.53	1.60	1.69	5.75%	11.0%
11	Pepco Holdings, Inc.	18.41	1.08	1.12	0.01	(18.41)	1.08	1.09	1.11	1.12	1.18	5.75%	11.0%
12	Pinnacle West Capital Corporation	40.80	2.10	2.30	0.07	(40.80)	2.10	2.17	2.23	2.30	2.43	5.75%	10.5%
13	Southern Company	38.10	1.84	2.10	0.09	(38.10)	1.84	1.93	2.01	2.10	2.22	5.75%	10.4%
14	TECO Energy, Inc.	17.53	0.83	0.95	0.04	(17.53)	0.83	0.87	0.91	0.95	1.00	5.75%	10.3%
15	Wisconsin Energy Corporation	59.36	1.85	2.70	0.28	(59.36)	1.85	2.13	2.42	2.70	2.86	5.75%	9.5%
16	Xcel Energy Inc.	23.54	1.02	1.15	0.04	(23.54)	1.02	1.06	1.11	1.15	1.22	5.75%	9.9%
17	Average												10.3%
18	Median												10.4%

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Estimate RoE using the Risk Premium Method

<u>Line</u>	<u>Year</u>	<u>Qtr.</u>	<u>Authorized RoE</u>	<u>30-year Bond Rate</u>	<u>Risk Premium</u>
1	1992	1	12.38%	7.84%	4.54%
2	1992	2	11.83%	7.88%	3.95%
3	1992	3	12.03%	7.42%	4.61%
4	1992	4	12.14%	7.54%	4.60%
5	1993	1	11.84%	7.01%	4.83%
6	1993	2	11.64%	6.86%	4.78%
7	1993	3	11.15%	6.23%	4.92%
8	1993	4	11.04%	6.21%	4.83%
9	1994	1	11.07%	6.66%	4.41%
10	1994	2	11.13%	7.45%	3.68%
11	1994	3	12.75%	7.55%	5.20%
12	1994	4	11.24%	7.95%	3.29%
13	1995	1	11.96%	7.52%	4.44%
14	1995	2	11.32%	6.87%	4.45%
15	1995	3	11.37%	6.66%	4.71%
16	1995	4	11.58%	6.14%	5.44%
17	1996	1	11.46%	6.39%	5.07%
18	1996	2	11.46%	6.92%	4.54%
19	1996	3	10.70%	7.00%	3.70%
20	1996	4	11.56%	6.54%	5.02%
21	1997	1	11.08%	6.90%	4.18%
22	1997	2	11.62%	6.88%	4.74%
23	1997	3	12.00%	6.44%	5.56%
24	1997	4	11.06%	6.04%	5.02%
25	1998	1	11.31%	5.89%	5.42%
26	1998	2	12.20%	5.79%	6.41%
27	1998	3	11.65%	5.32%	6.33%
28	1998	4	12.30%	5.11%	7.19%
29	1999	1	10.40%	5.43%	4.97%
30	1999	2	10.94%	5.82%	5.12%
31	1999	3	10.75%	6.07%	4.68%
32	1999	4	11.10%	6.31%	4.79%
33	2000	1	11.08%	6.15%	4.93%
34	2000	2	11.00%	5.95%	5.05%
35	2000	3	11.68%	5.78%	5.90%
36	2000	4	12.50%	5.62%	6.88%
37	2001	1	11.38%	5.42%	5.96%
38	2001	2	10.88%	5.77%	5.11%
39	2001	3	10.78%	5.44%	5.34%
40	2001	4	11.57%	5.21%	6.36%
41	2002	1	10.05%	5.55%	4.50%
42	2002	2	11.41%	5.57%	5.84%
43	2002	3	11.65%	4.96%	6.69%
44	2002	4	11.57%	4.90%	6.67%
45	2003	1	11.43%	4.78%	6.65%

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Estimate RoE using the Risk Premium Method

<u>Line</u>	<u>Year</u>	<u>Qtr.</u>	<u>Authorized RoE</u>	<u>30-year Bond Rate</u>	<u>Risk Premium</u>
46	2003	2	11.16%	4.57%	6.59%
47	2003	3	10.50%	5.15%	5.35%
48	2003	4	11.34%	5.11%	6.23%
49	2004	1	11.00%	4.87%	6.13%
50	2004	2	10.64%	5.31%	5.33%
51	2004	3	10.75%	5.01%	5.74%
52	2004	4	11.24%	4.87%	6.37%
53	2005	1	10.60%	4.69%	5.91%
54	2005	2	10.31%	4.34%	5.97%
55	2005	3	10.75%	4.43%	6.32%
56	2005	4	10.63%	4.66%	5.97%
57	2006	1	10.70%	4.69%	6.01%
58	2006	2	10.75%	5.19%	5.56%
59	2006	3	10.35%	4.90%	5.45%
60	2006	4	10.59%	4.70%	5.89%
61	2007	1	10.60%	4.81%	5.79%
62	2007	2	10.33%	4.98%	5.35%
63	2007	3	10.40%	4.85%	5.55%
64	2007	4	10.50%	4.53%	5.97%
65	2008	1	10.62%	4.34%	6.28%
66	2008	2	10.54%	4.57%	5.97%
67	2008	3	10.43%	4.44%	5.99%
68	2008	4	10.39%	3.49%	6.90%
69	2009	1	10.75%	3.62%	7.13%
70	2009	2	10.72%	4.23%	6.49%
71	2009	3	10.57%	4.18%	6.39%
72	2009	4	10.59%	4.35%	6.24%
73	2010	1	10.59%	4.59%	6.00%
74	2010	2	10.25%	4.20%	6.05%
75	2010	3	10.36%	3.99%	6.37%
76	Average		11.12%	5.62%	5.50%
77	Current yield on 30-year treasury bond				4.45%
78	Forecast yield on 30-year treasury bond				4.20%
79	RoE with current yield				10.0%
80	RoE with forecast yield				9.7%

From Ameren Missouri witness Hevert's Schedule RBH-E6, page 1 of 6.

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Estimate RoE using CAPM

<u>Line</u>	<u>Utility</u>	<u>Value Line Beta</u>	
		<u>Unadj.</u>	<u>Adj.</u>
1	American Electric Power Co.	0.70	0.78
2	Ameren Corporation	0.80	0.85
3	CMS Energy	0.75	0.81
4	Consolidated Edison Inc.	0.65	0.74
5	DTE Energy	0.75	0.81
6	Dominion Resources, Inc.	0.70	0.78
7	Entergy Corporation	0.70	0.78
8	Exelon Corporation	0.85	0.89
9	Integrus Energy Group, Inc.	0.90	0.93
10	PPL Corporation	0.70	0.78
11	Pepco Holdings, Inc.	0.80	0.85
12	Pinnacle West Capital Corporation	0.70	0.78
13	Southern Company	0.55	0.66
14	TECO Energy, Inc.	0.85	0.89
15	Wisconsin Energy Corporation	0.65	0.74
16	Xcel Energy Inc.	0.65	0.74
17	Group Average	0.73	0.80
18	Group Median	0.70	0.78
19	Risk Free Rate	4.45%	4.45%
20	Market Risk Premium	6.50%	6.50%
21	Estimated RoE	9.0%	9.5%

ln. 19 + (ln. 18 * ln. 20)