

Exhibit No.:

Issues: Dues & Donations,
MoPSC Assessment,
Rate Case Expense,
Miscellaneous Expenses,
Advertising,
Cash Working Capital,

Witness: Leasha S. Teel

Sponsoring Party: MoPSC Staff

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Date Testimony Prepared: March 1, 2002

MISSOURI PUBLIC SERVICE COMMISSION

UTILITY SERVICES DIVISION

DIRECT TESTIMONY

OF

LEASHA S. TEEL

UNION ELECTRIC COMPANY

d/b/a AMERENUE

CASE NO. EC-2002-1

Exhibit No. 50-P
Date 7/10/02 Case No. EC-2002-1
Reporter KEM

Jefferson City, Missouri
March 2002

****Denotes Proprietary Information****

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**UNION ELECTRIC COMPANY
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1 **DIRECT TESTIMONY**

2 **OF**

3 **LEASHA S. TEEL**

4 **UNION ELECTRIC COMPANY**

5 **d/b/a AMERENUE**

6 **CASE NO. EC-2002-1**

7
8 Q. Please state your name and business address.

9 A. Leasha S. Teel, 815 Charter Commons, Suite 100B, Chesterfield, Mo.
10 63017.

11 Q. By whom are you employed and in what capacity?

12 A. I am a Regulatory Auditor for the Missouri Public Service Commission
13 (MoPSC or Commission).

14 Q. Please describe your educational background.

15 A. I graduated from Webster University in December 1998 with a Bachelor's
16 degree in Accounting.

17 Q. Have you previously filed testimony before this Commission?

18 A. Yes, I previously filed testimony in Case No. EC-2002-1,
19 AmerenUE(Company) and GR-2001-629, Laclede Gas Company.

20 Q. Have you made an investigation or study of the books and records of
21 AmerenUE (UE or Company) in Case No. EC-2002-1?

22 A. Yes, in conjunction with other members of the Commission Staff (Staff).

23 Q. Please identify your areas of responsibility in Case No. EC-2002-1.

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1 A. My principal areas of responsibility are: dues and donations, MoPSC
2 assessment, rate case expense, miscellaneous expenses, advertising, and cash working
3 capital (CWC). These areas of responsibility are the same as those addressed in the direct
4 testimony I previously filed in this case on July 2, 2001.

5 Q. Please list the adjustments to the Income Statement you are sponsoring.

6 A. I am sponsoring the following Income Statement adjustments that can be
7 found on Accounting Schedule 10:

8 Dues and Donations	S-17.5
9 MoPSC Assessment	S-17.20
10 Rate Case Expense	S-17.16
11 Miscellaneous Expense	S-10.4, 12.5, 13.5, 14.4, 15.3, 17.18
12 Advertising	S-14.3 & 17.4

13 Q. Are you sponsoring any Accounting Schedules?

14 A. Yes, I am also sponsoring Accounting Schedule 8, Cash Working Capital.

15 **DUES AND DONATIONS**

16 Q. Please explain adjustment S-17.5.

17 A. Adjustment S-17.5 proposes to disallow expenses relating to various dues
18 and donations. The Staff recommends disallowing these expenses because they are not
19 related to the provision of electric service. They are discretionary and are not necessary
20 for safe and adequate service, and provide no direct benefit to the ratepayers. Without
21 these disallowances, ratepayers would be, in effect, involuntary contributors to these
22 organizations.

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1 Q. Please provide examples and your reasons why the dues and donations
2 included in adjustment S-17.5 are not appropriate for inclusion in rates.

3 **The Staff found three instances where donations to the Illinois Energy
4 Efficiency Program were allocated to Missouri operations; the vouchers clearly state that
5 the checks were for the Illinois Energy Efficiency Program. The Staff asked the
6 Company to describe the Illinois Energy Efficiency Program. The response to Staff Data
7 Request No. 35 states: "The Illinois Energy Efficiency Program is a not-for-profit
8 corporation that serves as a trade association for investor-owned electricity and natural
9 gas public utilities serving customers in the State of Illinois."**

10 AmerenUE also pays for Edison Electric Institute (EEI) membership and dues.
11 The Edison Electric Institute is a national association of investor-owned electric utilities
12 that is significantly engaged in lobbying activities. In Staff Data Request No. 9 in this
13 case, I asked the Company to provide all direct benefits for membership in EEI for the 12
14 months ending June 30, 2001 for AmerenUE. I also asked the Company to: 1) provide
15 every direct benefit listed for membership in Edison Electric Institute for the test year; 2)
16 quantify, in dollars, the benefits received; and 3) indicate if the benefit is applicable to the
17 shareholder or the ratepayer. The Company responded saying: "The Company does not
18 track specific benefits as assumed by this Data Request." Lobbying activities may
19 benefit the shareholders, but the Company has provided no evidence that such activities
20 directly benefit ratepayers.

21 **AmerenUE made a donation to the Boone Center for the Missouri River Otters,
22 a hockey team. As described in the response to Staff Data Request No. 93, the Company
23 "donates \$25 to the Boone Center per power play goal scored by the Missouri River

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1 Otters. The money donated to the Boone Center will be used for four special chairs for
2 our handicapped workers that meet the Americans with Disability Act requirements.”
3 AmerenUE also made a donation during the test year to the Wildlife Rescue Center. This
4 donation was for the Ellisville district’s purchase of an entrance paver for the Wildlife
5 Rescue Center.** The website www.mowildlife.org states, “Your paver contribution
6 helps the Center feed and provide medical care for the thousands of animals that come in
7 to the Center each year.”

8 Taxpayers’ Federation of Illinois was another organization in which monies were
9 charged to Missouri operations for a function that serves Illinois. According to the
10 response to Staff Data Request No. 95, “The Taxpayers’ Federation of Illinois is a
11 nonprofit, nonpartisan organization that provides analysis and assistance to state, county,
12 and local officials, the media and member companies on tax and financial issues related
13 to state and local tax policies in Illinois.”

14 The Staff believes that none of these test year payments provide any benefit to
15 Missouri electric ratepayers. AmerenUE seeks to make customers involuntary
16 contributors by booking these contributions in an above-the-line account. These types of
17 expenses should be assigned to shareholders, not ratepayers.

18 Q. What is your understanding of the legal basis for making the adjustments
19 provided for in S-17.5?

20 A. The Commission has consistently excluded dues like the ones
21 recommended by the Staff for disallowance in this case. For example, in The Staff of the
22 Missouri Public Service Commission v. Union Electric Company, 29 P.S.C. (N.S.) 313,
23 332, the Commission said that dues paid to EEI do not produce any direct benefit to the

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1 ratepayers because lobbying activities do not directly benefit ratepayers. The Report And

2 Order goes on to state:

3 This Commission has consistently excluded EEI dues from cost of
4 service for the last several years on the ground that these payments
5 have not been shown to produce any direct benefit to the
6 ratepayers. As previously stated, the Commission has stated that
7 not only must a direct benefit be shown but also the benefits must
8 be quantified and allocated between shareholders and ratepayers.

9 See also *Re: Kansas City Power & Light Company*, 75 P.U.R 4th 1, 32, 28 Mo.
10 P.S.C. (N.S.) 228, 259 (1986).

11 Regarding the issue of charitable contributions, the Commission also has a long-
12 standing policy dating back to 1918, when the Commission denied inclusion of charitable
13 contributions in the case of In re Kansas City Light & Power Co., 8 Mo. P.S.C. 223.
14 More recently, in State ex rel. Laclede Gas Company v. Public Service Commission, 600
15 S.W. 2d 222, 229 (Mo. App. W.D. 1980), the Appellate Court confirmed that the
16 Commission has the discretion to find that income tax deductions are adequate to
17 encourage a company to make donations.

18 The Commission's policies do not mean that the Company is not free to exercise
19 its own management decisions about these expenditures. It just means that the
20 shareholders are the ones who directly benefit from the dues and donations, so they
21 should be the ones that pay for them. The ratepayers should not have to make
22 involuntary contributions or pay dues to charities and other organizations of the
23 Company's choice.

24 **MoPSC ASSESSMENT**

25 Q. Please discuss adjustment S-17.20 to annualize the MoPSC assessment.

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1 A. This adjustment represents the difference between the Staff's annualized
2 MoPSC Assessment and the test year recorded assessment expense. The most recent
3 MoPSC Assessment, in effect for the fiscal year July 1, 2001 to June 30, 2002, was used
4 in the Staff's annualization.

5 **RATE CASE EXPENSE**

6 Q. Please explain adjustment S-17.16.

7 A. This adjustment increases administrative and general expenses to reflect
8 the estimated cost to the Company of processing this rate case. The Staff believes a level
9 of \$300,000 is a sufficient annual allowance for rate case expense. The Staff has some
10 concerns about the significant amount of money the Company is spending related to this
11 case and will continue to evaluate these expenditures and their appropriateness. Staff is
12 compiling rate case expenditures from other utilities across the state to evaluate the
13 magnitude of the dollars for rate case expense spent by the Company.

14 **MISCELLANEOUS EXPENSES**

15 Q. Please explain adjustments S-10.4, 12.5, 13.5, 14.4, 15.3 and S-17.18.

16 A. Adjustments S-10.4, 12.5, 13.5, 14.4, 15.3 and S-17.18 eliminate all test
17 year miscellaneous expenses related to Company Christmas parties, Christmas cards,
18 candies and flowers. A summary of the Staff's adjustment to the Company's
19 miscellaneous expenses is attached as Schedule 1 to my direct testimony. The Staff
20 eliminated these items because they are unnecessary for the provision of safe and
21 adequate service to customers.

22 Q. Please give specific examples of what items the Staff has disallowed in
23 miscellaneous expenses.

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1 A. **The Staff has disallowed the cost of jackets with the Company's logo,
2 given to Regional Management employees and Metropolitan Management employees for
3 working unpaid overtime. The Staff submitted Data Request No. 135 for an explanation
4 of the expenditure and the benefits received by ratepayers. The Company response was,
5 "The rate payers benefit was the fact the overtime was not paid." It is the Staff's
6 understanding that these particular management employees are not eligible for overtime
7 pay as a part of their salary. Staff also disallowed Christmas candies and Holiday
8 greeting cards sent to energy assistance agencies that AmerenUE and AmerenCIPS
9 (Central Illinois Public Service) Credit and Collection personnel collaborate with during
10 the year. Staff also disallowed the cost of Christmas parties and flowers allocated to
11 Missouri electric operations. Staff disallowed a sponsorship for the 2001 International
12 Lineman's Rodeo. Staff disallowed 300 official Rawlings Major League Leather
13 Baseballs displaying the Ameren logo.** These are all examples of expenses that
14 AmerenUE included in above-the-line expense during the test year. The Staff has
15 disallowed these expenses because these expenses are not needed to provide safe and
16 adequate service.

17 ADVERTISING

18 Q. Please explain adjustments S-14.3 and S-17.4.

19 A. Adjustments S-14.3 and S-17.4 reflect the disallowance of advertising
20 costs as defined below.

21 Q. Please explain the history of such adjustments before the Commission.

22 A. The Commission, in its Report And Order in Case Nos. EO-85-185 and
23 EO-85-224, involving Kansas City Power & Light Company (KCPL), adopted the

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1 ratemaking treatment proposed by the Staff, which separates advertisements into five
2 categories and provides separate rate treatment for each category. The five categories of
3 advertisements recognized by the Commission for purposes of this approach are:

- 4 (1) General – informational advertising that is useful in the provision of
5 adequate service;
- 6 (2) Safety – advertising that conveys the ways to safely use electricity
7 and to avoid accidents;
- 8 (3) Promotional – advertising used to encourage or promote the use of
9 electricity;
- 10 (4) Institutional – advertising used to improve AmerenUE's public
11 image; and
- 12 (5) Political – advertising, that is associated with political candidates or
13 issues.

14 The Commission adopted these categories for advertisements because it believed
15 that a utility's revenue requirement should: (1) always include general and safety ads,
16 provided such costs are reasonable; (2) never include the cost of institutional or political
17 ads; and (3) include the cost of promotional ads only to the extent that the utility can
18 provide cost justification for the ads. [KCPL, Report And Order, 28 Mo.P.S.C. (N.S.)
19 228, 269-71 (1986)].

20 Q. Has this standard been used in more recent cases before the Commission?

21 A. Yes. The Commission has upheld the KCPL standard in numerous cases
22 since 1985, most recently in Case No. GR-99-315, Laclede Gas Company.

23 Q. Please discuss the examination performed by the Staff of AmerenUE's
24 advertising expenditures.

25 A. The Staff performed a review of each advertisement sponsored in whole or
26 in part by AmerenUE that was expensed during the test year. Attached, as Schedule 2 to

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1 this testimony, is a listing of the Staff's classification of all AmerenUE's advertising
2 during the test year ending July 1, 2000 to June 30, 2001. The Staff has very recently
3 received additional advertising information from the Company that the Staff was unable
4 to review and include in this testimony. Staff will evaluate this information and update
5 the adjustment as necessary.

6 Q. How did the Staff determine each advertisement's classification under the
7 KCPL standard?

8 A. Each advertisement was reviewed to determine which of the following
9 "primary messages" the advertisement was designed to communicate: (1) the
10 dissemination of information necessary to obtain safe and adequate service (general,
11 safety); (2) the promotion of a particular product or service (promotional); (3) the
12 enhancement of AmerenUE's image (institutional); or (4) the endorsement of a political
13 candidate or issue (political).

14 Q. How did AmerenUE classify the advertisements?

15 A. AmerenUE provided classifications in its responses to Staff Data Request
16 Nos. 26 and 48 submitted during the Staff's review of the third sharing period of the
17 second experimental alternative regulation plan (EARP); and Data Request No. 40 in
18 Case No. EC-2002-1, which are attached as Schedule 3 to this testimony.

19 Q. How has the Staff treated general and safety advertising?

20 A. The Staff made no adjustments to test year expense associated with the
21 advertisements that it classified as general or safety advertising, except for those
22 advertisements Staff classified as errors in booking.

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1 Q. Why did the Staff disallow certain advertisements classified as errors in
2 booking?

3 A. The Staff disallowed advertisements that were classified as errors in
4 booking because they pertained to AmerenUE's natural gas operations, but were
5 allocated by the Company to Missouri electric operations. These advertisements clearly
6 should have been allocated in entirety to Missouri gas operations. Missouri electric
7 customers should not have to pay for an advertisement unrelated to electric service.

8 Q. Please describe AmerenUE's gas safety ads.

9 A. **The Company paid \$9,504 for two gas safety advertisements in the test
10 year.** Please refer to Schedule 4 in my testimony to reference these two advertisements.
11 All of the advertisements included in that amount had "What is that Smell?" in big bold
12 print. Below the large print are tips to prevent a gas leak and phone numbers for
13 reporting gas leaks. The advertisements describe what natural gas smells like, tell what
14 not do if you smell gas and provide other safety tips. The advertisements also provide a
15 number to call if the reader intends to excavate, to prevent natural gas leaks. The only
16 difference in these advertisements is that one gives a number for Dig Rite, and the other
17 gives a number for Joint Utility Location Information (JULIE). Both advertisements
18 contain the text "AmerenUE," the Ameren logo, the phrase, "We're always there," and
19 the AmerenUE website address.

20 Q. Why have you disallowed these gas safety advertisements?

21 A. The gas safety advertisements are disallowed because they were allocated
22 to Missouri electric operations. This is also the reason the advertisements were labeled
23 errors in booking. These two advertisements are clearly for Missouri gas operations, and

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1 Missouri electric customers should not have to pay for an advertisement unrelated to
2 electric service.

3 Q. Why have you disallowed the Dollar More advertisement entitled
4 "Earmuffs?"

5 A. The advertisement was disallowed because it was a natural gas
6 advertisement. The advertisement was classified as an error in booking similarly to the
7 gas safety advertisements. This particular advertisement encourages participation in the
8 Dollar More program due to the rise in natural gas prices. Dollar More is a program to
9 help low income customers by asking the ratepayer to pay an additional dollar on a
10 customer's gas bill, not electric bill. This advertisement is clearly intended for Missouri
11 gas operations. As I stated in the last paragraph, Missouri electric customers should not
12 have to pay for an advertisement unrelated to electric service

13 Q. How has the Staff treated promotional advertising?

14 A. The Staff did not classify any advertisements by AmerenUE as
15 promotional during the test year.

16 Q. How has the Staff treated institutional advertising?

17 A. The Staff has removed the expenses for institutional advertisements from
18 the test year. Institutional (or goodwill) advertising is designed to enhance AmerenUE's
19 public image. This form of advertising is not necessary for AmerenUE to provide safe
20 and adequate service. The Staff believes that this type of image enhancement advertising
21 only benefits the shareholders of the utility.

22 Q. Have you attached the advertisements that you describe in this testimony?

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1 A. Yes, I have attached, as Schedule 4 to my direct testimony, every
2 advertisement that AmerenUE has provided to the Staff.

3 Q. Please give a list of advertisements that the Staff classified as institutional.

4 A. Advertisements regarding SmartLights, Holiday-"Snowman," Bump in the
5 Night, Environmental-"Yours & Ours," Jane and Fred/Direct Pay (Tree of Lights)
6 Scholarship Awards/"We're Happy," development of the Adopt-the-Shoreline cleanup
7 program/"Save Your Life," GreenLeaf Power plants, The Repertory Theatre, Dance
8 St. Louis, Fox Theatre, Sheldon Concert Hall, St. Louis Symphony Opera, Edison
9 Theatre, the St. Louis Rams, St. Louis Cardinals, St. Louis Blues, Gateway International,
10 Family Arena, Missouri River Otters, St. Louis Art Fair, Black Repertory Theatre, The
11 Muny and Urban League, and the Opera Theatre of St. Louis were classified as
12 institutional and disallowed. The Staff does not believe that AmerenUE's involvement
13 and sponsorship of these organizations justifies recovery of these advertising expenses
14 from ratepayers.

15 Q. Please provide a brief description of some examples of the above-
16 mentioned institutional programs.

17 A. The SmartLights program, as stated in AmerenUE's advertisements,
18 "provides funds to help qualified not-for-profit and community groups buy energy
19 efficient public lighting."

20 As listed above in their advertisement, "We're Happy"/Scholarship Awards,
21 AmerenUE funds several college scholarships through the scholarship awards programs
22 to needy and qualified students.

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1 The Adopt-the-Shoreline clean-up program, as stated in AmerenUE's
2 advertisement helps "the effort to keep the Lake of the Ozarks shoreline safe and clean."
3 AmerenUE supplies the trash bags and up to \$200 for trash disposal.

4 Q. Why does the Staff believe that AmerenUE's advertising, for other
5 organizations listed previously in this testimony, should not be recovered from ratepayers
6 as the cost of institutional (goodwill) advertising expense?

7 A. The Staff believes that expenditures related to the above-mentioned
8 organizations are not required to provide safe and adequate service and, therefore, the
9 ratepayers should not have these expenditures included in their rates. This type of image-
10 enhancement advertising only serves to benefit the shareholders of the utility.
11 Furthermore, this type of advertising would require the ratepayers of AmerenUE to
12 contribute, through customer rates, to programs or activities to which the customer may
13 be opposed.

14 Q. How much did AmerenUE spend on institutional advertising during the
15 test year?

16 A. **The Staff classified \$1,691,137 of AmerenUE's advertising as
17 institutional.**

18 Q. What advertising media constitute the majority of the "institutional
19 advertising" dollars?

20 A. **Of the total institutional advertising dollars, AmerenUE spent over
21 \$1,265,209 on both television and sponsorship advertisements.** Sponsorship
22 advertisements are signs prominently displayed at the major St. Louis sporting venues:
23 Busch Stadium, the Edward Jones Dome and the Savvis Center.

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1 Q. Why did the Staff classify television and sponsorship ads as institutional?

2 A. The Staff believes that the primary purpose of each of these
3 advertisements was to enhance AmerenUE's image. Please refer to Schedule 4 of my
4 direct testimony for a copy of the transcripts or advertisements used by AmerenUE in the
5 test year.

6 Q. Did AmerenUE fund any political advertising in the test year?

7 A. No.

8 **CASH WORKING CAPITAL**

9 Q. Please identify the Accounting Schedules you are sponsoring.

10 A. I am sponsoring Accounting Schedule 8, Cash Working Capital (CWC).

11 Q. Please explain Accounting Schedule 8.

12 A. Accounting Schedule 8 is the Staff's calculation of CWC. Staff's CWC
13 requirement was calculated through the use of a lead/lag study performed for the test year
14 ending June 30, 2001.

15 Q. What is the purpose of a lead/lag study?

16 A. A lead/lag study determines the amount of cash that is necessary on a day-
17 to-day basis in order for AmerenUE to provide service to the ratepayers. A lead/lag study
18 also determines who supplies the cash.

19 Q. What are the sources of CWC?

20 A. The shareholder and the ratepayer are the sources of CWC.

21 Q. How does the shareholder supply CWC?

22 A. When AmerenUE spends cash to pay for an expense before the ratepayer
23 provides the cash, then the shareholder must supply that cash. This cash represents a

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1 portion of the shareholder's total investment in AmerenUE. The shareholder is
2 compensated for the CWC funds provided by the inclusion of these funds in rate base,
3 thereby providing a return on the shareholder's investment.

4 Q. How does the ratepayer provide CWC?

5 A. Ratepayers supply CWC when they pay for service provided by
6 AmerenUE before AmerenUE must pay for expenses incurred to provide that service.
7 The ratepayer is compensated for the CWC funds by a rate base reduction of the amount
8 of cash they provided. This allows the general body of ratepayers to be credited with the
9 same rate of return that AmerenUE is earning on its utility investment.

10 Q. How are the results from a lead/lag study interpreted?

11 A. A negative CWC requirement indicates that the ratepayer provided the
12 cash working capital in the aggregate during the test year. A positive requirement
13 indicates that the shareholder provided cash working capital in the aggregate during the
14 test year.

15 Q. What methodology was used to calculate Accounting Schedule 8, Cash
16 Working Capital?

17 A. The CWC analysis was based upon the lead/lag study developed in
18 AmerenUE's previous gas rate case, No. GR-2000-512, updated for material changes in
19 the calculation of specific expense lags. The Staff also calculated addition of lags that
20 pertain to electric operations.

21 Q. Please identify the expense lags that the Staff updated or added from Case
22 No. GR-2000-512.

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1 A. The Staff updated the following lags to reflect information from the
2 current test year: cash vouchers, property tax and gross receipts and the revenue lag. The
3 Staff added calculations for fuel expense lags because they were not previously necessary
4 for the gas rate case. The Staff also added an expense lag for City Earnings Tax and PET
5 (payroll earnings tax). The remaining expense lags were adopted from Case No.
6 GR-2000-512.

7 Q. Why were the above lags updated?

8 A. These are the lags that were most likely to have changed since the last
9 AmerenUE gas rate case. These lags were also updated as a result of a meeting with the
10 Company that was held on Thursday November 30, 2000 at the Company's General
11 Office Building. During the course of this meeting the expense lags were discussed and
12 Staff left the meeting with the understanding that these particular lags were the only lags
13 that needed to be updated.

14 Q. Is the method that you utilized to calculate AmerenUE's CWC
15 requirement consistent with methods used in previous rate cases?

16 A. Yes, the method has been used by the Staff and adopted by the
17 Commission in numerous rate cases.

18 Q. Please explain the components of the Staff's calculation of CWC, which
19 appear on Accounting Schedule 8.

20 A. The components of the Staff's calculation are as follows:

21 Column A (Account Description): lists the types of cash expenses, which
22 AmerenUE pays on a day-to-day basis.

1 Column B (Test Year Expenses): shows the amount of annualized expense
2 included in the cost of service. Column B shows the dollars associated with the
3 items listed in Column A on an adjusted Missouri jurisdictional basis. These
4 annualized amounts are based on the Staff's test year ending June 30, 2001.

5 Column C (Revenue Lag): shows the number of days between the
6 midpoint of the provision of service by AmerenUE and the payment for the
7 service by the ratepayer. The revenue lag addressed in this case is explained in
8 greater detail later in this direct testimony.

9 Column D (Expense Lag): shows the number of days between the receipt
10 of and the payment for, the goods and services (i.e., cash expenditures) used to
11 provide service to the ratepayer.

12 Column E (Net Lag): results from the subtraction of the Expense Lag
13 (Column D) from the Revenue Lag (Column C).

14 Column F (Factor): expresses the CWC lag in days as a fraction of the
15 total days in the test year. This is accomplished by dividing the Net Lags in
16 Column E by 365.

17 Column G (CWC Requirement): depicts the average amount of cash
18 necessary to provide service to the ratepayer. This is computed by multiplying
19 the Test Year Expenses (Column B) by the CWC Factor (Column F).

20 Q. Please describe the revenue lag.

21 A. The revenue lag is defined as the amount of time between the provision of
22 service by AmerenUE and the receipt of the payment for that service from ratepayers.
23 The revenue lag for this case is believed to have decreased from the last gas rate case, due

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1 to the installation of more efficient meter reading equipment. The revenue lag is the sum
2 of three subcomponent lags. They are defined as follows:

3 Usage Lag: the midpoint of average time elapsed from the beginning of
4 the first day of a service period through the last day of that service period.

5 Billing Lag: the period of time between the end of the last day of a
6 service period and the day the bill is placed in the mail by AmerenUE.

7 Collection Lag: the period of time between the day AmerenUE places the
8 bill in the mail and the day AmerenUE receives payment from the ratepayer for
9 services performed.

10 Q. Please define how you are using the term "service period" in this
11 testimony.

12 A. - In reference to the revenue lag, a service period is merely the amount of
13 time, in days, in which the customer receives electric service for billing purposes. In the
14 discussion of expense lags, this term denotes the period in which AmerenUE receives
15 materials or services from its suppliers.

16 Q. Please explain the calculation of the usage lag.

17 A. The usage lag was computed by dividing the number of days in the test
18 year (365) by the number of billing periods in a year, (12), and dividing the result by two
19 to derive the average service period. The usage lag of 15.21 days is derived from the
20 above calculation.

21 Q. Please explain the calculation of the billing lag.

22 A. The billing lag was determined by analyzing the number of days between
23 the end of the service period and the day the bill was mailed. The billing lag was

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1 calculated from the cycle bill-reading schedule supplied by AmerenUE. The analysis
2 revealed that the average time to process and mail the bill was 1.44 days. The billing lag
3 of 1.44 days includes the effect of weekends and holidays during the test year.

4 Q. Why is the billing lag shorter than in previous AmerenUE cases?

5 A. The billing lag has decreased due to the installation and implementation of
6 an automated meter reading system. The automated meter reading system was over 90%
7 completed by June of 2000 when this lag calculation was performed.

8 Q. How did the Staff determine the collection lag in this case?

9 A. The collection lag measures the time between when the bill is mailed and
10 when it was paid. The collection lag for the different customer types was provided in a
11 report furnished by AmerenUE. This report, entitled Cash Lag Report, included past-due
12 monies but not uncollectable amounts. The Cash Lag Report was broken into different
13 segments and a lag was calculated for each segment. The segments consisted of
14 Residential, Industrial, Commercial and other. The Cash Lag Report calculated the
15 average lag days for the current "dollar days" and the 12 months to date dollar days for
16 each of the above segments listed. ("Dollar days" are the revenues multiplied by the days
17 the bill is outstanding.) I took the revenue lag from the reports provided by the
18 Company, which I then multiplied by the test year revenues for each rate class to
19 determine the dollar days. The collection lag was determined to be 22.22 days.

20 Q. Please give the summary of the total revenue lag.

21 A. The billing lag is 1.44 days, the collection lag is 22.22 days, and the usage
22 lag is 15.21 days. The total revenue lag is 38.87 days.

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1 Q. Please explain the expense lags for each item listed on Accounting
2 Schedule 8.

3 A. The expense items listed on Accounting Schedule 8, lines 1 through 5,
4 relate to payroll. Payroll has been subdivided into the following five subcomponents:
5 (1) base payroll; (2) vacation payroll; (3) federal income tax withheld; (4) state income
6 tax withheld; and (5) employee FICA (Social Security/Medicare) taxes.

7 Q. Please explain the base payroll expense lag calculation on line 2 of
8 Accounting Schedule 8.

9 A. The base payroll expense lag is the time lapse between the midpoint of the
10 period in which employees earned wages, and the date the wages were paid by
11 AmerenUE. The Staff in this case used the base payroll expense lag of 10.61 days that
12 was used in the last gas rate case, since the lag was calculated using total AmerenUE and
13 Ameren Services payroll. Ameren Services Company is a subsidiary of
14 AmerenCorporation. Ameren Services Company provides shared support services to
15 AmerenUE.

16 Q. Please explain the computation of the expense lag days for vacation
17 payroll on line 3 of Accounting Schedule 8.

18 A. The expense lag day computation considers the time-lapse between the
19 average date the respective vacation is earned (i.e., the midpoint of the year) and the date
20 when the employee took the vacation (i.e., the midpoint of the following year). For
21 purposes of this lag calculation, the Staff assumed that all vacation was taken evenly
22 throughout the year. Staff used the vacation expense lag of 365 days used by the Staff in
23 the last gas rate case.

Direct Testimony of
Leasha S. Teel

1 Q. What is the basis for the expense lag days assigned to payroll withholdings
2 for federal withholding taxes, state withholding taxes and employee FICA taxes on lines
3 4 through 6 of Accounting Schedule 8?

4 A. The withholding lag days were based upon the same periods used for base
5 payroll. The respective expense lag day computations considered the time-lapse between
6 the average date the respective payroll was earned and the tax due dates. The federal
7 withholding, state withholding and FICA tax lags were 12.97, 16.42 and 12.97 days,
8 respectively. The Staff used these lags in the last gas rate case.

9 Q. Please explain the expense lag for coal as found on Accounting
10 Schedule 8.

11 A. The coal expense lag is the time-lapse between the dates the coal and/or
12 freight services were received and the date AmerenUE paid for these goods and/or
13 services. The coal expense lag represents all coal and freight costs dollar-weighted
14 together for a 22.41day coal expense lag, based on a sample of coal and freight vouchers.

15 Q. Please explain the expense lags for gas and oil.

16 A. The gas and oil expense lags were determined by the difference in days
17 between midpoint of the period when AmerenUE receives the gas and oil from suppliers,
18 and the date when invoices for gas and oil deliveries are paid. The gas and oil expense
19 lags were 14.40 and 12.61 days, respectively.

20 Q. Please explain the lag for nuclear.

21 A. The nuclear expense lag was calculated using Staff's Data Request Nos.
22 306R and 228R. This nuclear expense lag is composed of three separate components;
23 Uranium, conversion services and fabrication services. Staff used the dollar amounts

Direct Testimony of
Leasha S. Teel

1 from the Callaway Plant's eleventh refuel (April 7-May 21, 2001). This lag represents all
2 the nuclear costs dollar-weighted together for a 34.55-day nuclear expense lag.

3 Q. Please explain the uncollectible expense treatment on Accounting
4 Schedule 8.

5 A. The uncollectible accounts are an expense in name only. They are
6 actually a lack of revenue collection and, therefore, do not represent a cash flow for
7 payment of an expense. An expense and revenue lag of zero has been assigned to this
8 item so that a zero CWC effect is produced.

9 Q. Please explain the cash voucher lag on Accounting Schedule 8.

10 A. AmerenUE created a report of Federal Energy Regulatory Commission
11 Uniform System of Accounts (FERC) 500 and 900 account numbers, which contained
12 invoices greater than \$100,000. This report did not provide a large enough sample in
13 which to calculate a lag, so the threshold was lowered to invoices greater than \$50,000.
14 The cash vouchers expense lag was calculated using the number of days from the invoice
15 date (or the service period if such information was provided on the invoice) to the date
16 the invoice was paid. The cash voucher lag was calculated to be 27 days.

17 Q. Please explain the employer's portion of FICA tax expense lag on line 15
18 of Accounting Schedule 8.

19 A. The employer's portion of FICA taxes is the amount of taxes paid by the
20 Company on employee payroll. The expense lag is calculated using the same method as
21 the lag used for the employee's portion of FICA taxes. This calculation has been
22 discussed earlier in my direct testimony. The actual lag is 12.97 days, as used by Staff in
23 the last gas rate case, No. GR-2000-512.

Direct Testimony of
Leasha S. Teel

1 Q. Please explain the federal unemployment tax expense lag on lines 16 on
2 Accounting Schedule 8.

3 A. The lags represent the length of time between the average day services are
4 rendered by the employee and the day AmerenUE pays the tax for that service. The Staff
5 and Company used the federal employment expense lag of 87.40 days used in the last gas
6 rate case. AmerenUE was not required to pay unemployment taxes to the state of
7 Missouri during the test year; therefore, no expense lag was calculated for state
8 unemployment tax.

9 Q. Please explain the corporation franchise tax expense lag on line 17 of
10 Accounting Schedule 8.

11 A. Corporation franchise taxes are paid annually. The lag between the
12 midpoint of the taxable period and the date the tax is paid is calculated and multiplied by
13 the associated amounts to compute a weighted amount. The Staff used the corporate
14 franchise tax expense lag of 77.50 days as was used in the last gas rate case.

15 Q. Will you please explain the expense lag for property taxes as shown on
16 line 18 of Accounting Schedule 8?

17 A. The property tax lag days were calculated using the midpoint of the
18 service period and the payment due date for property taxes paid by AmerenUE during
19 calendar year 2000. AmerenUE pays property taxes to Missouri, Illinois and Iowa.
20 These lags were weighted by the amount of taxes paid in each state, to arrive at the
21 average lag days. The property tax expense lag is 186.52 days.

22 Q. Please explain the payroll expense tax (PET) expense lag on line 19 of
23 Accounting Schedule 8.

Direct Testimony of
Leasha S. Teel

1 A. The PET tax expense lag was calculated using the midpoint of the service
2 periods and the payment due dates for PET taxes paid by AmerenUE during the year.
3 The Company pays the PET tax quarterly, which is due at the end of the month following
4 the end of the quarter. Since the PET taxes are paid quarterly, there were four midpoint
5 periods and due dates. The average PET tax expense lag is 76.375 days.

6 Q. Please explain the sales tax expense lag on line 20 of Accounting
7 Schedule 8.

8 A. The lags between the midpoint of the taxable month and the due dates
9 were calculated and weighted by the associated amounts to compute an average lag. As
10 was used in the last gas case by the Staff, the sales tax expense lag is 6.8 days.

11 Q. Will you please explain the expense lag for gross receipt taxes as shown
12 on line 21 of Accounting Schedule 8?

13 A. Gross receipts taxes are paid monthly, quarterly or semi-annually based
14 upon the individual requirements of the taxing entities. The expense lag for this item is
15 the time span between the day bills are prepared and the day the taxes collected are paid
16 to the appropriate taxing authority. The gross receipts expense lag of 49.36 days was
17 based on the dollar-weighted amounts of gross receipts taxes paid to the different taxing
18 entities.

19 Q. Why does the revenue lag for sales and use taxes and gross receipts taxes
20 differ from the revenue lag you discussed above?

21 A. AmerenUE acts solely as an agent of the taxing authority in collecting
22 sales and use taxes and gross receipt taxes from the ratepayer and in paying the proper
23 institution on a timely basis. AmerenUE has not provided any service to the ratepayer

Direct Testimony of
Leasha S. Teel

1 associated with the gross receipts and sales and use taxes until after the revenues are
2 billed. Since the tax is due on billed revenue, the associated revenue lag begins at the
3 start of the collection lag.

4 Q. Are there components of CWC that do not directly appear in the Staff's
5 Accounting Schedule 8?

6 A. Yes, the federal income tax offset, state income tax offset, interest expense
7 offset and city earnings tax offset do not appear in the Staff's Accounting Schedule 8.
8 These items appear as separate line items in the Staff's Rate Base, Accounting
9 Schedule 2.

10 Q. Why are the federal income tax offset, state income tax offset, interest
11 expense and city earnings tax offset included in the Staff's Rate Base, Accounting
12 Schedule 2 rather than in the Staff's CWC calculation, Accounting Schedule 8?

13 A. The normalized Missouri jurisdictional expense component used for these
14 offsets is tied directly to the computation of the revenue requirement. The Staff's
15 revenue requirement computer program has the capability to extracting these amounts
16 from Accounting Schedule 11, Income Tax. The computer program applies the CWC
17 factor to each component, and places the CWC requirement directly in Accounting
18 Schedule 2, Rate Base.

19 Q. Please explain the federal and state income tax offsets.

20 A. The federal and state income tax expense offsets represent the period of
21 time between the midpoint of the tax/calendar year and the dates the income taxes must
22 be paid to the federal and state taxing authority. Currently, 100% of the estimated federal
23 tax must be paid during the year in four installments, which are due by the 15th day of

Direct Testimony of
Leasha S. Teel

1 April, June, September and December. Each lag was calculated from the payment date to
2 the midpoint of the tax year. The federal and state income tax lags were weighted by the
3 total tax payments made during the test year to obtain federal and state income tax
4 expense lags of 37 and 62.15 days, respectively. The CWC factors, 0.5123% and a
5 negative 6.3781%, respectively, result from subtracting the expense lags from the
6 revenue lag and then dividing by 365 days. The CWC factors are found on Accounting
7 Schedule 2, Rate Base. The Staff's computer program calculates the CWC requirements
8 for federal and state income taxes.

9 Q. Please explain the interest expense offset.

10 A. The expense lag for interest was computed by determining the midpoint of
11 the interest periods of AmerenUE's long-term debt, weighted by the total interest
12 payments made during the 12 months. The negative CWC factor of 13.7397% was
13 calculated in the same manner as previously described for income taxes and is found in
14 the Staff's Rate Base Accounting Schedule 2. The Staff's computer program calculates
15 the CWC requirements for interest. The expense lag computed for interest expense was
16 89.02 days, which was used in the last gas rate.

17 Q. Please explain the St. Louis city earnings expense offset.

18 A. The expense lag for St. Louis city earnings offset was computed by
19 determining the midpoint of the service period, which in this instance is the midpoint of
20 the calendar year. The payment date is April 15th of the following year. The negative
21 CWC factor of 68.12% was used to calculate city taxes in the same manner as previously
22 described for income taxes and is found in the Staff's Rate Base Accounting Schedule 2.

Direct Testimony of
Leasha S. Teel

1 The Staff's computer program calculates the CWC requirements for St. Louis city
2 earnings tax. The expense lag computed for city earnings tax was 287.5 days.

3 Q. Please explain and describe the inclusion of taxes and interest in the
4 Staff's analysis of CWC.

5 A. Unlike the other cash expense line items in Accounting Schedule 8, taxes
6 and interest are not considered to be operating and maintenance expenses. However, they
7 are known and certain obligations of AmerenUE with payment periods and payment
8 dates established by statute, or by the terms of the bond. Amounts collected for taxes and
9 interest represent a source of cash to AmerenUE until passed on to the appropriate taxing
10 authority or bondholder and, therefore, should be included in a lead/lag analysis.

11 Q. What was the result of the Staff's lead/lag calculation?

12 A. The individual calculations, when totaled, result in a total net ratepayer
13 supplied funds and illustrate the excess of CWC supplied by the ratepayer over the
14 amount supplied by the shareholder. The CWC component is deducted from rate base to
15 compensate the ratepayer for the use of their funds. This is shown on Accounting
16 Schedule 8.

17 Q. Does this conclude your direct testimony?

18 A. Yes, it does.

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

The Staff of the Missouri Public Service Commission,)	
)	Case No. EC-2002-1
Complainant,)	
vs.)	
)	
Union Electric Company, d/b/a AmerenUE,)	
)	
Respondent.)	

AFFIDAVIT OF LEASHA S. TEEL

STATE OF MISSOURI)	
)	ss.
COUNTY OF COLE)	

Leasha S. Teel, is, of lawful age, and on her oath states: that she has participated in the preparation of the foregoing Direct Testimony in question and answer form, consisting of 27 pages to be presented in the above case; that the answers in the foregoing Direct Testimony were given by her; that she has knowledge of the matters set forth in such answers; and that such matters are true and correct to the best of her knowledge and belief.

Leasha S. Teel
Leasha S. Teel

Subscribed and sworn to before me this 28th day of February, 2002.

Suzie Mankin
Notary Public

****PROPRIETARY****

Leasha Teel
 Miscellaneous Expense
 February 28, 2002
 source: Data Request #26,27,93,135,136,140

<u>Voucher</u>	<u>Vendor</u>	<u>Amount</u>	<u>Account</u>
Production			
	Power Plants-Christmas Parties	605	1-52-539
	Power Plants-Christmas Parties	18	1-54-539
	Flowers- Power Plant	71	1-65-524
Total Production		694	
Distribution			
118329	Cambell Montessori School	2,100	1-25-588-004-069-021
118328	Immanuel Lutheran Men's Club	3,000	1-21-588-004-068-021
118327	St. Charles County Land Trust, Inc.	1,700	1-21-588-004-093-021
118326	Arcadia Valley R-II Schools	5,905	1-21-588-004-071-021
118325	City of Park Hills	6,000	1-21-588-004-071-021
118324	City of Troy	3,400	1-21-588-004-093-021
118323	Valle Ambulance District	3,500	1-21-588-004-070-021
	Supervision & Engineering-Christm	1,355	1-21-588
	Supervision & Engineering-Christm	165	1-11-580-009
	Supervision & Engineering-Christm	1,373	1-28-588-008
	Supervision & Engineering-Christm	156	1-21-588
	Supervision & Engineering-Christm	600	1-2J-588
	Miscellaneous- Flowers	14	1-25-588-004
	Miscellaneous- Flowers	156	1-25-588
Total Distribution		29,424	
Customer Accounts			
971214	Accent Embroidery	32	1-21-903-008-309
029775	Cardinal Originals	98	1-21-903-008-309
029777	Cardinal Originals	1,243	1-21-903-008-309
Total Customer Accounts		1,373	
Customer Service & Information			
975694	Advertisers Display	\$ 4,147.97	1-21-909-031-001-557
987043	American Legion World Series	\$ 2,500.00	1-21-909-031-001-557
986757	Wentzville Ice Arena	\$ 951.83	1-21-909-031-001-557
	Miscellaneous Expense-Christmas	205	1-21-910
100104	Merbs Candies	7,274	1-21-908-008-008
Total Customer Service & Information		15,079	
Sales			
147057	Dogwood Promotions	1,425	1-20-912-020-020
Total Sales		1,425	
Administration & General Operations			
127088	T & J Restaurants-Walk/Run	\$ 1,000.00	1-25-930-128-069-001-
103400	Opinion Dynamics- ICC Survey	\$ 4,140.00	1-21-930-239-001-001
	Office Supplies-Christmas Parties	179	1-11-921-001
	Office Supplies-Christmas Parties	320	1-11-921-001
	Office Supplies-Christmas Parties	349	1-11-921-001
	Office Supplies-Christmas Parties	474	1-11-921-001
	Office Supplies-Christmas Parties	397	1-11-921-001
	Office Supplies-Christmas Parties	412	1-11-921-002
	Office Supplies-Christmas Parties	234	1-11-921-001
	Office Supplies-Christmas Parties	1,486	1-11-921-001
	Office Supplies-Christmas Parties	88	1-11-921-001
	Employees Welfare Exp.-Christma	719	1-11-926-064
	General Expense-Christmas Partie	22,495	1-11-930-290
	General Expense-Christmas Partie	574	1-27-930
006563	Sew Time Embroidery	1,249	1-21-921-050-007-220
031579	Sew Time Embroidery	3,323	1-21-921-002-066-569
087715	Linemans Rodeo Assoc.	2,000	1-21-921-001-066-066
	Office Supplies- Flowers	85	1-11-921-001
	Office Supplies- Flowers	476	1-11-921-001
	Office Supplies- Flowers	57	1-11-921-002
	Office Supplies- Flowers	66	1-11-921-001
	Office Supplies- Flowers	73	1-11-921-001
	Office Supplies- Flowers	46	1-11-921-001
	Employees Welfare Expense-Flow	1,271	1-21-926-002
	Employees Welfare Expense-Flow	679	1-11-926-021
	Employees Welfare Expense-Flow	92	1-11-926-001
Total Administration & General Operations		42,284	
Total Miscellaneous Adjustment		90,279	

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****PROPRIETARY****

Leasha Teel
 AmerenUE -EC-2002-1
 Advertising Adjustment
 February 28, 2002
 source: data request number 26, 46, 47 in EARP
 40,122,25,137,145

RT Job #	Name	Total Company Cost	Account #	Percent to AmerenUE	AmerenUE Amount	Staff Classification	Disallowed	Institutional
Television								
AC70269	Smart Lights -"Slide"	285,781	1-11-909-029-001	72.430%	206,991	Institutional	206,991	206,991
AC90704	Lightbulb/Thermostat (KMOV)	25,223	1-11-909-029-001	72.430%	18,269	General		
AC90704	Lightswitch/Stove (KMOV)	60,640	1-11-909-029-001	72.430%	43,921	General		
AC00365	Holiday-"Snowman"	274,910	1-11-909-029-001	72.430%	198,827	Institutional	198,827	198,827
AC80276	Bump in the Night	35,417	1-11-909-029-001	72.430%	25,653	Institutional	25,653	25,653
AC90079 (334)	Environmental,"Years & Ours"	253,897	1-11-909-029-001	72.430%	183,897	Institutional	183,897	183,897
AC00463 (24)	Ice Cream (KMOV)"Do the Right Thing"	64,905	1-11-909-029-001	72.430%	47,011	General		
AC01023 (23)	Reliability/Powered by Ameren "Delivery", "Garage Band", "Alarm Clot"	352,540	1-11-909-029-001	72.430%	255,345	Institutional	255,345	255,345
AC90756f	Talent	21,131	1-11-909-029-001	72.430%	15,305	Institutional	15,305	15,305
AC90756f	Talent	21,131	1-11-909-029-001	72.430%	15,305	General		
Radio								
AC90300	Smart Lights-"Outfield", "Concert", "Night Vision" and "Pepper"	170,013	1-11-99-030-001	72.430%	123,140	General		
AC00420	Jane and Fred/Direct Pay (Tree of Lights)	352,540	1-11-99-030-001	72.430%	255,345	Institutional	255,345	255,345
AC01149	Reliability/Powered by Ameren Mktred and Fran's	21,131	1-11-99-030-001	72.430%	15,305	General	15,305	15,305
AC00019	Talent	903	1-11-99-030-001	72.430%	654	General		
AC00019	Talent	903	1-11-99-030-001	72.430%	654	Institutional	654	654
Print								
AC00266 (504)	Smart Lights	47,603	1-11-909-028-001	72.430%	34,479	General		
AC-333	Adopt the Shoreline! Save Your Life	12,117	1-11-909-028-001	72.430%	8,776	Institutional	8,776	8,776
AC-00311/AC01073	"2000 Scholarship Winners"/"We're Happy"	57,317	1-11-909-028-001	72.430%	41,515	Institutional	41,515	41,515
AC00427	Dollar More "Earmuffs"	59,617	1-11-909-028-001	72.430%	43,180	Error in Booking	43,180	
AC330	Environmental,"Protecting", "Others Compel Us"	47,919	1-11-909-028-001	72.430%	34,708	Institutional	34,708	34,708
AC01042	GreenLeaf "Power Plants"	4,079	1-11-909-028-001	72.430%	2,855	Institutional	2,855	
VARIOUS	Community (see attached)	91,224	1-11-930-128-001	72.430%	66,074	See Attached	66,074	66,074
VARIOUS	Safety (see attached)	41,492	1-11-909-028-001	72.430%	30,053	See Attached	9,504	
AC00446	Customer Mailing	42,883	1-11-909-031-001	72.430%	31,060	General		
AC004191U	Winter Energy Tips 2000 "Shut the Door"	6,767	1-20-909-028-001-001	72.430%	6,766.5	General		
Brochures								
	Various (See attached)	3,551		72.430%		Institutional	3,551	3,551
	Various (See attached)	44,204		72.430%		Error in Booking	44,204	
Total Company Advertising		2,399,437			1,705,188		1,411,789	1,311,946
Total Ameren UE Electric Amount								
Total Disallowed AmerenUE Total Company Advertising								
Total Disallowed AmerenUE Total Company Institutional Advertising								



****PROPRIETARY****

Leasha Teel
 AmerenUE-EC-2002-1
 Advertising Adjustment
 February 28, 2002
 source: data request number 26, 46, 47 in EARP
 40,122,25,137,145

<u>RT_Job #</u>	<u>Name</u>	<u>Account #</u>	<u>Missouri Electric Amount</u>	<u>Staff Classification</u>	<u>Disallowed</u>	<u>Institutional</u>
Promotionals & Sponsorship Fees						
A2079	St. Louis Rams	1-11-930-128	105,298	Institutional	105,298	105,298
A2079	Kiel Center Partners	1-11-930-128	39,143	Institutional	39,143	39,143
A2079	Gateway International Raceway	1-11-930-128	11,946	Institutional	11,946	11,946
A2079	NCAA Women's Final Four	1-11-930-128	11,887	Institutional	11,887	11,887
A2079	St. Louis Blues Hockey	1-11-930-128	94,897	Institutional	94,897	94,897
A2079	St. Louis Cardinals	1-11-930-128	95,098	Institutional	95,098	95,098
A2079	The Family Arena	1-11-930-128	19,020	Institutional	19,020	19,020
A2079	Missouri River Otters	1-11-930-128	1,902	Institutional	1,902	1,902
Total Advertising for Account 930			379,191		379,191	379,191
Total Disallowed Advertising for Account 930					379,191	
Total Institutional Advertising for Account 930						379,191

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****PROPRIETARY****

Leasha Teel
 EC-2002-1
 Brochures
 source: EARP dr#26

<u>LIST</u>	<u>Disallowed Amount</u>	<u>Institutional</u>	<u>Error in Booking</u>	<u>Classification</u>	<u>Total Company Electric Amt.</u>	<u>ACCOUNT #</u>
AmerenCIPS "You're in Charge"	1,217		1,217	Error in booking	1,217	1-11-930-211-001
GreenLeaf Brochure	1,170	1,170		Institutional	1,170	1-11-930-211-001
AmerenCIPS Power Player Broch	856		856	Error in booking	856	1-11-930-211-001
AmerenCIPS Power Player App	686		686	Error in booking	686	1-11-930-211-001
AmerenCIPS Power Player Broch	857		857	Error in booking	857	1-11-930-211-001
AmerenCIPS Power Player App	817		817	Error in booking	817	1-11-930-211-001
ICC Fuel Source Bill Insert	11,009		11,009	Error in booking	11,009	1-11-930-211-001
Taum Sauk Brochure	717	717		Institutional	717	1-11-930-211-001
GreenLeaf Brochure	1,664	1,664		Institutional	1,664	1-11-930-211-001
Lake of the Ozarks Req. covers	1,435		1,435	Institutional	1,435	1-11-930-211-001
UE&CIPS Fuel Source Bill Insert	9,418		9,418	Error in booking	9,418	1-11-930-211-001
Lake Report News Letter	17,907		17,907	Institutional	17,907	1-11-930-211-001
	<u>47,752</u>	<u>3,551</u>	<u>44,202</u>		<u>47,752</u>	

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PROPRIETARY

Leasha Teel
 EC-2002-1
 Safety Advertising
 source: EARP dr#47

to be attached to advertising workpaper

RT Job #	Name	Missouri Elec. Cost		Company Classification	Staff Classification	Disallowed	Account #
AC00003	Gas Safety Campaign	2,241	72.430%	Safety	Error in Booking	1,623	1-11-909-028-001
AC00007	Miscellaneous Safety	12,547	72.430%	Safety	Safety		1-11-909-028-001
AC00055	St. Louis Tribune/Safety	1,920	72.430%	Safety	Safety		1-11-909-028-001
AC1074	Gas Safety 2001	6,538	72.430%	Safety	Error in Booking	4,735	1-11-909-028-001
AC1075	Miscellaneous Safety 2001	676	72.430%	Safety	Safety		1-11-909-028-001
52	2001 AmerenUE Gas Safety	4,344	72.430%	Safety	Error in Booking	3,146	1-11-909-028-001
53.54	2001 AmerenUE Miscellaneous Safety	12,267	72.430%	Safety	Safety		1-11-909-028-001
359	2001 AmerenUE Labor Safety	960	72.430%	Safety	Safety		1-11-909-028-001
		41,492				9,504	

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****PROPRIETARY****

Leasha Teel
 EC-2002-1
 Community Advertising
 source: EARP dr#47

to be attached to advertising workpaper

RT Job #	Name	Missouri Elec. Cost	Company Classification	Staff Classification	Disallowed	Account #
AC00075	Sheldon Concert Hall Program	285	Community	Institutional	285	1-11-9330-128-001
AC00116	Gateway International Speedway Ad	600	Community	Institutional	600	1-11-9330-128-001
AC00237	St. Louis Repertory Theatre 2000	4,720	Community	Institutional	4,720	1-11-9330-128-001
AC00259	Rams NFL Insider	11,662	Community	Institutional	11,662	1-11-9330-128-001
AC00315	St. Louis Art Fair	4,965	Community	Institutional	4,965	1-11-9330-128-001
AC00316	Missouri Black Expo	1,055	Community	Institutional	1,055	1-11-9330-128-001
AC00317	Edison Theatre	1,786	Community	Institutional	1,786	1-11-9330-128-001
AC00318	Dance St. Louis	2,481	Community	Institutional	2,481	1-11-9330-128-001
AC00319	St. Louis Symphony Stagebill	2,191	Community	Institutional	2,191	1-11-9330-128-001
AC00339	UE/Opera Theater Program Ad	1,619	Community	Institutional	1,619	1-11-9330-128-001
AC00343	UE/Ofox Theater Program Ad	10,517	Community	Institutional	10,517	1-11-9330-128-001
AC00422	2000 Mathews-Dickey Boys' Club Program	400	Community	Institutional	400	1-11-9330-128-001
AC00429	2001 St. Louis Variety Club	378	Community	Institutional	378	1-11-9330-128-001
AC00431	UE/St. Louis Cardinals Salute Ad	18,749	Community	Institutional	18,749	1-11-9330-128-001
AC00445	UE/St. Louis Black Repertory Co.	3,921	Community	Institutional	3,921	1-11-9330-128-001
AC01091	Sentinel Nspr-Black Hisotry Month/UE	589	Community	Institutional	589	1-11-9330-128-001
AC01114	Muny Ad	168	Community	Institutional	168	1-11-9330-128-001
AC01125	Urban League Ad	179	Community	Institutional	179	1-11-9330-128-001
AC01150	Gateway International Raceway 2001	595	Community	Institutional	595	1-11-9330-128-001
AC01153	Aids Walk Sponsorship	12	Community	Institutional	12	1-11-9330-128-001
15	2000 St. Louis Fox Theater Playbill	4,769	Community	Institutional	4,769	1-11-9330-128-001
325	Fair St. Louis 2001	2,582	Community	Institutional	2,582	1-11-9330-128-001
	Kirksville Daily Express	2,500	Community	Institutional	2,500	1-11-9330-128-001
	Heritage Media Group	4,500	Community	Institutional	4,500	1-11-9330-128-001
	Florida Solar Energy Center	1,000	Community	Institutional	1,000	1-11-9330-128-001
	Illinois Electric Council	5,000	Community	Institutional	5,000	1-11-9330-128-001
	American Red Cross	4,000	Community	Institutional	4,000	1-11-9330-128-001
		<u>91,224</u>			<u>91,224</u>	

JP
WC
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AmerenUE's Response to
MSPC Staff Data Request
Case No. EM-96-149
6th Sharing Period (3rd Year EARP II)

No. 48

Please provide the Company's classifications in regards to all of the advertisements listed in Staff's Data Request #26.

Response:

General:

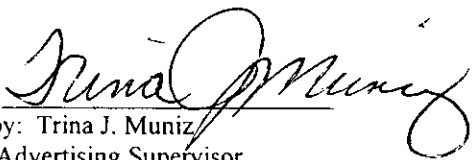
- Lake Ozark DM
- You're In Charge Brochures
- Ameren Dusk to Dawn Cards
- Fuel Source Inserts
- Lake of the Ozark Permit Covers
- Lake Report Newsletter
- Payment Options Brochure
- SmartLights Brochure
- Power Player Brochure
- Power Player Application

Safety:

- Energy Tip #14
- Protecting the Environment
- Energy Tip #17
- Energy Tip #15.

Institutional:

- Taum Sauk Brochure
- GreenLeaf Brochure

Signed by 
Prepared by: Trina J. Muniz
Title: Sr. Advertising Supervisor

P

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AmerenUE's Response to MPSC Data Request
Case No. EM-96-149
for the 6th Sharing Period
7/1/00 - 6/30/01

<u>RT Job #</u>	<u>Program</u>	<u>Production</u>	<u>Media</u>	<u>Total</u>
Television				
AC70269	Smart Lights	\$0.00	\$285,780.52	\$285,780.52
AC90704	Lightbulb/Thermostat (KMOV-dtrt)	\$0.00	\$25,222.88	\$25,222.88
AC90704	Lightswitch/Stove (KMOV-dtrt)	\$0.00	\$60,639.88	\$60,639.88
AC00365	Holiday	\$44,152.00	\$230,357.60	\$274,509.60
AC80276	Bump in the Night	\$0.00	\$35,417.00	\$35,417.00
AC90079 (334)	Environmental	\$404.00	\$253,492.80	\$253,896.80
AC00463 (24)	Ice Cream (KMOV-dtrt)	\$37,893.00	\$27,012.03	\$64,905.03
AC01023 (33)	Reliability/Powered by Ameren	\$136,444.00	\$216,096.28	\$352,540.28
AC90756/	Talent	\$42,262.00	\$0.00	\$42,262.00
Radio				
AC90300	Smart Lights	\$0.00	\$170,013.00	\$170,013.00
AC00420	Jane and Fred/Direct Pay	\$2,509.00	\$123,926.00	\$126,435.00
AC01149 (75)	Reliability/Powered by Ameren	\$8,456.00	\$47,813.00	\$56,269.00
AC00019	Talent	\$1,805.00	\$0.00	\$1,805.00
Print				
AC00266 (504)	Smart Lights	\$593.00	\$47,010.31	\$47,603.31
AC - 333	Adopt the Shoreline	\$559.57	\$11,557.25	\$12,116.82
AC00311/AC01073	Scholarship - '01	\$799.00	\$56,517.81	\$57,316.81
AC00427	Dollar More	\$681.00	\$58,935.85	\$59,616.85
AC - 330	Environmental	\$677.00	\$47,242.13	\$47,919.13
AC01042	GreenLeaf	\$383.53	\$3,695.66	\$4,079.19
Various	Community	\$20,231.79	\$53,992.34	\$74,224.13
Various	Safety	\$2,538.00	\$38,954.00	\$41,492.00
AC00446	Customer Mailing	\$42,883.00	\$0.00	\$42,883.00

AmerenUE's Response to MPSC Data Request
 Case No. EM-96-149
 for the 6th Sharing Period
 7/1/00 - 6/30/01

Outdoor				
AC - 309	Reliability/Powered by Ameren	\$7,000.00	\$13,333.00	\$20,333.00
Totals		\$350,270.89	\$1,807,009.34	\$2,157,280.23

PROPRIETARY

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PROPRIETARY

COMMUNITY ADVERTISING 7/1/00 – 6/30/01

DESCRIPTION	DATE	AMOUNT
Cherry Diamond Magazine	07/10/00	610.00
Kirksville Daily Express	08/09/00	20.00
Daily Egyptian	07/28/00	280.00
W B G Z Radio	08/01/00	555.00
Lodge 15 Fraternal Order Of Police	08/17/00	145.00
Excelsior Publishing Company	08/30/00	262.50
Kirksville Daily Express	08/31/00	20.00
VanFar School	08/31/00	45.00
Metro Futbo	09/01/00	500.00
Missouri Peace Officers Assn.	09/05/00	210.00
Missouri Peace Officers Assn.	09/19/00	210.00
Kirksville Daily Express	09/30/00	2,500.00
Audrain County Fact Book	10/11/00	295.00
Boonville Daily News	10/31/00	150.00
Kirksville Daily Express	10/31/00	95.00
Amateur Baseball Hall of Fame	11/07/00	100.00
Lodge 15 Fraternal Order Of Police	11/15/00	145.00
Mexico High	11/15/00	60.00
Suburban Journals	11/26/00	45.00
Mo State Fraternal Order of Police	11/28/00	75.00
WildLife Rescue Center	12/08/00	500.00
Worldwide Directory Products Sales	12/13/00	420.12
Virginia Publishing Corp	12/19/00	175.00
Heritage Media Group	12/21/00	4,500.00
Suburban Journal	12/31/00	172.60
Naylor – Assn Gen Contractors	01/04/01	369.50
Assn for Disabled Firefighters	01/10/01	500.00
Hometown Production	01/11/01	199.50
Kirksville Daily Express	01/23/01	25.00
Kirksville Daily Express	01/31/01	20.00
Moberly Monitor – Index	01/31/01	45.00
Florida Solar Energy Center	02/07/01	1,000.00
C & C Law Enforcement Printing	02/14/01	178.00
St. Louis Reg Co and Mun Police	02/21/01	150.00
Miss Missouri Scholarship Pagent	02/23/01	50.00
The Mexico Ledger	02/28/01	273.25
The Kirksville Crier	02/28/01	80.00
American Subcontractors Assn	02/27/01	250.00
Kirksville Daily Express	02/28/01	20.00

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Who's Who in Midwest Energy Asso	03/12/01	764.55
Illinois Electric Council	03/21/01	5,000.00
Missouri Peace Officers Assoc.	03/22/01	275.00
Kiwanis Radio Days - Mexico	03/30/01	40.00
Auxvasse Lions Club Rodeo Book	03/30/01	67.50
Kirksville Daily Express	03/31/01	25.00
Drug Prevention News	04/03/01	165.00
Project Abused Children Today	04/04/04	125.00
Boone Center	04/12/01	1,050.00
Missouri State Building & Const Trades	04/12/01	229.50
Columbia Daily Tribune	04/30/01	140.00
Daily Eastern News	05/01/01	120.00
Daily Egyptian	05/01/01	130.00
Kirksville Daily News	05/09/01	20.00
Missouri Police Journal	06/11/01	490.00
Kirksville Daily News	06/12/01	20.00
Lodge 15 Fraternal Order Of Police	06/22/01	150.00
American Red Cross	06/24/01	4,000.00
Kirksville Daily Express	06/30/01	25.00
The Mexico Ledger	06/30/01	39.00

- TOTAL		28,126.02

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PROPRIETARY

BROCHURES
7/1/00 - 6/30/01

DESCRIPTION	DATE	AMOUNT
Lake Ozark DM List	07/31/00	376.31
AmerenCIPS "You're In Charge"	07/31/00	1,731.01
Energy Tips #14	07/31/00	941.84
Taum Sauk Brochure Reprint	08/10/00	1,019.25
Ameren Dusk to Dawn Cards	09/13/00	654.77
UE & CIPS - ICC Fuel Source Insert	09/29/00	15,659.71
"You're In Charge" UE Reprint	10/10/00	2,838.42
GreenLeaf Brochure	11/29/00	1,664.35
Lake of the Ozarks Req Covers	11/30/00	2,040.65
ICC Fuel Source Bill Insert	12/08/00	15,659.70
Lake Report Newsletter	12/08/00	25,470.67
Payment Options Brochure	12/08/00	8,693.74
Protecting the Environment	12/27/00	6,031.65
SmartLights Brochure	01/30/01	1,345.03
Energy Tips #17	02/06/01	1,086.99
AmerenCIPS Power Player Broch	02/19/01	1,218.16
AmerenCIPS Power Player App	02/19/01	975.17
Energy Tips #15	03/07/01	941.84
AmerenUE Dusk to Dawn Cards	03/07/01	619.29
AmerenCIPS Power Player Broch	05/17/01	1,219.23
AmerenCIPS Power Player App	05/17/01	1,162.25
Payment Options Brochure	05/22/01	4,346.87
UE & CIPS Fuel Source Bill Insert	06/27/01	13,396.49

TOTAL		109,093.39

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PROPRIETARY

AMEREN SERVICES COMPANY
ADVERTISEMENTS PROMOTIONALS AND SPONSORSHIP FEES
12 MONTHS ENDED JUNE 30, 2001

Account #	Date	Description	Service Request	Total	Amount to UEC	Total Electric	Missouri Electric
11-930-128	9/1/00	St Louis Rams	A2079	\$ 38,625	\$ 27,976	\$ 27,154	\$ 24,488
11-930-128	12/1/00	St Louis Rams	A2079	38,625	27,976	27,154	24,488
11-930-128	3/1/01	St Louis Rams	A2079	44,419	32,173	31,228	28,161
11-930-128	6/1/01	St Louis Rams	A2079	44,419	32,173	31,228	28,161
11-930-128	7/13/00	Kiel Center Partners	A2079	44,100	31,942	31,004	27,959
11-930-128	12/27/00	Kiel Center Partners	A2079	17,640	12,777	12,401	11,184
11-930-128	10/25/00	Gateway International Raceway	A2079	191	138	134	121
11-930-128	12/22/00	Gateway International Raceway	A2079	18,333	13,279	12,889	11,623
11-930-128	3/29/01	Gateway International Raceway	A2079	319	231	224	202
11-930-128	11/16/00	NCAA Women's Final Four	A2079	18,750	13,581	13,182	11,887
11-930-128	2/14/01	St Louis Blues Hockey	A2079	61,740	44,718	43,405	39,143
11-930-128	5/30/01	St Louis Blues Hockey	A2079	61,740	44,718	43,405	39,143
11-930-128	5/30/01	St Louis Blues Hockey	A2079	26,200	18,977	18,419	16,611
11-930-128	8/1/00	St Louis Cardinals	A2079	75,000	54,323	52,727	47,549
11-930-128	3/2/01	St Louis Cardinals	A2079	75,000	54,323	52,727	47,549
11-930-128	9/15/00	The Family Arena	A2079	30,000	21,729	21,091	19,020
11-930-128	8/1/00	MO River Otters	A2079	3,000	2,173	2,109	1,902
				\$ 598,100	\$ 433,204	\$ 420,481	\$ 379,189