Exhibit No.:	
Issues:	Updated Cost of Service Study With Actual Data
Witness:	Gary S. Weiss
Sponsoring Party:	Union Electric Company
Type of Exhibit:	Supplemental Direct Testimony
Case No.:	ER-2007-0002
Date Testimony Prepared:	September 29, 2006

MISSOURI PUBLIC SERVICE COMMISSION

CASE NO. ER-2007-0002

SUPPLEMENTAL DIRECT TESTIMONY

OF

GARY S. WEISS

ON

BEHALF OF

UNION ELECTRIC COMPANY
d/b/a AmerenUE

St. Louis, Missouri
September, 2006

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SUPPLEMENTAL DIRECT TESTIMONY

OF

GARY S. WEISS

CASE NO. ER-2007-0002

I. INTRODUCTION

Q. Please state your name and business address.

A. Gary S. Weiss, Ameren Services Company, One Ameren Plaza, 1901 Chouteau Avenue, St. Louis, Missouri 63103.

Q. Are you the same Gary S. Weiss who previously filed testimony in this case?

A. Yes.

II. PURPOSE AND SUMMARY OF TESTIMONY

Q. What is the purpose of your supplemental direct testimony in this proceeding?

A. The purpose of my supplemental direct testimony and attached Schedules GSW-E20 through GSW-E38 is to update the cost of service (revenue requirement) for the Missouri electric operations of AmerenUE for the test year adopted by the Commission in this case (the actual twelve months ended June 30, 2006). This is in accordance with the Order Adopting Procedural Schedule and Test Year in Case No. ER-2007-0002 issued September 12, 2006, which states: "It is Ordered that AmerenUE will update its Direct Case, i.e., its forecasted data for April to June 2006, to actual data, including limited Supplemental Direct Testimony".

Q. Does your supplemental direct testimony provide comprehensive information on the Company's revenue requirement with the updated information for the last three months of the test year?

A. Yes. This supplemental direct testimony, including the accompanying schedules, is designed to provide the Commission with the total revenue requirement picture for the Company's electric operations to avoid the need to refer back and forth between the supplemental direct testimony and my direct testimony, which was filed using nine months of actual data and three months of forecasted data. However, in accordance with the Commission's above referenced Order, no changes in methodology or new methodologies are introduced.

Q. Do your supplemental direct testimony and attached schedules reflect any new adjustments to the AmerenUE electric revenue requirement?

A. Yes, there is one new adjustment (Adjustment #18) for a New Tree Trimming Program. This new adjustment, reflected on Schedule GSW-E29-3 in the amount of $15,000,000, arises from the severe storms that occurred in July 2006 and the resulting extreme damage inflicted on the AmerenUE electric distribution system. Because the Company believes that normal tree trimming programs are not sufficient to prevent this kind of extreme damage, the Company is proposing new programs in addition to the normal tree trimming program, as outlined in the supplemental direct testimony of Company witness Ronald C. Zdellar. If the Commission approves this additional $15,000,000 for new tree trimming programs, the Company commits to spend this amount on the new programs as long as the rates containing the $15,000,000 are in effect. The Company will track the expenditures on the new tree trimming programs in a separate account and provide reports annually to the Commission.

Q. Have you prepared or have there been prepared under your direction and supervision a series of schedules for presentation to the Commission in this proceeding?

A. Yes. I am sponsoring Schedules GSW-E20 through GSW-E38.

. **Q. What is the subject matter of these schedules?**

A. Schedules GSW-E20 through GSW-E38 develop the various elements of the revenue requirement to be considered in arriving at the proper level of rates for the Company's electric service based on the test year of twelve months ended June 30, 2006, with pro forma adjustments and updates for known and measurable changes. Schedule GSW-E38 shows the impact on the Company's revenue requirement if the provisions of 4 CSR 240-10.020 are followed. All of these Schedules are updates to Schedules GSW-E1 through GSW-E19 contained in my direct testimony using updated numbers including actual data for April through June, 2006.

Q. Will you please briefly summarize the information provided on each of the schedules you are presenting?

A. Each schedule provides the following information:

- Schedule GSW-E20 – Original Cost of Plant by functional classification at June 30, 2006 per book and pro forma with the allocation of pro forma total electric plant to the Missouri jurisdiction.
- Schedule GSW-E21 - Reserves for Depreciation and Amortization by functional classification at June 30, 2006 per book and pro forma with the

allocation of the pro forma total electric reserve for depreciation and amortization to the Missouri jurisdiction.

- Schedule GSW-E22 – Average Fuel Inventories and Average Materials and Supplies Inventories at June 30, 2006 per book and pro forma with the allocation of the pro forma electric inventories to the Missouri jurisdiction.
- Schedule GSW-E23 – Average Prepayments at June 30, 2006 per book and pro forma with the allocation of the pro forma electric prepayments to the Missouri jurisdiction.
- Schedule GSW-E24– Missouri Jurisdictional Cash Requirement (Lead/Lag Study) for the twelve months ended June 30, 2006.
- Schedule GSW-E25 – Missouri Jurisdictional Interest Expense Cash Requirement, Federal Income Tax Cash Requirement and State Income Tax Cash Requirement for the twelve months ended June 30, 2006.
- Schedule GSW-E26- Customer Advances for Construction and Customer Deposits reductions to rate base at June 30, 2006 applicable to the Missouri jurisdiction.
- Schedule GSW-E27 – Accumulated Deferred Taxes on Income at June 30, 2006 and allocation to the Missouri jurisdiction.
- Schedule GSW-E28 - Electric Operating Revenues for Total Electric and Missouri Jurisdiction for the twelve months ended June 30, 2006 per book and pro forma.

- Schedule GSW-E29 – Electric Operations and Maintenance Expenses, by functional classifications for the year ending June 30, 2006 updated for certain known items, per book and pro forma. A description of each of the pro forma adjustments is included, as well as the allocation of the total electric pro forma operating and maintenance expenses to the Missouri jurisdiction.
- Schedule GSW-E30– Depreciation and Amortization Expenses applicable to Electric Operations, by functional classification for the year ending June 30, 2006, updated to reflect the Company's proposed new depreciation rates. A description of the pro forma adjustments and the allocation of the total electric pro forma depreciation and amortization expenses to the Missouri jurisdiction is included.
- Schedule GSW-E31– Taxes Other Than Income Taxes, for the year ending June 30, 2006 per book and pro forma. A description of the pro forma adjustments and the allocation of the total electric pro forma taxes other than income to the Missouri jurisdiction is included.
- Schedule GSW-E32 – Income Tax Calculation at the proposed rate of return and statutory tax rates for total electric and the Missouri jurisdiction.
- Schedule GSW-E33- The development of the fixed (demand) allocation factor for the Missouri jurisdiction.
- Schedule GSW-E34- The development of the variable allocation factor for the Missouri jurisdiction.

- Schedule GSW-E35- The development of the labor allocation factor for the Missouri jurisdiction.
- Schedule GSW-E36- The Original Cost Rate Base at June 30, 2006 applicable to the Missouri jurisdiction and the Missouri jurisdictional Revenue Requirement for the pro forma twelve months ended June 30, 2006.
- Schedule GSW-E37- Increase Required to Produce an 8.876% Return on Net Original Cost Rate Base for the pro forma twelve months ended June 30, 2006.
- Schedule GSW-E38- Missouri Jurisdictional Return reflecting Rule 4 CSR 240-10.020 Income on Depreciation Fund Investment.

Q. Were these schedules prepared on the same basis as the schedules filed with your direct testimony in Case No. ER-2007-0002?

A. Yes.

III. <u>REVENUE REQUIREMENT</u>

Q. What do you mean by "revenue requirement"?

A. The revenue requirement of a utility is the sum of operating and maintenance expenses, depreciation expense, taxes and a fair and reasonable return on the net value of property used and useful in serving its customers. A revenue requirement is based on a test year. In order that the test year reflect conditions existing at the end of the test year as well as significant changes that are known or reasonably certain to occur, it is necessary to make certain "pro forma" adjustments.

The revenue requirement represents the total funds (revenues) that must be collected by the Company if it is to pay employees and suppliers, satisfy tax liabilities, and provide a return to investors. To the extent that current revenues are less than the revenue requirement, a rate increase is required. This is the purpose of this proceeding.

Q. Why is it necessary to make pro forma adjustments to the test year?

A. It is an axiom in ratemaking that rates are set for the future. In order for newly authorized rates to have the opportunity to produce the allowed rate of return during the period they are in effect, it is sometimes necessary that the test year data be adjusted so that it is representative of future operating conditions. This requires pro forma adjustments to reflect known changes.

Q. Please explain Schedule GSW-E20.

A. Schedule GSW-E20 shows the recorded original cost of electric plant by functional classification at June 30, 2006 along with the estimated plant additions through December 31, 2006. This schedule also shows the allocation of the total pro forma electric plant to the Missouri jurisdiction.

Q. Why is it necessary to allocate the total electric to the Missouri jurisdiction on this schedule and the other schedules?

A. AmerenUE provides service to retail Missouri jurisdictional customers as well as sales for resale customers which are regulated by the Federal Energy Regulatory Commission (FERC). Therefore it is necessary to allocate certain plant, rate base items, revenues and operating expenses between the Missouri retail jurisdictional customers and the sales for resale customers.

Q. Are the Company's plant accounts recorded on the basis of original cost as defined by the Uniform System of Accounts prescribed by this Commission?

A. Yes, they are.

Q. Please explain the elimination of the plant balances related to Financial Accounting Standard ("FAS") 143 Accumulated Retirement Obligation shown as the first adjustment on Schedule GSW-E20-1.

A. FAS 143 is basically a financial reporting requirement to reflect the fact that the Company has a legal obligation to remove certain facilities in the future. Since AmerenUE is regulated and through its depreciation rates collects removal costs, this adjustment to plant of $110,248,000 is eliminated for ratemaking purposes.

Q. Why is the Company including plant additions through December 31, 2006?

A. The Company has spent over $2.6 billion on infrastructure expenditures since January 2002 and continues to make substantial infrastructure expenditures. In order to provide the Company an opportunity to earn a fair and reasonable return on its total investment, it is necessary for the cost of service to reflect as closely as possible the level of the Company's investment at the time the new rates will become effective. Adjustment 2 adds the plant in service additions from July through December 2006, except for the plant additions related to new business, of $552,061,000. Plant additions for new business are excluded since these additions should increase revenues. The direct testimonies of Company witnesses Charles D. Naslund, Mark C. Birk, Maureen A. Borkowski and Richard J. Mark discuss the Company's infrastructure expenditures.

Q. Please explain the elimination of items of General Plant applicable to gas operations.

A. General Plant facilities such as general office buildings and equipment, the central warehouse, the central garage, and computers and office equipment are used in both the electric and gas operations. For convenience, such facilities are accounted for as electric plant. Adjustment 3 eliminates the portion of the multi-use general plant applicable to the Company's gas operations of $4,656,000.

Q. After reflecting the above pro forma adjustments, what amount of electric plant in service is the Company proposing to include in rate base?

A. As shown on Schedule GSW-E20 the total electric plant in service is $11,376,178,000 with $11,262,123,000 allocable to the Missouri jurisdiction.

Q. Please explain Schedule GSW-E21.

A. Schedule GSW-E21 shows the reserve for depreciation and amortization at June 30, 2006, by functional group. It also indicates the pro forma adjustments. Finally, Schedule GSW-E21 allocates the total electric pro forma balances to the Missouri jurisdiction.

Q. What pro forma adjustments were made to the reserve for depreciation?

A. The following adjustments were made to the reserve for depreciation on Schedule GSW-E21.

Adjustment 1 is a reallocation of the accumulated depreciation reserve from distribution plant to general plant of $82,068,000. Because the Company's depreciation rates have not been changed since the early 1980s, the lives used for distribution plant have proven to be too short while the lives used for new technology items in general plant such as personal computers have proven to be too long. See the direct testimony of Company witness John F. Wiedmayer of Gannett Fleming, Inc. for further detail on this adjustment. However, the total accumulated depreciation reserve is not impacted by this reallocation of the accumulated depreciation reserve.

Adjustment 2 reduces the reserve for depreciation by $51,000 for Hydraulic Plant Account 335, Roads, to reflect the fact that the account is fully depreciated.

Adjustment 3 for $198,000 increases the reserve for depreciation and amortization to reflect a ten-year amortization of the Venice Plant removal costs not recovered through depreciation rates.

Adjustment 4 eliminates $81,090,000 from the depreciation reserve related to FAS 143 Accumulated Retirement Obligation. The plant related to FAS 143 was removed from rate base in Adjustment 1 to plant in service.

Adjustment 5 increases the depreciation reserve by $18,468,000 for the pro forma plant additions to plant in service through December 31, 2006.

Finally, Adjustment 6 eliminates the accumulated amortization and depreciation reserve of $2,084,000 for the multi-use general plant applicable to gas operations and corresponds to Adjustment 3 made to the plant accounts in Schedule GSW-E20.

The pro forma accumulated provision for depreciation and amortization as shown on Schedule GSW-E21 applicable to total electric plant in service is $4,538,426,000 and the Missouri jurisdictional amount is $4,495,359,000.

Q. Please explain Schedule GSW-E22.

A. Schedule GSW-E22 shows the average investment in fuel inventories and materials and supplies at June 30, 2006. Fuel consists of nuclear fuel, coal and minor amounts of oil, shredded tires, petroleum coke and stored natural gas used for electric generation. General materials and supplies include such items as poles, cross arms, wire, cable, line hardware and general supplies. A thirteen-month average is used for all of these items except nuclear fuel and coal inventories. An eighteen-month average is used for the nuclear fuel since the Callaway Nuclear Plant is refueled every eighteen months. The coal inventory has been adjusted by $44,599,000 to reflect 55 days of maximum burn priced at the January 1, 2007 cost at all of the steam generation plants except the Meramec Plant. Due to storage constraints, the Meramec Plant cannot handle a coal inventory level of 55 days of maximum burn. With the interruptions encountered in receiving deliveries of low sulfur coal from the Powder River Basin in Wyoming, the Company has made the decision to increase its level of coal inventory. See the direct testimony of Company witness Robert K. Neff for additional testimony on the coal inventory.

Pro forma adjustments 2 and 3 shown on Schedule GSW-E22 remove the average propane inventory ($144,000) and the portion of the average general materials and supplies inventory ($1,861,000) applicable to the Company's Missouri gas operations.

Q. What are the pro forma materials and supplies applicable to electric operations?

A. The pro forma materials and supplies applicable to total electric operations, as shown on Schedule GSW-E22, is $256,607,000 with the amount applicable to the Missouri jurisdiction being $252,895,000.

Q. Please explain the average prepayments shown on Schedule GSW-E23.

A. Certain rents, insurance, assessments of state regulatory commissions, freight charges for coal, service agreements, medical and dental voluntary employee beneficiary association (veba) and coal car leases are paid in advance. The thirteen-month average balances of total electric prepayments at June 30, 2006, after eliminating the portion applicable to gas operations, are $5,393,000. The prepayments allocated to the Missouri jurisdiction are $5,324,000 as shown on Schedule GSW-E23.

Q. Please explain Schedule GSW-E24.

A. Schedule GSW-E24 shows the calculation of the Missouri jurisdictional cash working capital requirement based on a lead/lag study for the pro forma twelve months ended June 30, 2006 of ($4,181,000). The development of the various revenue and expense leads and lags is explained in the direct testimony of Company witness Michael J. Adams from Navigant Consulting, Inc.

Q. What appears on Schedule GSW-E25?

A. The Missouri jurisdictional interest expense cash requirement, the federal income tax cash requirement and the state income tax cash requirement are shown on Schedule GSW-E25. The payment lead times for these items are developed in the testimony of Mr. Adams. However, the payment lead time for the interest expense was calculated by Mr. Adams based on the Company's methodology.

Q. How was the expense lead time on the interest expense calculated?

A. The lead time on the interest expense was calculated as the mid-point of six months (i.e., 365/2/2 or 91.25 days) plus a half day to account for the mid-point of the day on which the interest payment was made.

Q. Did the Company direct Mr. Adams to employ this approach when calculating the interest expense lead time?

A. Yes, I directed Mr. Adams to follow this approach. This approach is consistent with that used by the Staff of the Missouri Public Service Commission in previous cases. For purposes of this proceeding, the Company believes that the approach described above most accurately reflects the timing of cash flows related to the payment of the Company's interest expense.

Q. What is the cash requirement for the interest expense, the federal income taxes and the state income taxes?

A. The expense leads for the interest expense, the federal income taxes and the state income taxes are greater than the revenue lags. This results in a negative cash requirement for the Missouri jurisdiction of ($20,744,000) for the interest expense, ($11,236,000) for federal income taxes and ($1,766,000) for state income taxes.

Q. What items are shown on Schedule GSW-E26?

A. The thirteen-month average balances at June 30, 2006 for the Missouri jurisdictional customer advances for construction and customer deposits are shown on Schedule GSW-E26. These items represent cash provided by customers that can be used by the Company until they are refunded. Therefore, the average balances of the customer advances for construction and customer deposits are reductions to the Company's rate base.

Customer advances for construction are cash advances made by customers that are subject to refund to the customer in whole or in part. These advances provide the Company cash that offsets the cost of the construction until they are refunded. The Missouri jurisdictional thirteen-month average balance of electric customer advances for construction at June 30, 2006 is ($2,403,000).

Customer deposits are cash deposits made by customers which are subject to refund to the customer if the customer develops a good payment record. The Company pays interest on the deposits, which is shown as a customer account expense on Schedule GSW-E29. The Missouri jurisdictional thirteen-month average balance of electric customer deposits at June 30, 2006 is ($12,549,000).

Q. Please explain Schedule GSW-E27.

A. Schedule GSW-E27 lists the accumulated deferred income taxes applicable to total electric operations and Missouri jurisdictional electric operations at June 30, 2006. Accumulated deferred income taxes are the net result of normalizing the tax benefits resulting from timing differences between the periods in which transactions affect taxable income and the periods in which such transactions affect the determination of pre-tax income.

Currently the Company has deferred income taxes in FERC Accounts 190, 282 and 283. As shown on Schedule GSW-E27 the total electric accumulated deferred income tax balance at June 30, 2006 is a net balance of ($1,132,653,000) and the Missouri jurisdictional amount is ($1,117,530,000). The net deferred income taxes are a deduction from the rate base.

Q. What is the Company's Missouri jurisdictional pro forma net original cost electric rate base at June 30, 2006?

A. The Missouri jurisdictional electric rate base as shown on Schedule GSW-E36 is $5,854,574,000 consisting of:

	In Thousands of $
Original Cost of Property & Plant	$11,262,123
Less Reserve for Depreciation & Amortization	4,495,359
Net Original Cost of Property & Plant	6,766,764
Average Materials & Supplies	252,895
Average Prepayments	5,324
Cash Requirement (Lead/Lag)	(4,181)
Interest Expense Cash Requirement	(20,744)
Federal Income Tax Cash Requirement	(11,236)
State Income Tax Cash Requirement	(1,766)
Average Customer Advances for Construction	(2,403)
Average Customer Deposits	(12,549)
Accumulated Deferred Taxes on Income:	(1,117,530)
Total Missouri Jurisdictional Electric Rate Base	$ 5,854,574

Q. Please explain Schedule GSW-E28.

A. Schedule GSW-E28 shows total electric and Missouri jurisdictional operating revenues per book and pro forma for the twelve months ended June 30, 2006.

Q. Are the revenues from off-system sales included on Schedule GSW-E28?

A. Yes, Adjustment 7 on Schedule GSW-E28 reduces the actual off-system sales revenues by $180,976,000 to reflect a normal level of off-system sales and revenues calculated using a normal market price. The direct testimony of Company witness Shawn E. Schukar develops the normal market prices. The production cost model (PROSYM) explained in the direct testimony of Company witness Timothy D. Finnell develops the normal off-system sales volumes and revenues.

Q. Please explain the pro forma adjustments to the Missouri jurisdictional operating revenues shown on Schedule GSW-E28.

A. The following pro forma adjustments are shown on Schedule GSW-E28: Adjustment 1 eliminates the gross receipts taxes of $98,163,000 from revenues as they are add-on taxes that are passed through by the Company. Adjustment 2 eliminates the unbilled revenues of $24,099,000 to reflect the book revenues on a bill cycle basis. Since the unbilled revenues were negative, this results in an increase to the revenues. The revenues were reduced in Adjustment 3 by $52,610,000 to reflect normal weather. The sales and revenues for the twelve months ended June 30, 2006 were higher than normal. See the direct testimony of Company witness Richard A. Voytas for the weather normalization methodology (with the results updated in Mr. Voytas' supplemental direct testimony) utilized by the Company. Adjustment 4 reduces the revenues by $756,000 to reflect the actual twelve months of revenues from Noranda Aluminum, Inc. Adjustment 5 reduces revenues by $4,548,000 to synchronize the book revenues with the revenues developed by Company witness James R. Pozzo in his billing unit rate analysis and discussed in Mr. Pozzo's direct testimony, supplemented by Mr. Pozzo's supplemental direct testimony using actual data for April to June, 2006. The transmission revenues included in "other revenues" on Schedule GSW-E28 were reduced by $5,866,000 in Adjustment 6 to reflect the elimination of certain transmission revenue items during the test year. See the direct testimony of Company witness Maureen Borkowski for an explanation of the decreases in transmission revenues.

Q. What are the system revenues included on Schedule GSW-E28?

A. System revenues include rents received from the rental of Company buildings and agricultural land, off-system facilities charges plus the revenues from the Meramec Coal Terminal. Since these revenues are generated by Company assets which are accounted for "above the line" and paid for by all customers, these revenues are removed from the jurisdiction where received and then the total is allocated to jurisdictions based on a fixed allocation factor. The system revenues along with the off-system sales revenues are shown on Schedules GSW-E36 and GSW-E37 as reductions to the revenue requirement and not as revenues since these revenues are not generated from the provision of electric service to jurisdictional customers.

Q. What are the Missouri jurisdiction pro forma electric operating revenues for the twelve months ended June 30, 2006?

A. The Missouri jurisdiction pro forma electric operating revenues for the twelve months ended June 30, 2006 are $2,016,490,000 excluding the allocation of the system revenues and the off-system sales revenues of $24,331,000 and $311,517,000 respectively. The system revenues and the off-system revenues are treated as reductions to the total revenue requirement.

Q. Please describe what is shown on Schedule GSW-E29.

A. The total electric operating and maintenance expenses for the twelve months ended June 30, 2006, are shown per books by functional classification; a listing of the pro forma adjustments is provided; and finally, the allocation of the total electric pro forma operating and maintenance expenses to the Missouri jurisdiction is shown on Schedule GSW-E29.

Q. Will you please explain the pro forma adjustments to electric operating expenses for the year ending June 30, 2006?

A. A summary of the pro forma adjustments to operating expenses appear on Schedule GSW-E29.

Adjustment 1 reflects the increased labor expense from annualizing the average 3.75% wage increase for management employees effective April 1, 2006 and the 3.25% wage increase for the Company's union employees effective July 1, 2006 per the labor contracts. The annualized increase in the total electric operating labor resulting from the above increases is $8,140,000. Incentive compensation was subtracted out of the calculation of the wage increase as the wage increases only apply to base wages.

Adjustment 2 reduces the test year level of incentive compensation by $3,200,000 to reflect the amount of incentive compensation annualized at the target level for calendar year 2006. The actual incentive compensation for calendar year 2005 exceeded the target due to unusual circumstances.

Adjustment 3 is an increase in fuel expense of $91,760,000 and a decrease in purchased power expense of $242,094,000 to reflect the normalized billed kWh sales and output for the pro forma twelve months ended June 30, 2006 using the January 1, 2007 coal and transportation cost as discussed in Mr. Neff's direct testimony. The net result of the two items is a reduction in expenses of $150,333,000. The increase in fuel cost and the decrease in the purchased power expense were calculated by Mr. Finnell using the PROSYM production cost model. His direct testimony details the inputs and assumptions used in the PROSYM Model. The purchased power expenses also include the MISO power market charges. Due to initial start-up problems, the test year MISO power market charges have been reduced to reflect our current experience and to annualize these expenses for the calendar year 2006. Since the MISO power market operations and charges are continuing to be refined, the Company recommends an update of these costs to the actual amount incurred for the twelve months ending December 31, 2006.

Adjustment 4 is a reduction to the production expense to remove one-third of the Fall 2006 Callaway Nuclear Plant refueling expenses other than replacement power. This adjustment is required because the test year included the full cost of a Callaway refueling outage which only occurs every eighteen months. Therefore, in order to reflect only twelve months of operating and maintenance expenses, it is necessary to only include two-thirds of the Callaway Plant refueling expense. The production expenses are reduced by $7,167,000 for outside contractors' maintenance expenses and $3,633,000 for incremental overtime expense. This is a total reduction of $10,800,000. The impact on replacement power and purchased power is part of the fuel and purchased power adjustment in Adjustment 3. The inputs for the PROSYM Model included two-thirds of a Callaway outage.

Adjustments 5 and 6 increase production expenses other than fuel to reflect the increase in operating expenses due to the purchase of the Audrain combustion turbine generator ("CTG") and the Raccoon and Goose Creek CTGs. These CTGs were not purchased until the end of March 2006 and their operating expenses must be annualized. These adjustments to other operating expenses of $1,120,000 and $2,190,000 are required to reflect a full twelve-month level of operating expenses. The impact on fuel expense is reflected in Adjustment 2 as the inputs for the PROSYM Model included these new CTGs.

Adjustment 7 increases operating expenses at the Osage Plant (Bagnall Dam) by $660,000 annually to reflect payments required under a settlement agreement concerning the license renewal of the Osage hydroelectric project.

Adjustment 8 is also an increase in the operating expense at the Osage Plant. In April 2006, the Osage Plant recorded an additional $6,500,000 fees from the Federal Energy Regulatory Commission ("FERC") for Headwater Benefits received by the Osage Plant due to the construction and operation of the Truman Lake since 1981. On September 26, 2006 a settlement was reached with the FERC that reduced the $6,500,000 to $4,332,000. As these fees are for items that benefited the ratepayers in prior periods, the Company is reflecting a five-year amortization of the $4,332,000 in additional fees. Also, the annual Headwater Benefit fees will be increasing in the future. Therefore, the annual amount in the test year is being increased from $275,000 to $410,000. The adjustment reflected in Adjustment 7 as a result of both of these items is a reduction in the Osage Plant operating expenses of $5,499,000.

Adjustment 9 reduces operating expenses to remove the expenses related to the Taum Sauk reservoir failure and clean-up activities that were recorded in the test year operating expenses. This adjustment reduces operating expenses by $1,986,000.

Adjustment 10 increases transmission expenses by $437,000 to reflect the increase in fees related to MISO's transmission operations effective in 2006. See the direct testimony of Ms. Borkowski for an explanation of these increased transmission fees.

Adjustment 11 is a reduction of $1,032,000 in the fees related to the MISO's power market operations that are recorded as transmission expenses. The initial start-up costs were higher than the costs that are expected in the future. The Company recommends updating these MISO power market fees to the actual amounts for the twelve months ending December 31, 2006 consistent with the treatment of MISO power market fees in Adjustment 3.

Adjustment 12 reflects an increase of $1,588,000 in distribution expenses to reflect the annualized year 2006 level of tree trimming. See the testimony of Mr. Mark for additional details of the Company's tree trimming program.

Adjustment 13 is an increase in customer accounting expenses to reflect interest expense at 8% on the average customer deposit balance applicable to only electric service and 9.50% on the average customer deposit balance for joint electric and gas service. The average customer deposit balance at June 30, 2006 is deducted from the rate base. The interest expense added to the customer accounting expenses is $1,011,000.

Administrative and general expenses are decreased by $903,000 in Adjustment 14 to annualize the year 2006 pension expense.

Adjustment 15 increases administrative and general expenses by $2,985,000 to reflect the increases in the other post retirement benefits ("OPEBs"), major medical and other employee benefit expenses to annualize the calendar year 2006 employee benefits expenses. Increasing the employee benefit costs to the 2006 annual level matches the pro forma labor adjustment in Adjustment 1.

Adjustment 16 is an adjustment to customer service expenses to reflect the restatement of pay station expenses to an annual amount. This is an increase of $861,000.

Administrative and general expenses are increased to reflect the three-year amortization of the expenses that have been and will be incurred to prepare and litigate this rate increase filing (rate case expense) in Adjustment 17. The Company's estimated additional expenses applicable to the electric rate case are $4,576,000 and the three-year amortization is $1,526,000 per year.

Adjustment 18 is a new adjustment to the distribution expenses of $15,000,000 to reflect the addition of new tree trimming programs. See the supplemental direct testimony of Company witness Ronald C. Zdellar for a description of the new programs.

Q. What is the impact on total electric operating and maintenance expenses from the above pro forma adjustments?

A. As shown on Schedule GSW-E29, the total electric operating and maintenance expenses are decreased from $1,625,551,000 to $1,487,315,000 or a total net decrease of $138,236,000 by the above pro forma adjustments.

Q. What amount of the total electric pro forma operating and maintenance expenses is applicable to the Missouri jurisdiction?

A. As shown on Schedule GSW-E29-4, $1,468,518,000 of the total pro forma electric operating and maintenance expenses is applicable to the Missouri jurisdiction.

Q. What is shown on Schedule GSW-E30?

A. Schedule GSW-E30 shows the depreciation and amortization expenses by functional classification for the test year ended June 30, 2006, per book and pro forma, and the allocation of the total electric pro forma depreciation and amortization expenses to the Missouri jurisdiction.

Q. What pro forma adjustments apply to the depreciation and amortization expenses?

A. Schedule GSW-E30 details the following pro forma adjustments to the depreciation and amortization expenses.

Adjustment 1 eliminates the portion of the depreciation and amortization expenses for multi-use general facilities applicable to gas operations of $132,000. The related plant is removed from the electric general plant on Schedule GSW-E20.

Depreciation expense is increased by $18,468,000 in Adjustment 2 to reflect a full year's depreciation expense at the proposed depreciation rates on the additions to plant in service from July through December 2006.

Adjustment 3 increases depreciation expense to reflect the Company's proposed new depreciation rates applied to the June 30, 2006 depreciable plant balances. The direct testimony of Company witnesses William M. Stout and John F. Wiedmayer of Gannett Fleming, Inc. provide the details of the Company's depreciation study and the resulting new depreciation rates the Company is proposing. The Company's proposed new depreciation rates increase the depreciation expense by $41,311,000.

Amortization expense is increased by $174,000 in Adjustment 4 to reflect the ten-year amortization of the Venice Plant removal costs. The Venice Plant was retired and the Company has incurred removal costs to take the plant out of service. The depreciation rates applied to the Venice Plant over its life did not reflect these final removal costs. Therefore, it is appropriate to amortize these costs in rates.

Adjustment 5 increases the depreciation expense to add back the $20,000,000 annual reduction in book distribution plant depreciation contained in the Stipulation and Agreement in Case No. EC-2002-1.

Q. What are the total electric pro forma depreciation and amortization expenses and what is the amount applicable to the Missouri jurisdiction?

A. As reported on Schedule GSW-E30 the total electric pro forma depreciation and amortization expenses are $391,830,000 with $387,630,000 allocated to the Missouri jurisdiction.

Q. Please explain Schedule GSW-E31.

A. Schedule GSW-E31 shows the taxes other than income taxes for the twelve months ended June 30, 2006, per book and pro forma, and the allocation of the total electric pro forma taxes other than income to the Missouri jurisdiction.

Q. Please list the pro forma adjustments required to arrive at the total electric pro forma taxes other than income taxes as detailed on Schedule GSW-E31.

A. The following pro forma adjustments detailed on Schedule GSW-E31 are required to arrive at the total electric pro forma taxes other than income taxes.

Adjustment 1 increases F.I.C.A. taxes by $589,000 to reflect the pro forma wage increases.

Adjustment 2 increases real estate taxes by $774,000 to reflect the additional real estate taxes applicable to the three sets of CTGs purchased by the Company in March 2006.

Adjustment 3 eliminates property taxes of $104,000 applicable to plant held for future use, as this investment is not included in rate base.

Adjustment 4 eliminates the portions of the taxes other than income taxes of $73,000 applicable to the multi-use general facilities used for gas operations. The related plant investment is eliminated on Schedule GSW-E20.

The real estate taxes applicable to non-utility plant of $38,000 are eliminated in Adjustment 5, as this investment is not used to provide service to the ratepayers.

Adjustment 6 adjusts taxes other than income taxes to remove the Missouri gross receipts taxes of $98,315,000, as they are an add-on taxes that are passed through to customers. The pro forma book revenues also reflect the removal of the gross receipts taxes.

Adjustment 7 eliminates $397,000 of prior year tax refunds.

Q. How much is the total pro forma taxes other than income taxes for the twelve months ended June 30, 2006 and what is the amount applicable to the Missouri jurisdiction?

A. As reflected on Schedule GSW-E31, the pro forma total electric taxes other than income taxes and the Missouri jurisdictional amount are $120,973,000 and $119,604,000 respectively.

Q. What is shown on Schedule GSW-E32?

A. Schedule GSW-E32 shows the derivation of the income tax calculation at an 8.876% rate of return for total electric operations and Missouri jurisdictional operations reflecting the statutory tax rates.

Q. As shown on Schedule GSW-E32, what are the income taxes at the requested rate of return for total electric and Missouri jurisdictional operations?

A. The total federal and state income taxes using the statutory tax rates at the requested rate of return as shown on Schedule GSW-E32 are $231,893,000 for total electric operations and $229,583,000 for Missouri jurisdictional operations.

Q. What is calculated on Schedule GSW-E33?

A. Schedule GSW-E33 shows the calculation of the fixed or demand allocation factor. The fixed factor is used to allocate the Company's investment in production facilities and other related rate base items along with certain related operating expenses. The fixed factor is based on the average of the Missouri jurisdictional twelve monthly coincident peaks in relation to the total AmerenUE system's average twelve monthly peaks (the 12CP method).

Q. Using the 12CP method, what is the Missouri jurisdictional fixed allocation factor for the twelve months ended June 30, 2006?

A. The Missouri jurisdictional fixed allocation factor based on the 12CP method for the twelve months ended June 30, 2006 is 98.33%.

Q. Please explain Schedule GSW-E34.

A. Schedule GSW-E34 calculates the variable allocation factor for the twelve months ended June 30, 2006. The variable factor is based on pro forma kWh sales adjusted for losses to equal pro forma kWh output for the test year. For the twelve months ended June 30, 2006, the per books kWh sales and kWh output are adjusted to reflect billed sales normalized for weather. The Missouri pro forma kWh output in proportion to the total AmerenUE pro forma kWh output is the calculation of the variable factor. The variable factor is used to allocate the fuel inventories and the production materials and supplies along with related taxes. Also the majority of the production expenses including fuel are allocated using the variable factor.

Q. What is the Missouri jurisdictional variable allocation factor for the pro forma twelve months ended June 30, 2006?

A. The Missouri jurisdictional variable allocation factor for the pro forma twelve months ended June 30, 2006 is 98.46%.

Q. What is shown on Schedule GSW-E35?

A. Schedule GSW-E35 shows the calculation of the labor allocation factor for the twelve months ended June 30, 2006. The Missouri jurisdictional pro forma labor excluding the administrative and general labor in proportion to the total electric pro forma labor excluding the administrative and general labor is the labor allocation factor. The labor allocation factor is used to allocate general plant (system general), the related general plant depreciation expense and taxes other than income taxes, and administrative and general expenses. However, the administrative and general expenses in FERC Account 930 001 (general advertising expense) and the EPRI assessment are directly assigned.

Q. For the twelve months ended June 30, 2006 what is the labor allocation factor for the Missouri jurisdiction?

A. The Missouri jurisdictional allocation factor for the twelve months ended June 30, 2006 is 98.83%.

Q. Please explain Schedule GSW-E36.

A. Schedule GSW-E36 shows Missouri jurisdictional rate base for the test year of $5,854,574,000 and the Missouri jurisdictional revenue requirement of $2,389,139,000 at the requested return of 8.876%. This revenue requirement calculation reflects reductions to account for system revenues and off-system sales revenues. After reflecting the applicable increase in uncollectible accounts, the final Missouri jurisdictional revenue requirement is

$2,391,238,000. See the supplemental direct testimony of Company witness Lee R. Nickloy for the development of the 8.876% rate of return.

Q. What does Schedule GSW-E37 reflect?

A. Schedule GSW-E37 compares the Missouri jurisdictional revenue requirement of $2,391,238,000 with the Missouri jurisdictional pro forma operating revenues under the present rates of $2,016,490,000, excluding system revenues and off-system sales revenues. It shows that the revenue requirement for the test year is $374,749,000 more than the pro forma operating revenues at present rates. This is the amount of additional revenues AmerenUE needs to collect each year to recover its cost of service.

Q. Is AmerenUE proposing rates to reflect the $374,749,000 increase in revenues justified by the revenue requirement supported by the Company's updated cost of service for the test year?

A. No. While the actual data for the test year adopted by the Commission would support rates including the entire $374,749,000 revenue increase, the Company's tariffs filed on July 7, 2006 reflect rates that would produce a lower $360,709,000 revenue increase. This means that if the Commission were to find that adjustments to AmerenUE's requested revenue requirement are warranted, the adjustments should be made to the higher revenue increase of $374,749,000 supported by the Company's supplemental direct testimony.

IV. IMPACT ON REVENUE REQUIREMENT REFLECTING 4 CSR 240-10.020

Q. Are you familiar with 4 CSR 240-10.020?

A. Yes. That is a Commission rule that prescribes the method that the Commission must follow in accounting for income derived by gas, electric, water, telegraph, telephone and heating utilities from their investment of depreciation funds.

Q. Generally what does this rule require?

A. This rule generally requires that in the process of setting a utility's rates, the Commission must provide the utility's customers with a 3% annual credit to reflect income from investment of the money in the utility's depreciation reserve account. The rule applies regardless of whether the utility's depreciation reserve account is represented by a fund ear-marked for that purpose.

Q. Has the Commission followed this rule in recent years in setting rates for utilities?

A. No. In recent years, instead of following this rule, the Commission has subtracted accumulated depreciation from utilities' investment in rate base in calculating the return that is provided to the utilities' shareholders. In other words, the utility's rate of return is multiplied by net rate base (i.e. original cost less accumulated depreciation) to calculate the return component of the utility's revenue requirement.

Q. Have you calculated the impact on the Company's rates if the Commission were to follow 4 CSR 240-10.020?

A. Yes. Schedule GSW-E38 shows what the impact on the Company's revenue requirement would be if the Commission complied with the provisions of 4 CSR 240-10.020. This schedule shows that using the Company's proposed rate of return of 8.876% the impact of following this rule on the Company's revenue requirement is an increase of $264,147,000. A rate increase of $638,896,000 is recommended under 4 CSR 240-10.020.

Q. Is the Company proposing to implement rates that reflect compliance with this rule?

A. No. Although the Company is not proposing rates to recover the full amount of the revenue requirement that it is legally entitled to as a result of the application of 4 CSR-10.020 in this case, application of the rule provides additional support for the $360,709,000 in additional revenue requirement that the Company is requesting. In other words, if the Commission were to find that adjustments to AmerenUE's revenue requirement are warranted, the Company would still be entitled to the full amount of the revenue requirement it is seeking due to the application of this rule.

V. <u>CONCLUSIONS</u>

Q. Please summarize your testimony and conclusions.

A. My supplemental testimony and attached schedules show that updating the Company's Missouri jurisdictional rate base and revenue requirement to actual versus forecast for April, May and June 2006 results in a required increase in present revenues of $374,749,000 compared to the $360,709,000 required increase contained in my direct testimony filed in Case No. ER-2007-0002. The Company continues to seek a rate increase of $360,709,000 outlined in my direct testimony, as reflected in the Company's tariffs filed on July 7, 2006. The higher revenue increase reflected in this testimony provides further support for the requested increase.

Q. Does this conclude your supplemental direct testimony?

A. Yes, it does.

AmerenUE
ORIGINAL COST OF ELECTRIC PLANT
BY FUNCTIONAL CLASSIFICATION AT JUNE 30, 2006 UPDATED THROUGH JANUARY 1, 2007
($000)

LINE	FUNCTIONAL CLASSIFICATION (A)	TOTALS PER BOOKS (B)	PRO FORMA ADJUSTMENTS (C)	PRO FORMA ELECTRIC TOTALS (D)
	INTANGIBLE PLANT			
1	OSAGE LICENSE RENEWAL	$ -	$ 14,510	$ 14,510
2	SOFTWARE	13,333	1,243	14,576
3	**TOTAL INTANGIBLE PLANT**	13,333	15,753	29,086
	PRODUCTION PLANT			
4	NUCLEAR	3,183,950	(92,042)	3,091,908
5	CALLAWAY POST OPERATIONAL	116,731	-	116,731
6	CALLAWAY DISALLOWANCES	(357,588)	-	(357,588)
7	STEAM	2,713,180	81,604	2,794,784
8	HYDRAULIC	236,619	5,501	242,121
9	OTHER	647,655	290,558	938,213
10	**TOTAL PRODUCTION PLANT**	6,540,547	285,622	6,826,169
11	**TRANSMISSION PLANT**	522,070	36,408	558,478
12	**DISTRIBUTION PLANT**	3,392,506	93,082	3,485,588
13	**GENERAL PLANT**	470,566	6,292	476,858
14	**TOTAL PLANT IN SERVICE**	**$ 10,939,022**	**$ 437,156**	**$ 11,376,178**

PRO FORMA ADJUSTMENTS

LINE			
15	(1) Eliminate Plant balances related to FAS 143 Asset Retirement Obligation		
16	NUCLEAR	(99,491)	
17	STEAM	(10,099)	
18	DISTRIBUTION	(338)	
19	GENERAL	(321)	
20	TOTAL		(110,248)
21	(2) Plant Additions for the periods 7/2006 through 12/2006		
22	OSAGE LICENSE RENEWAL	14,510	
23	SOFTWARE	1,243	
24	NUCLEAR	7,449	
25	STEAM	91,703	
26	HYDRAULIC	5,501	
27	OTHER	290,558	
28	TRANSMISSION	36,408	
29	DISTRIBUTION	93,420	
30	GENERAL	11,269	
31	TOTAL		552,061
32	(3) Eliminate portions of plant in service for multi use general facilities which are applicable to gas		
33	operations. For convenience, such facilities are recorded as electric plant but are commonly used for		
34	both electric and gas. These items are allocated on the basis of labor.		
35	GENERAL		(4,656)
35	**TOTAL PRO FORMA ADJUSTMENTS**		**$ 437,156**

AmerenUE
ORIGINAL COST OF ELECTRIC PLANT
BY FUNCTIONAL CLASSIFICATION ALLOCATED TO MISSOURI JURISDICTIONAL
AT JUNE 30, 2006 UPDATED THROUGH JANUARY 1, 2007
($000)

LINE	FUNCTIONAL CLASSIFICATION (A)	PRO FORMA ELECTRIC TOTALS (B)	ALLOCATION (C)	MISSOURI JURISDICTIONAL (D)
	INTANGIBLE PLANT			
1	OSAGE LICENSE RENEWAL	$ 14,510	FIXED	$ 14,268
2	SOFTWARE	14,576	FIXED	14,332
3	**TOTAL INTANGIBLE PLANT**	**29,086**		**28,600**
	PRODUCTION PLANT			
4	NUCLEAR	3,091,908	FIXED	3,040,273
5	CALLAWAY POST OPERATIONAL	116,731	FIXED	114,782
6	CALLAWAY DISALLOWANCES	(357,588)	DIRECT	(339,289)
7	STEAM	2,794,784	FIXED	2,748,111
8	HYDRAULIC	242,121	FIXED	238,077
9	OTHER	938,213	FIXED	922,545
10	**TOTAL PRODUCTION PLANT**	**6,826,169**		**6,724,499**
11	**TRANSMISSION PLANT**	**558,478**	DIRECT	**558,478**
12	**DISTRIBUTION PLANT**	**3,485,588**	DIRECT	3,479,267
13	**GENERAL PLANT**	**476,858**	LABOR	**471,279**
14	**TOTAL PLANT IN SERVICE**	**$ 11,376,178**		**$ 11,262,123**

AmerenUE
RESERVES FOR DEPRECIATION AND AMORTIZATION
BY FUNCTIONAL CLASSIFICATION AT JUNE 30, 2006 UPDATED THROUGH JANUARY 1, 2007
($000)

LINE	FUNCTIONAL CLASSIFICATION (A)	TOTALS PER BOOKS (B)	PRO FORMA ADJUSTMENTS (C)	PRO FORMA ELECTRIC TOTALS (D)
	INTANGIBLE PLANT			
1	OSAGE LICENSE RENEWAL	$ -	$ 483	$ 483
2	SOFTWARE	3,220	249	3,469
3	**TOTAL INTANGIBLE PLANT**	3,220	732	3,952
	PRODUCTION PLANT			
4	NUCLEAR	1,158,925	(75,069)	1,083,856
5	CALLAWAY POST OPERATIONAL	49,127	-	49,127
6	STEAM	1,201,314	(1,383)	1,199,931
7	HYDRAULIC	67,670	102	67,772
8	OTHER	138,519	8,279	146,798
9	**TOTAL PRODUCTION PLANT**	2,615,556	(68,071)	2,547,485
10	**TRANSMISSION PLANT**	195,728	1,116	196,844
11	**DISTRIBUTION PLANT**	1,655,362	(78,690)	1,576,672
12	**GENERAL PLANT**	133,118	80,355	213,473
13	**TOTAL DEPRC. & AMORT RESERVE**	**$ 4,602,984**	**$ (64,559)**	**$ 4,538,426**
	PRO FORMA ADJUSTMENTS			
14	(1) Reserve reallocation			
15	DISTRIBUTION		(82,068)	
16	GENERAL		82,068	
17	TOTAL			-
18	(2) Reserve Adjustment on Hydraulic Plant			
19	HYDRAULIC-ACCOUNT 335-ROADS, RAILROADS, AND BRIDGES			(51)
20	(3) Amortization of Venice Power Plant Reserve			
21	STEAM			198
22	(4) Eliminate Reserve balances related to FAS 143 Asset Retirement Obligation			
23	NUCLEAR		(75,292)	
24	STEAM		(5,427)	
25	DISTRIBUTION		(236)	
26	GENERAL		(134)	
27	TOTAL			(81,090)
28	(5) Reserve adjustment for one year's depreciation expense on Plant In Service pro forma adjustment			
29	multiplied by the specific proposed depreciation rate.			
30	OSAGE LICENSE RENEWAL		483	
31	SOFTWARE		249	
32	NUCLEAR		223	
33	STEAM		3,846	
34	HYDRAULIC		153	
35	OTHER		8,279	
36	TRANSMISSION		1,116	
37	DISTRIBUTION		3,614	
38	GENERAL		506	
39	TOTAL			18,468
40	(6) Eliminate portions of reserves for depreciation for multi use general facilities which are applicable to			
41	gas operations. See adjustment (3) on SCHEDULE GSW-E20-1 for the elimination of the original			(2,084)
42	cost of these facilities.			
43	**TOTAL PRO FORMA ADJUSTMENTS**			**$ (64,559)**

AmerenUE
RESERVES FOR DEPRECIATION & AMORTIZATION OF ELECTRIC UTILITY PROPERTY
BY FUNCTIONAL CLASSIFICATION ALLOCATED TO MISSOURI JURISDICTIONAL
AT JUNE 30, 2006 UPDATED THROUGH JANUARY 1, 2007
($000)

LINE	FUNCTIONAL CLASSIFICATION (A)	PRO FORMA ELECTRIC TOTALS (B)	ALLOCATION (C)	MISSOURI JURISDICTIONAL (D)
	INTANGIBLE PLANT			
1	OSAGE LICENSE RENEWAL	$ 483	FIXED	$ 475
2	SOFTWARE	3,469	FIXED	3,411
3	**TOTAL INTANGIBLE PLANT**	3,952		3,886
	PRODUCTION PLANT			
4	NUCLEAR	$ 1,083,856	NUCLEAR	$ 1,070,633
5	CALLAWAY POST OPERATIONAL	49,127	FIXED	48,307
6	STEAM	1,199,931	FIXED	1,179,893
7	HYDRAULIC	67,772	FIXED	66,640
8	OTHER	146,798	FIXED	144,346
9	**TOTAL PRODUCTION PLANT**	**2,547,485**		**2,509,819**
10	**TRANSMISSION PLANT**	**196,844**	DIRECT	**196,844**
11	**DISTRIBUTION PLANT**	**1,576,672**	DIRECT	**1,573,834**
12	**GENERAL PLANT**	**213,473**	LABOR	**210,976**
13	**TOTAL DEPRC. & AMORT RESERVE**	**$ 4,538,426**		**$ 4,495,359**

AmerenUE
AVERAGE FUEL AND MATERIALS & SUPPLIES INVENTORIES
AT JUNE 30, 2006 UPDATED THROUGH JANUARY 1, 2007
($000)

LINE	DESCRIPTION (A)	TOTALS PER BOOKS (B)	PRO FORMA ADJUSTMENTS (C)	PRO FORMA ELECTRIC TOTALS (D)
1	**AVERAGE NUCLEAR FUEL**	$ 42,195	$ -	$ 42,195
	AVERAGE FOSSIL FUEL:			
2	COAL	52,100	44,599	96,699
3	OIL	4,744		4,744
4	SHREDDED TIRES	0		0
5	PETROLEUM COKE	30		30
6	STORAGE FOR CTG'S	3,363		3,363
7	PROPANE	144	(144)	-
8	**TOTAL FOSSIL FUEL**	60,381	44,455	104,836
9	**GENERAL MATERIALS AND SUPPLIES**	111,437	(1,861)	109,576
10	**TOTAL**	$ 214,014	$ 42,594	$ 256,607

LINE	PRO FORMA ADJUSTMENT	AMOUNT
11	(1) Adjust Coal Supply to reflect 55 days of maximum burn except for the Meramec Plant at January 1, 2007 cost.	$ 44,599
12	(2) Eliminate propane which is applicable to gas operations.	(144)
13	(3) Eliminate portions of average fuel and materials and supplies which are applicable to gas operations.	(1,861)
14	**TOTAL PRO FORMA ADJUSTMENTS**	$ 42,594

AmerenUE
AVERAGE FUEL AND MATERIALS & SUPPLIES ALLOCATED TO MISSOURI JURISDICTIONAL
AT JUNE 30, 2006 UPDATED THROUGH JANUARY 1, 2007
($000)

LINE	FUEL TYPE/MATERIALS AND SUPPLIES (1) (A)	PRO FORMA ELECTRIC TOTALS (B)	ALLOCATION (C)	MISSOURI JURISDICTIONAL (D)
1	**AVERAGE NUCLEAR FUEL: (1)**	$ 42,195	VARIABLE	$ 41,545
	AVERAGE FOSSIL FUEL			
2	COAL (2)	96,699	VARIABLE	95,210
3	OIL	4,744	VARIABLE	4,671
4	SHREDDED TIRES	0	VARIABLE	-
5	PETROLEUM COKE	30	VARIABLE	29
6	STORAGE FOR CTG'S	3,363	VARIABLE	3,311
7	PROPANE	-	VARIABLE	-
8	**TOTAL FOSSIL FUEL**	**104,836**		**103,221**
	AVERAGE GENERAL M & S			
9	PRODUCTION	85,339	VARIABLE	84,025
10	TRANSMISSION	2,318	DIRECT	2,318
11	DIRECT DISTRIBUTION	21,920	DIRECT	21,786
12	**TOTAL GENERAL MATERIALS AND SUPPLIES**	109,576		108,129
13	**TOTAL**	**$ 256,607**		**$ 252,895**

14 (1) Reflects 18 month average of Unburned Nuclear Fuel in Reactor while all other items reflect a 13 month average balance.
15 (2) The coal inventory is adjusted to reflect 55 days of maximum burn at all of the steam plants except Meramec. Due to storage
16 constraints Meramec is limited to less than 55 days of maximum burn.

AmerenUE
AVERAGE PREPAYMENTS
JUNE 30, 2006
($000)

LINE	DESCRIPTION (A)	TOTALS PER BOOKS(1) (B)	PRO FORMA ADJUSTMENTS (C)	PRO FORMA ELECTRIC TOTALS (D)
1	RENTS	$ 37	$ (1)	$ 36
2	INSURANCE	3,350	(1,256)	2,094
3	REG. COMMISSION ASSESSMENTS	99	(3)	96
4	FREIGHT ON COAL (2)	606	-	606
5	M/A COMM RADIO SYS SRVC AGREEMENT	462	(12)	450
6	MEDICAL AND DENTAL VEBA	1,736	(44)	1,692
7	COAL CAR LEASE (2)	419	-	419
8	**TOTAL AVERAGE PREPAYMENTS**	**$ 6,708**	**$ (1,316)**	**$ 5,393**

9 (1) Reflects 13 month average
10 (2) Applicable 100% to electric operations

PRO FORMA ADJUSTMENT

11 (1) Eliminate portions of prepayments which are applicable to gas operations. Allocated between $ (1,316)
12 electric and gas operations based on operating expenses excluding purchased power, off-system
13 sales and purchased gas.

AmerenUE
AVERAGE ELECTRIC PREPAYMENTS
ALLOCATED TO MISSOURI JURISDICTION
JUNE 30, 2006
($000)

LINE	DESCRIPTION (A)	PRO FORMA ELECTRIC TOTALS (B)	MISSOURI JURISDICTIONAL (1) (C)
1	RENTS	$ 36	$ 35
2	INSURANCE	2,094	2,067
3	REG. COMMISSION ASSESSMENTS	96	95
4	FREIGHT ON COAL	606	599
5	M/A COMM RADIO SYS SRVC AGREEMT	450	444
6	MEDICAL AND DENTAL VEBA	1,692	1,671
7	COAL CAR LEASE	419	413
8	TOTAL AVERAGE PREPAYMENTS	$ 5,393	$ 5,324

9 (1) Allocated to Missouri Jurisdictional based on operating expenses allocated to Missouri as a percent of
10 the total electric operating expenses.

AmerenUE
MISSOURI ELECTRIC
CASH WORKING CAPITAL
TWELVE MONTHS ENDED JUNE 30, 2006 UPDATED THROUGH JANUARY 1, 2007
($000)

LINE	DESCRIPTION	REVENUE LAG(1)	EXPENSE LEAD (1)	NET LEAD/LAG	FACTOR	TEST YEAR EXPENSE	CASH WORKING CAPITAL REQUIREMENT
	(A)	(B)	(C)	(D)	(E)	(F)	(G)
1	PENSIONS AND BENEFITS	40.110	(45.070)	(4.960)	(0.013589)	108,560	$ (1,475)
2	PURCHASED POWER	40.110	(35.210)	4.900	0.013425	112,852	1,515
3	PAYROLL & WITHHOLDINGS	40.110	(11.240)	28.870	0.079096	281,774	22,287
4	FUEL						
5	NUCLEAR	40.110	(19.710)	20.400	0.055890	38,883	2,173
6	COAL	40.110	(21.920)	18.190	0.049836	494,227	24,630
7	OIL	40.110	(35.450)	4.660	0.012767	3,064	39
8	NATURAL GAS	40.110	(39.730)	0.380	0.001041	60,151	63
9	UNCOLLECTIBLE ACCOUNTS	40.110	(40.110)	0.000	-	14,481	-
10	OTHER OPERATING EXPENSES	40.110	(50.720)	(10.610)	(0.029068)	354,527	(10,305)
11	TOTAL O&M EXPENSES					1,468,518	
12	TOTAL CASH WORKING CAPITAL REQUIREMENT						38,927
13	FICA - EMPLOYER'S PORTION	40.110	(12.890)	27.220	0.074575	19,295	1,439
14	FEDERAL UNEMPLOYMENT TAXES	40.110	(60.630)	(20.520)	(0.056219)	169	(9)
15	STATE UNEMPLOYMENT TAXES	40.110	(60.630)	(20.520)	(0.056219)	(71)	4
16	CORPORATE FRANCHISE TAXES	40.110	72.160	112.270	0.307589	1,428	439
17	PROPERTY TAXES	40.110	(187.840)	(147.730)	(0.404740)	97,866	(39,610)
18	SALES TAXES	40.110	(40.550)	(0.440)	(0.001205)	49,397	(60)
19	USE TAXES	40.110	(81.720)	(41.610)	(0.114000)	2,519	(287)
20	GROSS RECEIPTS TAXES	40.110	(58.820)	(18.710)	(0.051260)	98,315	(5,040)
21	ST. LOUIS EARNINGS TAXES	40.110	2.660	42.770	0.117178	139	16
22	ST. LOUIS PAYROLL EXPENSE TAXES	40.110	(81.720)	(41.610)	(0.114000)	-	-
23	TOTAL TAXES					269,057	
24	TOTAL CUSTOMER SUPPLIED FUNDS						(43,108)
25	NET CASH WORKING CAPITAL REQUIREMENT						$ (4,181)

26 (1) Revenue Lag and Expense Lead per testimony of Company witness Michael J. Adams.

AmerenUE
INTEREST EXPENSE CASH REQUIREMENT AND FEDERAL AND STATE INCOME TAX CASH REQUIREMENTS
FOR THE TWELVE MONTHS ENDED JUNE 30, 2006 UPDATED THROUGH JANUARY 1, 2007
($000)

LINE	DESCRIPTION (A)		MISSOURI JURISDICTIONAL (B)
	INTEREST EXPENSE CASH REQUIREMENT		
1	MISSOURI JURISDICTIONAL INTEREST ON LONG-TERM DEBT	$	146,599
2	FACTOR PER TESTIMONY OF MICHAEL J. ADAMS		-14.15%
3	**INTEREST EXPENSE CASH REQUIREMENT**	$	(20,744)
	FEDERAL INCOME TAX CASH REQUIREMENT		
4	MISSOURI JURISDICTIONAL CURRENT FEDERAL INCOME TAXES	$	199,927
5	FACTOR PER TESTIMONY OF MICHAEL J. ADAMS		-5.62%
6	**FEDERAL INCOME TAX CASH REQUIREMENT**	$	(11,236)
	STATE INCOME TAX CASH REQUIREMENT		
7	MISSOURI JURISDICTIONAL STATE INCOME TAXES	$	31,417
8	FACTOR PER TESTIMONY OF MICHAEL J. ADAMS		-5.62%
9	**STATE INCOME TAX CASH REQUIREMENT**	$	(1,766)

AmerenUE
AVERAGE CUSTOMER ADVANCES FOR CONSTRUCTION AND AVERAGE CUSTOMER DEPOSITS
JUNE 30, 2006
($000)

LINE	DESCRIPTION (A)	MISSOURI JURISDICTIONAL (B)
1	AVERAGE CUSTOMER ADVANCES FOR CONSTRUCTION	$ (2,403)
2	AVERAGE CUSTOMER DEPOSITS	$ (12,549)

AmerenUE
ALLOCATION OF ACCUMULATED DEFERRED INCOME TAXES
JUNE 30, 2006
($000)

LINE	DESCRIPTION (A)	TOTAL COMPANY (B)	MISSOURI ULTIMATE CONSUMERS (C)
1	ACCOUNT 190	$ 201,706	$ 199,364
2	ACCOUNT 282	(1,210,577)	(1,194,461)
3	ACCOUNT 283	(123,782)	(122,433)
4	TOTAL ACCUMULATED DEFERRED INCOME TAXES	$ (1,132,653)	$ (1,117,530)

ALLOCATION TO MISSOURI JURISDICTIONAL

5 6	ACCOUNT 190	Items are allocated to Missouri Jurisdictional based on what the various items are related to. The net plant, variable, labor and fixed allocations are used to allocate the various items.
7	ACCOUNT 282	Items are functionalized and allocated to Missouri jurisdiction on the same basis as plant.
8 9	ACCOUNT 283	Items are allocated to Missouri Jurisdictional based on what the various items are related to. The variable, labor and fixed allocations are used to allocate the various items.

AmerenUE
TOTAL ELECTRIC AND MISSOURI JURISDICTIONAL
PER BOOK AND PRO FORMA OPERATING REVENUES
FOR THE TWELVE MONTHS ENDED JUNE 30, 2006 UPDATED THROUGH JANUARY 1, 2007
($000)

LINE		DESCRIPTION (A)	TOTAL ELECTRIC (B)	PRO FORMA ADJUSTMENTS (C)	ADJUSTED TOTAL ELECTRIC (D)
		OPERATING REVENUES			
1		MISSOURI JURISDICTIONAL	$ 2,113,036	$ (131,279)	1,981,757
2		SALES FOR RESALE	20,446	(699)	19,747
3		OTHER ELECTRIC REVENUES	67,727	(5,866)	61,861
4		**TOTAL REVENUES**	**2,201,209**	**(137,844)**	**2,063,365**
		ADJUSTMENT FOR SYSTEM REVENUES:			
5		RENTAL PAYMENTS - AEC,AMC,AME,AMS	(21,300)	-	(21,300)
6		LEASED LAND RENTAL REVENUE	(2,320)	-	(2,320)
7		AGRIC. LAND RENTAL REVENUE	(39)	-	(39)
8		OFF-SYSTEM SALES RENTAL REVENUE	(510)	-	(510)
9		MERAMEC TERMINAL REVENUE	(574)	-	(574)
10		**TOTAL SYSTEM REVENUES**	**(24,744)**	**-**	**(24,744)**
11		ALLOCATION OF SYSTEM REVENUES	24,744	-	24,744
12		OFF-SYSTEM SALES REVENUE- ENERGY	497,784	(180,976)	316,808
13		**TOTAL REVENUES PER BOOKS**	**$ 2,698,993**	**$ (318,820)**	**$ 2,380,173**
		PRO FORMA ADJUSTMENTS:			
14	(1)	ELIMINATE GROSS RECEIPTS TAXES	(98,163)		
15	(2)	ELIMINATE UNBILLED REVENUE			
16		MISSOURI JURISDICTIONAL	23,885		
17		SALES FOR RESALE	214		
18	(3)	ADJUSTMENT FOR NORMAL WEATHER			
19		MISSOURI JURISDICTIONAL	(51,697)		
20		SALES FOR RESALE	(913)		
21	(4)	ADJUST NORANDA REVENUE	(756)		
22	(5)	ADJUST BILLING UNITS	(4,548)		
23	(6)	ADJUST OTHER REVENUE	(5,866)		
24	(7)	ADJUST OFF-SYSTEM SALES-REVENUE	(180,976)		
25		**TOTAL PRO FORMA ADJUSTMENTS**	$ (318,820)		

AmerenUE
TOTAL ELECTRIC AND MISSOURI JURISDICTIONAL
PER BOOK AND PRO FORMA OPERATING REVENUES
FOR THE TWELVE MONTHS ENDED JUNE 30, 2006 UPDATED THROUGH JANUARY 1, 2007
($000)

LINE	DESCRIPTION (A)	ADJUSTED TOTAL ELECTRIC (B)	ALLOCATION (C)	MISSOURI JURISDICTIONAL (D)
	OPERATING REVENUES			
1	MISSOURI JURISDICTIONAL	$ 1,981,757	DIRECT	$ 1,981,757
2	SALES FOR RESALE	19,747	DIRECT	-
3	OTHER ELECTRIC REVENUES	61,861	DIRECT	59,477
4	**TOTAL REVENUES**	2,063,365		2,041,234
	ADJUSTMENT FOR SYSTEM REVENUES:			
5	RENTAL PAYMENTS - AEC,AMC,AME,AMS	(21,300)	DIRECT	(21,300)
6	LEASED LAND RENTAL REVENUE	(2,320)	DIRECT	(2,320)
7	AGRIC. LAND RENTAL REVENUE	(39)	DIRECT	(39)
8	OFF-SYSTEM SALES RENTAL REVENUE	(510)	DIRECT	(510)
9	MERAMEC TERMINAL REVENUE	(574)	DIRECT	(574)
10	**TOTAL SYSTEM REVENUES**	**(24,744)**		**(24,744)**
11	ALLOCATION OF SYSTEM REVENUES	24,744	FIXED	24,331
12	OFF-SYSTEM SALES REVENUE- ENERGY	316,808	FIXED	311,517
13	**TOTAL PRO FORMA REVENUES PER BOOKS**	**$ 2,380,173**		**$ 2,352,338**
	LESS :			
14	SYSTEM REVENUES			24,331
15	OFF-SYSTEM SALES-REVENUES			311,517
16	**MISSOURI JURISDICTIONAL PRO FORMA REVENUES**			$ 2,016,490

AmerenUE
ELECTRIC OPERATING AND MAINTENANCE EXPENSES
PER BOOK AND PRO FORMA
FOR THE TWELVE MONTHS ENDED JUNE 30, 2006 UPDATED THROUGH JANUARY 1, 2007
($000)

LINE	FUNCTIONAL CLASSIFICATION (A)	TOTAL PER BOOKS (B)	#1 LABOR INCREASE (C)	#2 INCENTIVE COMPENSATION ADJUSTMENT (D)	#3 NORMALIZE FUEL AND PURCHASED POWER (E)	#4 CALLAWAY REFUELING ADJUSTMENT (F)	#5 AUDRAIN CTG EXPENSE (G)	#6 RACCOON CREEK & GOOSE CREEK CTG EXPENSES (H)	#7 OSAGE RELICENSE PAYMENTS (I)	#8 OSAGE HEADWATER ADJUSTMENT (J)	#9 TAUM SAUK EXPENSE ADJUSTMENT (K)
	PRODUCTION:										
	INCREMENTAL COSTS:										
1	LABOR	$ 5,785	$ 167	$ (65)	$ -	$ -	$ -	$ -	$ -	$ -	$ -
2	FUEL (EXCL. W/H CR.)	513,891	-	-	91,760	-	-	-	-	-	-
3	WESTINGHOUSE CREDITS	(1,666)	-	-	-	-	-	-	-	-	-
4	PURCHASED POWER	294,967	-	-	(222,194)	-	-	-	-	-	-
5	OTHER (FUEL HANDLING)	2,386	-	-	-	-	-	-	-	-	-
6	TOTAL INCREMENTAL COSTS	815,363	167	(65)	(130,433)	-	-	-	-	-	-
	OTHER OPERATING EXPENSES:										
7	LABOR	94,958	2,744	(1,072)	-	-	-	-	-	-	-
8	OTHER	66,415	-	-	-	-	1,145	2,239	660	(5,499)	(100)
9	TOTAL OTHER OPERATING EXPENSES	161,372	2,744	(1,072)	-	-	1,145	2,239	660	(5,499)	(100)
	MAINTENANCE EXPENSES:										
10	LABOR	73,483	2,124	(830)	-	(3,633)	-	-	-	-	-
11	OTHER	81,260	-	-	-	(7,167)	-	-	-	-	(374)
12	TOTAL MAINTENANCE EXPENSES	154,743	2,124	(830)	-	(10,800)	-	-	-	-	(374)
13	CAPACITY COSTS	41,900	-	-	(19,900)	-	-	-	-	-	-
14	TOTAL PRODUCTION EXPENSES	1,173,378	5,035	(1,967)	(150,333)	(10,800)	1,145	2,239	660	(5,499)	(474)
15	TRANSMISSION EXPENSES	35,589	151	(56)	-	-	-	-	-	-	-
	DISTRIBUTION EXPENSES:										
16	MISSOURI	117,237	1,605	(762)	-	-	-	-	-	-	-
17	TOTAL DISTRIBUTION EXPENSES	117,237	1,605	(762)	-	-	-	-	-	-	-
	CUSTOMER ACCOUNTING EXPENSES:										
18	MISSOURI	53,199	394	(213)	-	-	-	-	-	-	-
19	TOTAL CUSTOMER ACCOUNTING EXPENSES	53,199	394	(213)	-	-	-	-	-	-	-
	CUSTOMER SERV. & INFO. EXPENSES:										
20	MISSOURI	4,355	69	(32)	-	-	-	-	-	-	-
21	TOTAL CUSTOMER SERV. & INFO. EXP.	4,355	69	(32)	-	-	-	-	-	-	-
	SALES EXPENSES:										
22	MISSOURI	1,138	17	(0)	-	-	-	-	-	-	-
23	TOTAL SALES EXPENSES	1,138	17	(0)	-	-	-	-	-	-	-
	ADMINISTRATIVE & GENERAL EXPENSES:										
24	E.P.R.I. ASSESSMENT - MO.	2,299	-	-	-	-	-	-	-	-	-
25	ACCOUNT 930-1 - MO.	1,325	-	-	-	-	-	-	-	-	-
26	A&G DIRECT - MISSOURI	-	-	-	-	-	-	-	-	-	-
27	TOTAL DIRECT A. & G. EXPENSE	3,625	-	-	-	-	-	-	-	-	-
28	ALLOCATED ON LABOR RATIO	237,032	869	(169)	-	-	(25)	(49)	-	-	(1,513)
29	TOTAL ADMINISTRATIVE & GENERAL EXPENSES	240,656	869	(169)	-	-	(25)	(49)	-	-	(1,513)
30	TOTAL OPERATIONS & MAINTENANCE EXPENSES	$ 1,625,551	$ 8,140	$ (3,200)	$ (150,333)	$ (10,800)	$ 1,120	$ 2,190	$ 660	$ (5,499)	$ (1,986)

31 **NOTE:** See SCHEDULE GSW-E29-3 for explanation of the pro forma adjustments.

AmerenUE
ELECTRIC OPERATING AND MAINTENANCE EXPENSES
PER BOOK AND PRO FORMA
FOR THE TWELVE MONTHS ENDED JUNE 30, 2006 UPDATED THROUGH JANUARY 1, 2007
($000)

LINE	FUNCTIONAL CLASSIFICATION (A)	#10 ADD'L TRANS EXP MISO TRANS (B)	#11 ADD'L TRANS EXP MISO POWER MKT (C)	#12 TREE TRIMMING ADJUSTMENT (D)	#13 ADD INTEREST ON CUSTOMER SURETY DEPOSITS (E)	#14 PENSION ADJUSTMENT (F)	#15 EMPLOYEE BENEFITS ADJ. (G)	#16 PAY STATION EXPENSE (H)	#17 ESTIMATED RATE CASE EXPENSES (I)	#18 NEW TREE TRIMMING PROGRAM (J)	TOTAL PRO FORMA ADJUSTMENT (K)	PRO FORMA ELECTRIC TOTALS (L)
	PRODUCTION:											
	INCREMENTAL COSTS:											
1	LABOR	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 102	$ 5,887
2	FUEL (EXCL. W/H CR.)	-	-	-	-	-	-	-	-	-	91,760	605,651
3	WESTINGHOUSE CREDITS	-	-	-	-	-	-	-	-	-	-	(1,666)
4	NET PURCH. & INT. POWER	-	-	-	-	-	-	-	-	-	(222,194)	72,773
5	OTHER (FUEL HANDLING)	-	-	-	-	-	-	-	-	-	-	2,386
6	TOTAL INCREMENTAL COSTS	-	-	-	-	-	-	-	-	-	(130,332)	685,031
	OTHER OPERATING EXPENSES:											
7	LABOR	-	-	-	-	-	-	-	-	-	1,672	96,629
8	OTHER	-	-	-	-	-	-	-	-	-	(1,554)	64,860
9	TOTAL OTHER OPERATING EXPENSES	-	-	-	-	-	-	-	-	-	117	161,489
	MAINTENANCE EXPENSES:											
10	LABOR	-	-	-	-	-	-	-	-	-	(2,340)	71,143
11	OTHER	-	-	-	-	-	-	-	-	-	(7,540)	73,720
12	TOTAL MAINTENANCE EXPENSES	-	-	-	-	-	-	-	-	-	(9,880)	144,863
13	CAPACITY COSTS	-	-	-	-	-	-	-	-	-	(19,900)	22,000
14	TOTAL PRODUCTION EXPENSES	-	-	-	-	-	-	-	-	-	(159,994)	1,013,384
15	TRANSMISSION EXPENSES	437	(1,032)	-	-	-	-	-	-	-	(501)	35,088
	DISTRIBUTION EXPENSES:											
16	MISSOURI	-	-	1,588	-	-	-	-	-	15,000	17,431	134,668
17	TOTAL DISTRIBUTION EXPENSES	-	-	1,588	-	-	-	-	-	15,000	17,431	134,668
	CUSTOMER ACCOUNTING EXPENSES:											
18	MISSOURI	-	-	-	1,011	-	-	-	-	-	1,193	54,391
19	TOTAL CUSTOMER ACCOUNTING EXPENSES	-	-	-	1,011	-	-	-	-	-	1,193	54,391
	CUSTOMER SERV. & INFO. EXPENSES:											
20	MISSOURI	-	-	-	-	-	-	861	-	-	899	5,254
21	TOTAL CUSTOMER SERV. & INFO. EXP.	-	-	-	-	-	-	861	-	-	899	5,254
	SALES EXPENSES:											
22	MISSOURI	-	-	-	-	-	-	-	-	-	16	1,154
23	TOTAL SALES EXPENSES	-	-	-	-	-	-	-	-	-	16	1,154
	ADMINISTRATIVE & GENERAL EXPENSES:											
24	E.P.R.I. ASSESSMENT - MO.	-	-	-	-	-	-	-	-	-	-	2,299
25	ACCOUNT 930-1 - MO.	-	-	-	-	-	-	-	-	-	-	1,325
26	A&G DIRECT - MISSOURI	-	-	-	-	-	-	-	1,526	-	1,526	1,526
27	TOTAL DIRECT A. & G. EXPENSE	-	-	-	-	-	-	-	1,526	-	1,526	5,150
28	ALLOCATED ON LABOR RATIO	-	-	-	-	(903)	2,985	-	-	-	1,194	238,226
29	TOTAL ADMINISTRATIVE & GENERAL EXPENSES	-	-	-	-	(903)	2,985	-	1,526	-	2,720	243,376
30	TOTAL OPERATIONS & MAINTENANCE EXPENSES	$ 437	$ (1,032)	$ 1,588	$ 1,011	$ (903)	$ 2,985	$ 861	$ 1,526	$ 15,000	$ (138,236)	$ 1,487,315

31 NOTE: See SCHEDULE GSW-E29-3 for explanation of the pro forma adjustments.

AmerenUE
ELECTRIC OPERATING AND MAINTENANCE EXPENSE
PRO FORMA ADJUSTMENTS
TWELVE MONTHS ENDED JUNE 30, 2006 UPDATED THROUGH JANUARY 1, 2007
($000)

LINE	PRO FORMA ITEM NO. (A)	DESCRIPTION (B)	TOTAL AMOUNT (C)
1 2 3	(1)	Increase labor to annualize the average 3.75% wage increase for management employees effective April 1, 2006 and the 3.25% wage increase for the union employees effective July 1, 2006.	$ 8,140
4 5	(2)	Reduce labor expenses to reflect Incentive Compensation for the year 2006 at target level.	$ (3,200)
6 7	(3)	Increase the fuel expense for 1/01/07 coal and transportation prices and adjust purchase power costs to reflect normalized sales and output for the test year.	$ (150,333)
8 9 10 11	(4)	Reduce the production expenses for one-third of the Fall 2005 Callaway refueling cost other than replacement power. Since the Callaway refueling occurs every eighteen months, it is appropriate to only reflect two-thirds of the Callaway refueling in a twelve month test year.	$ (10,800)
12	(5)	Increase Operating expenses as a result of the purchase of the Audrain CTG.	$ 1,120
13 14	(6)	Increase Operating expenses as a result of the purchase of the Raccoon Creek and Goose Creek CTGs.	$ 2,190
15 16	(7)	Additional annual expenses as a result of the Settlement Agreement Concerning the Relicensing of the Osage Hydroelectric Project.	$ 660
17 18	(8)	Amortize additional expense related to FERC Headwater Assessment and to reflect increased annual cost for Osage Hydroelectric Project.	$ (5,499)
19	(9)	Reduce expenses associated with the Taum Sauk Reservoir failure and clean-up.	$ (1,986)
20 21	(10)	Additional Transmission expenses associated with MISO's operation of the transmission system.	$ 437
22 23	(11)	Additional Transmission expenses associated with MISO's operation of the Power Market.	$ (1,032)
24	(12)	Additional tree trimming expenses.	$ 1,588
25 26 27 28	(13)	The interest on customer deposits are included in the customer accounting expenses to reflect the interest at 8.0% on electric only deposits and 9.5% on combined electric and gas deposits on the June 30, 2006 balance. The June 30, 2006 customer deposit balance is included as a reduction to rate base.	$ 1,011
29	(14)	Decrease Pension Expense to reflect the Year 2006 expense.	$ (903)
30	(15)	Increase Employee Benefits Expense to annualize the Year 2006 expenses.	$ 2,985
31	(16)	Increase processing costs for third party pay stations.	$ 861
32 33	(17)	Reflect the three year amortization of the Company's estimated expenses involved with filing this rate case.	$ 1,526
34 35	(18)	Reflect increased tree trimming expense in association with the new tree trimming program.	$ 15,000
36	**Total Pro Forma Adjustments to Electric Operating and Maintenance Expenses**		$ (138,236)

AmerenUE
PRO FORMA ELECTRIC OPERATING AND MAINTENANCE EXPENSES
FOR THE TWELVE MONTHS ENDED JUNE 30, 2006 UPDATED THROUGH JANUARY 1, 2007
($000)

LINE	DESCRIPTION (A)	PRO FORMA ELECTRIC TOTALS (B)	ALLOCATION (C)	MISSOURI JURISDICTIONAL (D)
	OPERATING & MAINTENANCE EXPENSES			
	PRODUCTION:			
	INCREMENTAL COSTS:			
1	LABOR	$ 5,887	(Variable)	$ 5,796
2	FUEL (EXCL. W/H CR.)	605,651	(Variable)	596,324
3	WESTINGHOUSE CREDITS	(1,666)	(Direct)	(1,636)
4	NET PURCH. & INT. POWER	72,773	(Variable)	71,652
5	OTHER (FUEL HANDLING)	2,386	(Variable)	2,349
6	TOTAL INCREMENTAL COSTS	685,031		674,486
	OTHER OPERATING EXPENSES:			
7	LABOR	96,629	(Fixed)	95,016
8	OTHER	64,860	(Variable)	63,861
9	TOTAL OTHER OPERATING EXPENSES:	161,489		158,877
	MAINTENANCE EXPENSES:			
10	LABOR	71,143	(Variable)	70,048
11	OTHER	73,720	(Variable)	72,584
12	TOTAL MAINTENANCE EXPENSES	144,863		142,632
13	CAPACITY COSTS	22,000	(Fixed)	21,633
14	TOTAL PRODUCTION EXPENSES	1,013,384		997,627
15	TRANSMISSION EXPENSES	35,088	(Direct)	35,088
	DISTRIBUTION EXPENSES			
16	MISSOURI	134,668	(Dist. Plant)	134,425
17	TOTAL DISTRIBUTION EXPENSES	134,668		134,425
	CUSTOMER ACCOUNTING EXPENSES			
18	MISSOURI	54,391	(Direct)	54,381
19	TOTAL CUSTOMER ACCOUNTING EXPENSES	54,391		54,381
	CUSTOMER SERV. & INFO. EXPENSES			
20	MISSOURI	5,254	(Direct)	5,254
21	TOTAL CUSTOMER SERV. & INFO. EXPENSES	5,254		5,254
	SALES EXPENSES			
22	MISSOURI	1,154	(Direct)	1,154
23	TOTAL SALES EXPENSES	1,154		1,154
	ADMINISTRATIVE & GENERAL EXPENSES			
24	EPRI ASSESSMENT	2,299	(Direct)	2,299
25	ACCOUNT 930-1	1,325	(Direct)	1,325
26	A&G DIRECT - MISSOURI	1,526	(Direct)	1,526
27	TOTAL DIRECT A & G EXPENSES	5,150		5,150
28	ALLOCATED LABOR RATIO	238,226	(Labor)	235,439
29	TOTAL ADMINISTRATIVE AND GENERAL EXPENSES	243,376		240,589
30	TOTAL OPERATING & MAINTENANCE EXPENSES	$ 1,487,315		$ 1,468,518

AmerenUE
DEPRECIATION & AMORTIZATION EXPENSE
FOR THE TWELVE MONTHS ENDED JUNE 30, 2006 UPDATED THROUGH JANUARY 1, 2007
($000)

LINE	DESCRIPTION (A)	TOTALS PER BOOKS (B)	PRO FORMA ADJUSTMENTS(1) (C)	PRO FORMA ELECTRIC TOTALS (D)
1	INTANGIBLE PLANT	$ 2,388	$ 732	$ 3,120
	PRODUCTION PLANT:			
2	NUCLEAR	69,922	23,188	93,110
3	CALLAWAY POST OPERATIONAL	3,687	-	3,687
4	CALLAWAY DECOMMISSIONING	6,759	-	6,759
5	STEAM	79,140	26,448	105,588
6	HYDRAULIC	2,568	4,069	6,637
7	OTHER	25,230	812	26,042
8	TOTAL PRODUCTION PLANT	187,306	54,517	241,823
9	TRANSMISSION PLANT	9,785	3,225	13,010
	DISTRIBUTION PLANT			
10	MISSOURI	98,365	17,724	116,089
11	TOTAL DISTRIBUTION PLANT	98,365	17,724	116,089
	GENERAL PLANT			
12	MISSOURI	9,999	3,624	13,623
13	TOTAL GENERAL PLANT	9,999	3,624	13,623
14	TOTAL DEPRC. & AMORT. - PLANT	307,844	79,821	387,665
15	AMORT OF Y2K COSTS	836	-	836
16	AMORT. OF MERGER COSTS	3,329	-	3,329
17	TOTAL DEPRECIATION & AMORTIZATION EXPENSE	$ 312,008	$ 79,821	$ 391,830

18 (1) See SCHEDULE GSW-E30-2 for explanation of the pro forma adjustments.

AmerenUE
ELECTRIC DEPRECIATION & AMORTIZATION EXPENSE PRO FORMA ADJUSTMENTS
FOR THE TWELVE MONTHS ENDED JUNE 30, 2006 UPDATED THROUGH JANUARY 1, 2007
($000)

LINE	ITEM NO. (A)	DESCRIPTION (B)		PRO FORMA ADJUSTMENTS(1) (C)
1	(1)	Eliminate portions of depreciation and amortization expense for	$	(132)
2		multi-use general facilities which are applicable to gas operations.		
3	(2)	To reflect the increase in depreciation expense from additions to plant from July 1, 2006 through		
4		December 31, 2006 at the Company's proposed depreciation rates.		
5		Increase in Deprc. Exp. - Intangible Plant	$	732
6		Increase in Deprc. Exp. - Nuclear		223
7		Increase in Deprc. Exp. - Steam		3,846
8		Increase in Deprc. Exp. - Hydro		153
9		Increase in Deprc. Exp. - Other Prod.		8,279
10		Increase in Deprc. Exp. - Transmission		1,116
11		Increase in Deprc. Exp. - Distribution		3,614
12		Increase in Deprc. Exp. - General Plant		506
13		Total Increase in Depreciation Expense	$	18,468
14	(3)	To reflect the increase in depreciation expense from applying the Company's proposed depreciation		
15		rates to the depreciable plant balances at June 30, 2006. The Company's proposed depreciation		
16		rates are contained in the testimony of Company witness John F. Wiedmayer.		
17		Change in Deprc. Exp. - Nuclear	$	22,965
18		Change in Deprc. Exp. - Steam		22,427
19		Change in Deprc. Exp. - Hydro		3,916
20		Change in Deprc. Exp. - Other Prod.		(7,467)
21		Change in Deprc. Exp. - Transmission		2,109
22		Change in Deprc. Exp. - Distribution		(5,890)
23		Change in Deprc. Exp. - General Plant		3,250
24		Total Increase in Depreciation Expense	$	41,311
25	(4)	To reflect the ten year amortization of removal costs at Venice Power plant not recovered in	$	174
26		Depreciaion rates.		
27	(5)	Increase Missouri Plant Depreciation expense to eliminate adjustment contained in the	$	20,000
28		Stipulation and Agreement in Case No EC-2002-1		
29		**TOTAL PRO FORMA ADJUSTMENTS: DEPRECIATION & AMORTIZATION**	$	79,821

AmerenUE
ELECTRIC DEPRECIATION & AMORTIZATION EXPENSE
ALLOCATED TO MISSOURI JURISDICTION
FOR THE TWELVE MONTHS ENDED JUNE 30, 2006 UPDATED THROUGH JANUARY 1, 2007
($000)

LINE	DESCRIPTION (A)	PRO FORMA ELECTRIC TOTALS (B)	ALLOCATION (C)	MISSOURI JURISDICTIONAL (D)
1	INTANGIBLE PLANT	$ 3,120	Fixed	$ 3,068
	PRODUCTION PLANT:			
2	NUCLEAR	93,110	Nuclear	91,974
3	CALLAWAY POST OPERATIONAL	3,687	Fixed	3,626
4	CALLAWAY DECOMMISSIONING	6,759	Direct	6,487
5	STEAM	105,588	Fixed	103,824
6	HYDRAULIC	6,637	Fixed	6,526
7	OTHER	26,042	Fixed	25,607
8	TOTAL PRODUCTION PLANT	241,823		238,044
9	TRANSMISSION PLANT	13,010	Direct	13,010
	DISTRIBUTION PLANT			
10	MISSOURI	116,089	Distribution	115,880
11	TOTAL DISTRIBUTION PLANT	116,089		115,880
12	GENERAL PLANT	13,623	Labor	13,464
13	TOTAL DEPRC. & AMORT. - PLANT	387,665		383,465
14	AMORT OF Y2K COSTS	836	Direct	836
15	AMORT. OF MERGER COSTS (1)	3,329	Direct	3,329
		-		
16	TOTAL DEPRC. & AMORT. EXPENSE	$ 391,830		$ 387,630
17	(1) Amortization per Commission order effective 01/04/2000.			

AmerenUE
TAXES OTHER THAN INCOME TAXES
FOR THE TWELVE MONTHS ENDED JUNE 30, 2006
($000)

LINE	DESCRIPTION (A)	TOTAL PER BOOKS (B)	PRO FORMA ADJUSTMENTS(1) (C)	PRO FORMA ELECTRIC TOTALS (D)
	PAYROLL TAXES			
1	F.I.C.A.	$ 18,935	$ 589	$ 19,523
2	FEDERAL UNEMPLOYMENT	171	-	171
3	MISSOURI UNEMPLOYMENT	(72)	-	(72)
4	IOWA UNEMPLOYMENT	-	-	-
5	ST. LOUIS EMPLOYMENT TAX	-	-	-
6	TOTAL PAYROLL TAXES	19,033	589	19,622
7	Production			13,753
8	Transmission			416
9	Distribution			5,453
10	Intangible and General			-
	R.E., P.P. & CORP FRANCHISE			
11	MISSOURI R.E., & P.P.	99,162	671	99,832
12	MISSOURI CORP FRANCHISE	1,446	-	1,446
13	IOWA R.E., & P.P.	1,314	-	1,314
14	IOWA CORP FRANCHISE	-	-	-
15	OTHER STATES R.E. & P.P.	352	-	352
16	R.E. TAXES CAPITALIZED	(1,839)	-	(1,839)
17	TRANSFER TO GAS	-	(73)	(73)
18	R.E. TRANSFER TO NON UTILITY	-	(38)	(38)
19	TOTAL R.E., P.P. & CORP FRANCHISE	100,434	560	100,994
20	Production			60,181
21	Transmission			4,638
22	Distribution			30,575
23	Intangible and General			5,600
	MISCELLANEOUS			
24	MUNICIPAL GROSS RECEIPTS	98,315	(98,315)	-
25	FED.EXCISE TAX-HEAVY VEH.USE TAX	1	-	1
26	ST. LOUIS EARNINGS	139	-	139
27	MO. EXCISE - NEIL INS. PREM.	217	-	217
28	MISCELLANEOUS	(397)	397	-
29	TOTAL MISCELLANEOUS	98,274	(97,918)	356
30	Production			217
31	Transmission			-
32	Distribution			139
33	System General			-
34	TOTAL TAXES OTHER THAN INCOME TAXES	$ 217,742	$ (96,769)	$ 120,973

35 (1) See SCHEDULE GSW-E31-2 for explanation of the pro forma adjustments.

AmerenUE
TAXES OTHER THAN INCOME
PRO FORMA ADJUSTMENTS
FOR THE TWELVE MONTHS ENDED JUNE 30, 2006
($000)

LINE	ITEM NO. (A)	DESCRIPTION (B)		PRO FORMA AMOUNT (C)
1	(1)	Increase the F.I.C.A. taxes to reflect the pro forma wage increases.	$	589
2 3	(2)	Increase real estate taxes for the purchase of Audrain, Raccoon Creek and Goose Creek CTGs.	$	774
4 5	(3)	Eliminate the property taxes on future use plant, as this investment is excluded from rate base.	$	(104)
6 7	(4)	Eliminate portions of the taxes other than income expense applicable to multiple use general facilities which are applicable to gas operations.	$	(73)
8 9	(5)	Eliminate portions of the taxes other than income expense applicable to nonutility facilities.	$	(38)
10	(6)	Eliminate the gross receipts tax as they are a pass through tax.	$	(98,315)
11	(7)	Eliminate prior year refunds.	$	397
12		**Total Pro Forma Adjustments to Taxes Other Than Income**	$	(96,769)

AmerenUE
PRO FORMA ELECTRIC TAXES OTHER THAN INCOME TAXES
ALLOCATED TO MISSOURI JURISDICTION
FOR THE TWELVE MONTHS ENDED JUNE 30, 2006
($000)

LINE	DESCRIPTION (A)	PRO FORMA ELECTRIC TOTALS (B)	ALLOCATION (C)	MISSOURI JURISDICTIONAL (D)
	PAYROLL TAXES			
1	F.I.C.A.	$ 19,523		
2	FEDERAL UNEMPLOYMENT	171		
3	MISSOURI UNEMPLOYMENT	(72)		
4	IOWA UNEMPLOYMENT	-		
5	ST. LOUIS EMPLOYMENT TAX	-		
6	TOTAL PAYROLL TAXES	19,622		
7	Production	13,753	FIXED	13,523
8	Transmission	416	DIRECT	416
9	Distribution	5,453	DISTRIBUTION	5,443
10	Intangible and General	-	LABOR	-
11				19,382
	R.E., P.P. & CORP FRANCHISE			
12	MISSOURI R.E., & P.P.	99,832		
13	MISSOURI CORP FRANCHISE	1,446		
14	IOWA R.E., & P.P.	1,314		
15	IOWA CORP FRANCHISE	-		
16	OTHER STATES R.E. & P.P.	352		
17	R.E. TAXES CAPITALIZED	(1,839)		
18	TRANSFER TO GAS	(73)		
19	R.E. TRANSFER TO NON UTILITY	(38)		
20	TOTAL R.E., P.P. & CORP FRANCHISE	100,994		
21	Production	60,181	FIXED	59,176
22	Transmission	4,638	DIRECT	4,638
23	Distribution	30,575	DISTRIBUTION	30,520
24	Intangible and General	5,600	LABOR	5,535
25				99,869
	MISCELLANEOUS			
26	MUNICIPAL GROSS RECEIPTS	-		
27	FED.EXCISE TAX-HEAVY VEH.USE TAX	1		
28	ST. LOUIS EARNINGS	139		
29	MO. EXCISE - NEIL INS. PREM.	217		
30	MISCELLANEOUS	-		
31	TOTAL MISCELLANEOUS	356		
32	Production	217	FIXED	214
33	Transmission	-	DIRECT	-
34	Distribution	139	DISTRIBUTION	139
35	Intangible and General	-	LABOR	-
36				353
37	TOTAL TAXES OTHER THAN INCOME TAXES	$ 120,973		$ 119,604

AmerenUE

TOTAL ELECTRIC AND MISSOURI JURISDICTIONAL
INCOME TAXES AT THE PROPOSED RETURN
FOR THE TWELVE MONTHS ENDED JUNE 30, 2006 UPDATED THROUGH JANUARY 1, 2007
($000)

LINE	DESCRIPTION (A)	(B)	TOTAL ELECTRIC (C)	MISSOURI JURISDICTIONAL (D)
1	NET OPERATING INCOME		$ 524,911	$ 519,652
2	(Rate Base X 8.876 %)			
	NON-OPERATING INCOME (DEDUCTIONS):			
3	INTEREST ON DEBT (1)		(148,082)	(146,599)
4	NET INCOME FROM OPERATIONS		376,829	373,053
5	ADD CURRENT INCOME TAXES		233,680	231,344
	OTHER FLOW THRU INCOME TAXES:			
6	DEFERRED INCOME TAXES-FLOW THRU AMORTIZATION		4,226	4,182
7	DEFERRED I.T.C.-NET		(6,013)	(5,943)
8	TOTAL - OTHER FLOW THRU INCOME TAXES		(1,787)	(1,761)
9	TAXABLE INCOME		608,722	602,637
	FEDERAL INCOME TAX			
10	TAXABLE INCOME		608,722	602,637
11	DEDUCT MISSOURI INCOME TAX		31,734	31,417
12	FEDERAL TAXABLE INCOME		576,988	571,220
13	FEDERAL INCOME TAX	35.00%	201,946	199,927
	STATE INCOME TAXES			
14	TAXABLE INCOME		608,722	602,637
15	DEDUCT 50% OF FEDERAL INCOME TAX		100,973	99,964
16	MISSOURI TAXABLE INCOME		507,749	502,673
17	MISSOURI INCOME TAX	6.25%	31,734	31,417
	OTHER FLOW THRU INCOME TAXES:			
18	DEFERRED INCOME TAXES-FLOW THRU AMORTIZATION		4,226	4,182
19	DEFERRED INVESTMENT TAX CREDIT-NET		(6,013)	(5,943)
20	TOTAL - OTHER FLOW THRU INCOME TAXES		(1,787)	(1,761)
21	TOTAL STATE AND FEDERAL INCOME TAXES		$ 231,893	$ 229,583
22	(1) RATE BASE X EMBEDDED			
23	COST OF DEBT.	2.504%		

AmerenUE
FIXED (DEMAND) ALLOCATOR
FOR THE TWELVE MONTHS ENDED JUNE 30, 2006

LINE
1 The investment in production facilities and related other ratebase items along with certain related operating
2 expenses are allocated to Missouri jurisdiction on the "contribution to the peak" fixed allocation method; that is,
3 in the ratio of the average demands at the time of AmerenUE system twelve monthly peaks.

LINE	DESCRIPTION (A)		DEMAND (kW) (B)
4	Average of the AmerenUE System Twelve Monthly Peak Demands.		6,637,250
5 6	Average of the Twelve Monthly Peak Demands of Missouri Jurisdiction at the time of the AmerenUE Twelve Monthly Peak Demands.		6,526,437
7	FIXED ALLOCATION PERCENTAGE	Line 5 / Line 4	98.33%

AmerenUE
VARIABLE ALLOCATOR
FOR THE TWELVE MONTHS ENDED JUNE 30, 2006

LINE

1 The investment in production fuel inventories and the materials and supplies inventories applicable to
2 production, the related taxes and the variable production expenses are allocated to Missouri jurisdiction in
3 the proportion of kilowatt-hour sales to Missouri jurisdiction adjusted for losses, unbilled kWh and normal
4 weather compared to AmerenUE system adjusted kWh output.

LINE	DESCRIPTION (A)	TOTAL COMPANY (B)	MISSOURI ULTIMATE CONSUMERS (C)
5	KWH SALES - 12 Months ended June 30, 2006	38,018,865,648	37,391,301,393
6	LINE LOSSES	2,414,759,352	2,391,100,180
7	ADJUST FOR EFFECT OF WEATHER AND UNBILLED SALES	400,600,867	421,528,892
8	Pro Forma KWH Output - 12 Months ended June 30, 2006	40,834,225,867	40,203,930,465
9	VARIBLE ALLOCATION PERCENTAGE (Col C, Line 8 / Col B, Line 8)		98.46%

AmerenUE
LABOR ALLOCATOR
FOR THE TWELVE MONTHS ENDED JUNE 30, 2006
($000)

Line

1 The investment in general plant (system general) and administrative and general expenses are allocated to
2 Missouri jurisdiction in the proportion of the electric operating labor allocated to Missouri jurisdiction compared
3 to the total AmerenUE electric operating labor.

Line	DESCRIPTION (A)	TOTAL ELECTRIC (B)	ALLOCATION (C)	MISSOURI JURISDICTIONAL (D)
	OPERATING & MAINTENANCE LABOR			
	PRODUCTION LABOR			
4	INCREMENTAL LABOR	$ 5,785	VARIABLE	$ 5,696
5	OTHER OPERATING LABOR	94,958	FIXED	93,372
6	MAINTENANCE LABOR	73,483	VARIABLE	72,351
7	TOTAL PRODUCTION LABOR	174,226		171,419
8	TRANSMISSION LABOR	5,297	DIRECT	5,297
	DISTRIBUTION LABOR			
9	MISSOURI	54,030	DIST. PLANT	53,933
10	TOTAL DISTRIBUTION LABOR	54,030		53,933
	CUSTOMER ACCOUNTING LABOR			
11	MISSOURI	12,938	DIRECT	12,928
12	TOTAL CUSTOMER ACCOUNTING LABOR	12,938		12,928
	CUSTOMER SERVICE & INFORMATION LABOR			
13	MISSOURI	2,365	DIRECT	2,365
14	TOTAL CUST. SERV. & INFO. LABOR	2,365		2,365
	SALES LABOR			
15	MISSOURI	676	DIRECT	676
16	TOTAL SALES LABOR	676		676
	ADMINISTRATIVE & GENERAL LABOR			
17	ACCOUNT 930-1	28	DIRECT	28
18	TOTAL DIRECT OPERATING LABOR	249,560		246,646
19	REMAINING A&G LABOR	34,224	LABOR	33,823
20	TOTAL OPERATING & MAINTENANCE LABOR	$ 283,784		$ 280,469
21	LABOR ALLOCATION PERCENTAGE			98.83%

AmerenUE
MISSOURI JURISDICTIONAL ORIGINAL COST RATE BASE AND COST OF SERVICE
FOR THE TWELVE MONTHS ENDED JUNE 30, 2006 UPDATED THROUGH JANUARY 1, 2007
($000)

LINE	DESCRIPTION (A)	REFERENCE (B)	Missouri Jurisdictional Amount (C)
	A. Original Cost Rate Base		
1	Original Cost of Plant In Service	SCHEDULE GSW-E20-2	$ 11,262,123
2	Less: Reserves for Depreciation	SCHEDULE GSW-E21-2	4,495,359
3	Net Original Cost of Plant		6,766,764
4	Materials and Supplies	SCHEDULE GSW-E22-2	252,895
5	Average Prepayments	SCHEDULE GSW-E23-2	5,324
6	Cash Working Capital	SCHEDULE GSW-E24	(4,181)
7	Interest Expense Cash Requirement	SCHEDULE GSW-E25	(20,744)
8	Federal Income Tax Cash Requirement	SCHEDULE GSW-E25	(11,236)
9	State Income Tax Cash Requirement	SCHEDULE GSW-E25	(1,766)
10	Average Customer Advances for Construction	SCHEDULE GSW-E26	(2,403)
11	Average Customer Deposits	SCHEDULE GSW-E26	(12,549)
12	Accumulated Deferred Taxes on Income	SCHEDULE GSW-E27	(1,117,530)
13	Total Original Cost Rate Base		$ 5,854,574
	B. Revenue Requirement		
	Operating Expenses:		
14	Production	SCHEDULE GSW-E29-4	997,627
15	Transmission	SCHEDULE GSW-E29-4	35,088
16	Distribution	SCHEDULE GSW-E29-4	134,425
17	Customer Accounts	SCHEDULE GSW-E29-4	54,381
18	Customer Service	SCHEDULE GSW-E29-4	5,254
19	Sales	SCHEDULE GSW-E29-4	1,154
20	Administrative and General	SCHEDULE GSW-E29-4	240,589
21	Total Operating Expenses		1,468,518
22	Depreciation and Amortization	SCHEDULE GSW-E30-3	387,630
23	Taxes Other than Income Taxes	SCHEDULE GSW-E31-3	119,604
	Income Taxes-Based on Proposed Rate of Return		
24	Federal	SCHEDULE GSW-E32	199,927
25	State	SCHEDULE GSW-E32	31,417
26	Other Flow Thru Income Taxes	SCHEDULE GSW-E32	(1,761)
27	Total Income Taxes		229,583
28	Return (Rate base * 8.876%)	**8.876%**	519,652
29	Total Revenue Requirement		2,724,987
	Less:		
30	System Revenues	SCHEDULE GSW-E28-2	(24,331)
31	Off-System Sales-Revenues	SCHEDULE GSW-E28-2	(311,517)
32	Net Revenue Requirement		$ 2,389,139
33	Net Total Revenue Requirement After Uncollectible Increase		$ 2,391,238

AmerenUE
INCREASE REQUIRED TO PRODUCE 8.876% RETURN ON
NET ORIGINAL COST RATE BASE
FOR THE TWELVE MONTHS ENDED JUNE 30, 2006 UPDATED THROUGH JANUARY 1, 2007

LINE	DESCRIPTION (A)	MISSOURI JURISDICTIONAL AMOUNT (B)
1	Net Original Cost Rate Base	$5,854,574
	Revenue Requirement:	
2	Return at Proposed Rate (8.876%)	519,652
3	Operating and Maintenance Expenses	1,468,518
4	Depreciation and Amortization	387,630
5	Taxes Other Than Income	119,604
6	Federal and State Income Taxes at Claimed Return	229,583
7	Total Revenue Requirement	2,724,987
	Less:	
8	System Revenue	(24,331)
9	Off-System Sales-Revenue	(311,517)
10	Net Revenue Requirement at 8.876% Rate of Return	2,389,139
11	Net Revenue Requirement After Uncollectible Increase	2,391,238
12	Pro Forma Operating Revenue at Present Rates	2,016,490
13	Deficiency in Operating Revenue	$374,749

AmerenUE
IMPACT ON RETURN AND REVENUE REQUIREMENT
REFLECTING DEPRECIATION RULE PER 4 CSR 240-10.020
FOR THE TWELVE MONTHS ENDED JUNE 30, 2006

Line	DESCRIPTION (A)		MISSOURI JURISDICTIONAL AMOUNT (B)
	Recommended Returns		
1	Return on Equity		12.000%
2	Overall Rate of Return		8.876%
	Return Allowance Based On Methodology Used In Commission's Recent Cases		
3	Net Original Cost Rate Base (SCHEDULE GSW-E36, Line 13)	$	5,854,574
4	Return on Net Original Cost Rate Base (SCHEDULE GSW-E36, Line 27)		519,652
5	Return Applicable to Debt (Line 4 - Line 6)		152,746
6	Return Applicable to Equity (6.267% x Line 3)		366,906
7	Missouri Composite Tax Rate		0.00%
8	Income Taxes Associated with Equity Return		0
9	Revenue Requirement Associated With Return (Line 4 + Line 8)		519,652
	Return Allowance Based on 4CSR 240-10.020		
10	Net Original Cost Rate Base (SCHEDULE GSW-E36, Line 13)		5,854,574
11	Total Depreciation Reserves (SCHEDULE GSW-E36, Line 2)		4,495,359
12	Total Original Cost Rate Base		10,349,932
13	Return on Total Original Cost Rate Base (Line 12 x 8.876%)		918,660
14	Return on Depreciation Reserves at 3% (Line 11 x 3%)		134,861
15	Allowed Return Under 4 CSR-10.020 (Line 13 - Line 14)		783,799
16	Return Applicable to Debt		221,117
17	Return Applicable to Equity		562,682
18	Missouri Composite Tax Rate		0.00%
19	Income Taxes Associated with Equity Return		0
20	Revenue Requirement Associated With Return (Line 15 + Line 19)		783,799
	Impact of 4 CSR 240-10.020		
21	Return Difference (Line 15 - Line 4)		264,147
22	Revenue Requirement Difference (Line 20 - Line 9)		264,147
23	Rate Change Recommendation Under Current Method		374,749
24	Rate Change Recommendation Under 4 CSR 240-10.020 (Line 22 + Line 23)	$	638,896

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

In the Matter of Union Electric Company d/b/a AmerenUE for Authority to File Tariffs Increasing Rates for Electric Service Provided to Customers in the Company's Missouri Service Area.	)))))	Case No. ER-2007-0002

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 employed by Ameren Services Company as Manager of Regulatory Accounting.

2. Attached hereto and made a part hereof for all purposes is my Supplemental Direct Testimony on behalf of Union Electric Company d/b/a AmerenUE consisting of 30 pages and Schedules GSW-E20 through GSW-E38, all of which have been prepared in written form for introduction into evidence in the above-referenced docket.

3. I hereby swear and affirm that my answers contained in the attached testimony to the questions therein propounded are true and correct.

Gary S. Weiss
Gary S. Weiss

Subscribed and sworn to before me this 29th day of September, 2006.

Carolyn J. Woodstock
Notary Public

My commission expires: May 19, 2008

CAROLYN J. WOODSTOCK
Notary Public - Notary Seal
STATE OF MISSOURI
Franklin County
My Commission Expires: May 19, 2008