Exhibit No.:	
Issues:	Depreciation
Witness:	John F. Wiedmayer
Sponsoring Party:	Union Electric Company
Type of Exhibit:	Surrebuttal Testimony
Case No.:	ER-2007-0002
Date Testimony Prepared:	February 27, 2007

MISSOURI PUBLIC SERVICE COMMISSION

CASE NO. ER-2007-0002

SURREBUTTAL TESTIMONY

OF

JOHN F. WIEDMAYER C.D.P.

ON

BEHALF OF

UNION ELECTRIC COMPANY
d/b/a AmerenUE

St. Louis, Missouri
February, 2007

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SURREBUTTAL TESTIMONY

OF

JOHN F. WIEDMAYER

I. INTRODUCTION

Q. Please state your name and address.

A. John F. Wiedmayer. My business address is 1010 Adams Avenue, Audubon, Pennsylvania 19403.

Q. Have you previously submitted testimony in this proceeding?

A. Yes. My Direct Testimony was submitted in July 2006 and my Rebuttal Testimony was submitted in January 2007.

Q. What is the purpose of your Surrebuttal Testimony?

A. My testimony responds to the Rebuttal Testimony of Missouri Public Service Commission Staff (Staff) witness Guy C. Gilbert, the Rebuttal Testimony of Missouri Industrial Energy Consumers (MIEC) witness James T. Selecky, and the Rebuttal Testimony of Office of the Public Counsel (OPC) witness William Dunkel .

Q. What are the subjects of your Surrebuttal Testimony?

A. The subjects of my Surrebuttal Testimony are the net salvage estimates for the Callaway Nuclear Plant, the remaining lives for the Callaway Nuclear Plant determined by Mr. Selecky, and the calculation of the portion of the depreciation accrual related to net salvage.

II. NET SALVAGE ESTIMATES FOR CALLAWAY NUCLEAR PLANT

Q. Have you reviewed the Rebuttal Testimony of OPC Witness Dunkel?

A. Yes, I have.

Q. Has he proposed any adjustments regarding the net salvage estimates for the Callaway Nuclear Plant?

A. Yes. Mr. Dunkel has proposed reducing Staff's negative net salvage estimates which have the effect of lowering the depreciation accrual rates that he and Staff have proposed.

Q. Please describe his proposed adjustments regarding the net salvage estimates for Callaway?

A. Mr. Dunkel has correctly determined that the depreciation rates should only reflect interim net salvage. Mr. Dunkel has adjusted his and Staff's proposed depreciation rates for Callaway to reflect an accrual for interim net salvage at Callaway. Interim net salvage refers to the net salvage related to assets that are retired throughout a power plant's life, excluding final retirement which occurs at the end of the nuclear plant's operation. Since the Company already has a separate cost recovery mechanism for final net salvage in the form of a nuclear decommissioning cost trust fund, no depreciation accruals for final net salvage are necessary at a nuclear plant.

Mr. Dunkel has determined the amount of interim retirements that will occur based on Staff's proposed interim survivor curve estimate and 10/2044 final retirement date. Using Account 322, Reactor Plant Equipment as an example to illustrate his proposed adjustment, Mr. Dunkel has determined that approximately 37 percent of the December 31, 2005 plant balance will be retired prior to the end of the nuclear plant's operation. Also, Staff has proposed negative 37% as the net salvage estimate for Account 322. Mr. Dunkel states that Staff's net salvage estimate relates to interim retirements and therefore only a

portion of the plant balance and not the entire plant balance. Mr. Dunkel applies Staff's 37% net salvage estimate to 37% of the balance that will be retired in the interim and the resultant net salvage estimate that he uses is 14 percent (37% x 37%). Mr. Dunkel proposes similar adjustments for the other four Nuclear Plant Accounts which also reduce Staff's proposed accrual rates.

Q. What is the impact of Mr. Dunkel's adjustment on depreciation in comparison with Staff's proposed rates and amounts as shown in the Direct Testimony of Staff Witness Mathis?

A. The annual depreciation expense for Nuclear Production Plant is $5,963,450 less than proposed in the original Staff Direct Testimony.

Q. Do you agree with the adjustments made by Mr. Dunkel regarding the net salvage estimates for the Callaway Nuclear Plant?

A. Yes, I agree with the method used by Mr. Dunkel in determining a net salvage percent estimate for Nuclear Production Plant accounts. The adjustment that Mr. Dunkel made to the net salvage estimate proposed by Staff for Nuclear Production Plant accounts is appropriate. AmerenUE supports the net salvage estimate calculated by OPC witness Dunkel.

III. CALLAWAY COMPOSITE REMAINING LIVES

Q. Have you reviewed the Rebuttal Testimony of MIEC Witness Selecky?

A. Yes, I have.

Q. What does Mr. Selecky have to say about the depreciation rates proposed by Staff for the Nuclear Production Plant accounts at Callaway?

A. Mr. Selecky believes the Staff's proposed depreciation rates for Callaway are excessive and should be rejected.

Q. What are his reasons for his assertion that Staff's proposed rates are excessive?

A. Mr. Selecky provides several reasons to support his position. First, he calculates the remaining lives for the Nuclear Production Plant accounts and claims that the Staff's remaining lives are too short based on an estimated final retirement date of October, 2044. I disagree with this assertion and his calculation of the remaining lives for Callaway using Staff's proposed parameters. Second, he states that the net salvage estimates for Nuclear Production accounts should only be applied to a portion of Callaway's plant balance representing interim retirements. This is similar to Mr. Dunkel's comments that I agree with and have addressed above. Lastly, he believes the Staff's net salvage estimates are inappropriate since they are based on an analysis of the most recent five year period. I also agree with Mr. Selecky on this issue. The net salvage analyses for most accounts should consider more than just the most recent 5 year period.

Q. Do you have any comments regarding Mr. Selecky's assertion that the Staff's proposed accrual rates for Callaway are excessive?

A. While the Company supports the use of remaining lives for purposes of calculating accrual rates, the specific remaining lives listed on Table 1 and 3, page 4 of Mr. Selecky's Rebuttal Testimony are calculated incorrectly. On Table 1, page 4 of

Mr. Selecky's Rebuttal Testimony he lists his calculation of the average remaining lives for Callaway by plant account based on the Staff's proposed depreciation parameters. On Table 2, page 4 of his Rebuttal Testimony, Mr. Selecky lists the average remaining lives calculated by AmerenUE based on their proposed depreciation parameters. The primary reason for the difference in remaining lives between Staff and the Company is the estimated final retirement date. The Staff's proposes a 10/2044 retirement date while the Company proposes a 10/2024 retirement date which coincides with the end of the plant's operating license issued by the Nuclear Regulatory Commission. On Table 3, page 4 of Mr. Selecky's Rebuttal Testimony, he compares his calculation of the remaining lives based on Staff's proposed depreciation parameters with the Company's remaining lives by plant account for Callaway and incorrectly concludes that Staff's calculations are wrong since the difference in remaining lives is roughly 10 years and not the approximate 20 years as he expected.

Staff has not presented a remaining life calculation in their testimony nor do they list remaining lives for Callaway in their testimony. Staff has presented a whole life calculation. Mr. Selecky has calculated remaining lives using the Staff's proposed parameters and has labeled his calculation of the remaining lives as Staff's remaining lives in Tables 1 and 3.

Q. How should Mr. Selecky have determined the composite remaining lives at Callaway?

A. To determine the average remaining life for each plant account, you start with the plant balance and subtract future net salvage and the calculated accrued depreciation,

a.k.a., theoretical reserve. Next, divide the resultant sum by the calculated annual depreciation accrual.

Q. Is this the process that Mr. Selecky followed?

A. Yes, I believe so. However, he used the wrong amounts. The problem with Mr. Selecky's remaining life calculation for Callaway is that he used the theoretical reserve as calculated by the Company based on a 10/2024 estimated final retirement date and used the annual accrual determined by the Staff which is based on a 10/2044 retirement. This mixing of the amounts from different calculations that utilized different parameters leads to an error in Mr. Selecky's remaining life calculation. This miscalculation is easily corrected and when corrected Mr. Selecky will find the difference in remaining lives to be much closer to 20 years than the 10 years he calculated. In summary, the Staff's calculation of the depreciation accrual rates are correct based on the proposed estimates as listed in Witness Mathis' Direct Testimony.

IV. NET SALVAGE ACCRUAL

Q. What is the purpose of addressing this topic and for your submission of Schedules JFW-E3 and JFW-E4?

A. The purpose of submitting the schedules is to calculate the portion of the depreciation accruals related to net salvage using both the Company's and Staff's proposed depreciation parameters. The amounts determined and the testimony that I have prepared on this topic are in support of the Surrebuttal Testimony of Company witness Charles A. Mannix.

Q. What do you mean by the term net salvage accrual?

A. The term net salvage accrual means the portion of the depreciation accrual that is related to the prospective recovery of future net salvage. That is, how much of the depreciation accrual is related to the recovery of the asset's original cost and how much of the depreciation accrual is related to future net salvage? Net salvage, by definition, is gross salvage less cost of removal. Certain plant accounts experience removal costs including disposal when they are retired. Typically, the removal cost exceeds any residual gross salvage received for the retired asset. The net salvage estimate typically is expressed as a percent of the asset's original cost for depreciation purposes. The depreciation accrual rate formula using the straight line method, average service life broad group procedure and the whole life technique is: *(1-Net Salvage %) / ASL*, where ASL stands for Average Service Life. For plant accounts in which the net salvage estimate is negative, a portion of the depreciation accrual relates to the prospective recovery of future net salvage during the asset's useful life on a pro-rata basis.

Q. Have you calculated the portion of the depreciation accrual that is related to the prospective recovery of future net salvage?

A. Yes I have. Schedule JFW-E3 presents the amount of net salvage embedded in the total depreciation accrual by plant account using the Company's proposed depreciation parameters, i.e., survivor curve, terminal dates, and net salvage estimates. The portion of the depreciation accrual related to net salvage is $63.8 million and the amounts by account are set forth in column 8. Schedule JFW-E4 presents the amount of net salvage embedded in the total depreciation accrual by plant account using the Staff's proposed depreciation

parameters. The Company proposed accrual rates listed in Schedule JFW-E2 of my Rebuttal Testimony were used to calculate the amounts shown on Schedule JFW-E3. Similarly, the Staff's proposed accrual rates listed in the Direct Testimony of Ms. Jolie Mathis were used to calculate the amounts shown on Schedule JFW-E4. Using Staff's depreciation parameters, the portion of the depreciation accrual related to net salvage is $71.2 million and it is set forth in column 8.

Q. Please describe how you determined the portion of the depreciation accruals that relates to net salvage.

A. For accounts with a negative net salvage percent estimate, I determined the portion of the depreciation accruals related to net salvage using the following formula:

(1-NS%) – 1 / (1-NS%), where NS is defined as net salvage.

This formula produces a ratio set forth in column 7 of Schedule JFW-E3 and Schedule JFW-E4 showing the percentage of the depreciation accruals related to net salvage. The next step is to multiply the ratio listed in column 7 by the total depreciation accruals presented in column 6. The product is the net salvage accrual or the portion of the depreciation accrual related to net salvage. The net salvage accrual totals $63.8 million using the Company's proposed parameters and $71.2 million using the Staff's proposed parameters.

Q. Does this complete your Surrebuttal Testimony?

A. Yes, it does.

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ANNUAL DEPRECIATION RELATED TO NET SALVAGE BASED ON COMPANY'S PROPOSED DEPRECIATION PARAMETERS

Account No.	Title	Plant Original Cost Jun-06	Company's Proposed Depreciation Parameters Net Salvage (%)	Deprec. Rate (%)	Annual Accrual	Annual Accrual Due to Net Salvage (%)**	Annual Accrual Due to Net Salvage
(1)	(2)	(3)	(4)	(5)	(6)=(3)*(5)	(7)	(8)=(6)*(7)
	Steam Production Plant						
	Meramec Steam Production Plant						
311	Structures & Improvements	36,898,059	(17)	3.67%	1,352,771	14.53%	196,556
312	Boiler Plant Equipment	399,232,426	(17)	5.37%	21,445,946	14.53%	3,116,078
314	Turbogenerator Units	82,051,879	(17)	4.67%	3,831,638	14.53%	556,734
315	Acessory Electric Equipment	36,283,593	(17)	4.53%	1,644,121	14.53%	238,889
316	Misc. Power Plant Equipment	13,708,320	(17)	5.33%	730,374	14.53%	106,123
	Sioux Steam Production Plant						
311	Structures & Improvements	25,295,269	(22)	3.25%	820,922	18.03%	148,035
312	Boiler Plant Equipment	328,617,174	(22)	4.21%	13,844,146	18.03%	2,496,485
314	Turbogenerator Units	91,440,550	(22)	4.42%	4,046,107	18.03%	729,626
315	Acessory Electric Equipment	34,642,484	(22)	4.27%	1,480,639	18.03%	267,000
316	Misc. Power Plant Equipment	7,962,301	(22)	4.30%	342,588	18.03%	61,778
	Labadie Steam Production Plant						
311	Structures & Improvements	61,831,946	(25)	2.83%	1,750,479	20.00%	350,096
312	Boiler Plant Equipment	560,572,165	(25)	3.38%	18,919,904	20.00%	3,783,981
312.03	Aluminum Coal Cars	117,686,242	30	3.18%	3,748,306	0.00%	-
314	Turbogenerator Units	186,232,562	(25)	3.59%	6,677,444	20.00%	1,335,489
315	Acessory Electric Equipment	73,167,727	(25)	3.06%	2,240,240	20.00%	448,048
316	Misc. Power Plant Equipment	17,242,739	(25)	3.75%	647,309	20.00%	129,462
	Rush Island Steam Production Plant						
311	Structures & Improvements	52,397,875	(22)	2.50%	1,309,482	18.03%	236,136
312	Boiler Plant Equipment	354,788,784	(22)	3.12%	11,072,128	18.03%	1,996,613
314	Turbogenerator Units	135,990,789	(22)	3.18%	4,323,070	18.03%	779,570
315	Acessory Electric Equipment	32,925,827	(22)	2.85%	937,310	18.03%	169,023
316	Misc. Power Plant Equipment	10,122,281	(22)	3.47%	351,629	18.03%	63,408
	Common Steam Production Plant						
311	Structures & Improvements	1,959,206	(5)	3.36%	65,904	4.76%	3,138
312	Boiler Plant Equipment	37,071,156	(5)	3.63%	1,344,681	4.76%	64,032
315	Accessory Electrical Equipment	3,129,975	(5)	3.47%	108,510	4.76%	5,167
316	Misc. Power Plant Equipment	20,843	(5)	3.82%	797	4.76%	38
	Total Steam Production Plant	**2,701,272,172**			**103,036,443**		**17,281,506**
	Nuclear Production Plant						
321	Structures and Improvements	893,268,025	0	2.82%	25,177,567	0.00%	-
322	Reactor Plant Equipment	957,550,064	0	3.38%	32,356,014	0.00%	-
323	Turbogenerator Units	494,453,935	0	3.18%	15,743,906	0.00%	-
324	Accessory Electric Equipment	210,754,954	0	2.74%	5,775,691	0.00%	-
325	Misc. Power Plant Equipment	165,413,219	0	3.70%	6,120,965	0.00%	-
	Total Nuclear Production Plant	**2,721,440,197**			**85,174,143**		**-**

** The annual accrual due to net salvage (%) is calculated for each account as [(1-NS)-1]/(1-NS) when NS < 0 and as 0 when NS ≥ 0.

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ANNUAL DEPRECIATION RELATED TO NET SALVAGE BASED ON COMPANY'S PROPOSED DEPRECIATION PARAMETERS

Account No.	Title	Plant Original Cost Jun-06	Company's Proposed Depreciation Parameters Net Salvage (%)	Deprec. Rate (%)	Annual Accrual	Annual Accrual Due to Net Salvage (%)**	Annual Accrual Due to Net Salvage
(1)	(2)	(3)	(4)	(5)	(6)=(3)*(5)	(7)	(8)=(6)*(7)
	Osage Hydraulic Production Plant						
331	Structures and Improvements	3,860,732	(10)	1.58%	61,035	9.09%	5,549
332	Reservoirs, Dams, and Waterways	25,439,912	(20)	1.50%	381,145	16.67%	63,524
333	Water Wheels, Turbines, and Generators	19,301,223	(10)	2.00%	385,727	9.09%	35,066
334	Accessory Electric Equipment	4,112,456	0	2.18%	89,700	0.00%	-
335	Misc. Power Plant Equipment	1,773,982	0	2.49%	44,229	0.00%	-
336	Roads, Railroads, and Bridges	77,445	0	1.12%	864	0.00%	-
	Keokuk Hydraulic Production Plant						
331	Structures and Improvements	4,117,339	(10)	2.10%	86,534	9.09%	7,867
332	Reservoirs, Dams, and Waterways	12,367,195	(20)	2.00%	247,724	16.67%	41,287
333	Water Wheels, Turbines, and Generators	59,194,802	(10)	3.05%	1,804,184	9.09%	164,017
334	Accessory Electric Equipment	9,167,068	0	2.98%	273,381	0.00%	-
335	Misc. Power Plant Equipment	2,631,559	0	2.98%	78,320	0.00%	-
336	Roads, Railroads, and Bridges	114,926	0	1.98%	2,272	0.00%	-
	Taum Sauk Hydraulic Production Plant						
331	Structures and Improvements	5,503,349	(10)	1.80%	99,188	9.09%	9,017
332	Reservoirs, Dams, and Waterways	27,586,615	(20)	2.10%	579,487	16.67%	96,581
333	Water Wheels, Turbines, and Generators	37,356,989	(10)	2.52%	942,957	9.09%	85,723
334	Accessory Electric Equipment	4,188,185	0	2.58%	108,244	0.00%	-
335	Misc. Power Plant Equipment	1,630,658	0	3.11%	50,647	0.00%	-
336	Roads, Railroads, and Bridges	45,570	0	1.50%	683	0.00%	-
	Total Hydraulic Production Plant	**218,470,005**			**5,236,323**		**508,632**
	Other Production Plant						
341	Structures and Improvements	15,382,120	(5)	2.86%	439,596	4.76%	20,933
342	Fuel Holders, Products, and Accessories	12,264,732	(5)	2.97%	364,449	4.76%	17,355
344	Generators	583,616,964	(5)	2.96%	17,283,670	4.76%	823,032
345	Accessory Electric Equipment	26,793,140	(5)	2.89%	774,394	4.76%	36,876
346	Misc. Power Plant Equipment	5,665,300	(5)	2.83%	160,184	4.76%	7,628
	Total Other Production Plant	**643,722,256**			**19,022,293**		**905,823**
	Transmission Plant						
352	Structures and Improvements	6,219,706	(5)	1.75%	109,063	4.76%	5,193
353	Station Equipment	181,457,965	0	1.82%	3,302,535	0.00%	-
354	Tower and Fixtures	70,903,822	(10)	1.69%	1,201,111	9.09%	109,192
355	Poles and Fixtures	113,204,654	(90)	3.65%	4,129,657	47.37%	1,956,153
356	Overhead Conductors and Devices	118,782,726	(25)	2.27%	2,697,446	20.00%	539,489
359	Roads and Trails	71,788	0	1.20%	858	0.00%	-
	Total Transmission Plant	**490,640,661**			**11,440,669**		**2,610,028**

** The annual accrual due to net salvage (%) is calculated for each account as [(1-NS)-1]/(1-NS) when NS < 0 and as 0 when NS ≥ 0.

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ANNUAL DEPRECIATION RELATED TO NET SALVAGE BASED ON COMPANY'S PROPOSED DEPRECIATION PARAMETERS

Account No.	Title	Plant Original Cost Jun-06	Company's Proposed Depreciation Parameters Net Salvage (%)	Deprec. Rate (%)	Annual Accrual	Annual Accrual Due to Net Salvage (%)**	Annual Accrual Due to Net Salvage
(1)	(2)	(3)	(4)	(5)	(6)=(3)*(5)	(7)	(8)=(6)*(7)
	Distribution Plant						
361	Structures and Improvements	15,759,384	(5)	1.75%	276,341	4.76%	13,159
362	Station Equipment	531,174,647	0	1.82%	9,667,378	0.00%	-
364	Poles, Towers, and Fixtures	657,866,888	(135)	5.47%	36,017,181	57.45%	20,690,721
365	Overhead Conductors and Devices	725,041,472	(50)	3.19%	23,165,075	33.33%	7,721,692
366	Underground Conduit	172,578,086	(50)	2.31%	3,986,554	33.33%	1,328,851
367	Underground Conductors and Devices	459,391,695	(25)	2.36%	10,853,129	20.00%	2,170,626
368	Line Transformers	353,005,804	0	2.22%	7,836,729	0.00%	-
369.001	Overhead Services	126,844,186	(200)	8.09%	10,258,181	66.67%	6,838,788
369.002	Underground Services	121,695,103	(80)	3.99%	4,857,977	44.44%	2,159,101
370	Meters	103,953,475	0	3.57%	3,710,669	0.00%	-
371	Installations on Customer Premises	164,856	0	3.74%	6,161	0.00%	-
373.00	Street Lighting and Signal Systems	101,695,076	(45)	4.39%	4,467,973	31.03%	1,386,612
	Total Distribution Plant	**3,369,170,672**			**115,103,348**		**42,309,550**
	General Plant						
390.0	Structures and Improvements	171,487,901	(5)	2.33%	3,996,976	4.76%	190,332
391.0	Office Furniture and Equipment	44,289,607	0	4.77%	2,110,938	0.00%	-
391.1	Mainframe Computers	422,014	0	0.00%	-	0.00%	-
391.2	Personal Computers	1,796,928	0	19.42%	349,006	0.00%	-
392.0	Transportation Equipment	83,429,052	9	8.23%	6,865,401	0.00%	-
393.0	Stores Equipment	2,104,840	0	3.71%	78,149	0.00%	-
394.00	Tools, Shop and Garage Equipment	10,972,846	0	4.34%	476,689	0.00%	-
395.00	Laboratory Equipment	6,650,033	0	4.48%	297,976	0.00%	-
396.00	Power Operated Equipment	9,843,387	15	5.67%	558,071	0.00%	-
397.00	Communication Equipment	128,018,518	0	4.80%	6,142,826	0.00%	-
398.00	Miscellaneous Equipment	641,398	0	4.84%	31,058	0.00%	-
	Total General Plant	**459,656,524**			**20,907,091**		**190,332**
TOTAL DEPRECIABLE PLANT		**10,604,372,487**			**359,920,310**		**63,805,871**

** The annual accrual due to net salvage (%) is calculated for each account as [(1-NS)-1]/(1-NS) when NS < 0 and as 0 when NS ≥ 0.

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ANNUAL DEPRECIATION RELATED TO NET SALVAGE BASED ON STAFF'S PROPOSED DEPRECIATION PARAMETERS

Account No.	Title	Plant Original Cost Jun-06	Staff's Proposed Depreciation Parameters Net Salvage (%)	Deprec. Rate (%)	Annual Accrual	Annual Accrual Due to Net Salvage (%)**	Annual Accrual Due to Net Salvage
(1)	(2)	(3)	(4)	(5)	(6)=(3)*(5)	(7)	(8)=(6)*(7)
	Steam Production Plant						
	Meramec Steam Production Plant						
311	Structures & Improvements	36,898,059	(21)	1.05%	387,430	17.36%	67,240
312	Boiler Plant Equipment	399,232,426	(29)	2.15%	8,583,497	22.48%	1,929,623
314	Turbogenerator Units	82,051,879	(7)	1.70%	1,394,882	6.54%	91,254
315	Acessory Electric Equipment	36,283,593	(9)	1.21%	439,031	8.26%	36,250
316	Misc. Power Plant Equipment	13,708,320	(6)	1.77%	242,637	5.66%	13,734
	Sioux Steam Production Plant						
311	Structures & Improvements	25,295,269	(21)	1.05%	265,600	17.36%	46,096
312	Boiler Plant Equipment	328,617,174	(29)	2.15%	7,065,269	22.48%	1,588,316
314	Turbogenerator Units	91,440,550	(7)	1.70%	1,554,489	6.54%	101,696
315	Acessory Electric Equipment	34,642,484	(9)	1.21%	419,174	8.26%	34,611
316	Misc. Power Plant Equipment	7,962,301	(6)	1.77%	140,933	5.66%	7,977
	Labadie Steam Production Plant						
311	Structures & Improvements	61,831,946	(21)	1.05%	649,235	17.36%	112,677
312	Boiler Plant Equipment	560,572,165	(29)	2.15%	12,052,302	22.48%	2,709,432
312.03	Aluminum Coal Cars	117,686,242	8	4.19%	4,931,054	0.00%	-
314	Turbogenerator Units	186,232,562	(7)	1.70%	3,165,954	6.54%	207,118
315	Acessory Electric Equipment	73,167,727	(9)	1.21%	885,329	8.26%	73,101
316	Misc. Power Plant Equipment	17,242,739	(6)	1.77%	305,196	5.66%	17,275
	Rush Island Steam Production Plant						
311	Structures & Improvements	52,397,875	(21)	1.05%	550,178	17.36%	95,485
312	Boiler Plant Equipment	354,788,784	(29)	2.15%	7,627,959	22.48%	1,714,812
314	Turbogenerator Units	135,990,789	(7)	1.70%	2,311,843	6.54%	151,242
315	Acessory Electric Equipment	32,925,827	(9)	1.21%	398,403	8.26%	32,896
316	Misc. Power Plant Equipment	10,122,281	(6)	1.77%	179,164	5.66%	10,141
	Common Steam Production Plant						
311	Structures & Improvements	1,959,206	(21)	1.05%	20,572	17.36%	3,570
312	Boiler Plant Equipment	37,071,156	(29)	2.15%	797,030	22.48%	179,177
315	Accessory Electrical Equipment	3,129,975	(9)	1.21%	37,873	8.26%	3,127
316	Misc. Power Plant Equipment	20,843	(6)	1.77%	369	5.66%	21
	Total Steam Production Plant	**2,701,272,172**			**54,405,403**		**9,226,874**
	Nuclear Production Plant						
321	Structures and Improvements	893,268,025	(3)	1.97%	17,597,380	2.91%	512,545
322	Reactor Plant Equipment	957,550,064	(37)	3.10%	29,684,052	27.01%	8,016,861
323	Turbogenerator Units	494,453,935	(3)	2.08%	10,284,642	2.91%	299,553
324	Accessory Electric Equipment	210,754,954	(2)	1.91%	4,025,420	1.96%	78,930
325	Misc. Power Plant Equipment	165,413,219	(1)	2.49%	4,118,789	0.99%	40,780
	Total Nuclear Production Plant	**2,721,440,197**			**65,710,283**		**8,948,668**

** The annual accrual due to net salvage (%) is calculated for each account as [(1-NS)-1]/(1-NS) when NS < 0 and as 0 when NS ≥ 0.

AmerenUE

ANNUAL DEPRECIATION RELATED TO NET SALVAGE BASED ON STAFF'S PROPOSED DEPRECIATION PARAMETERS

Account No.	Title	Plant Original Cost Jun-06	Staff's Proposed Depreciation Parameters Net Salvage (%)	Deprec. Rate (%)	Annual Accrual	Annual Accrual Due to Net Salvage (%)**	Annual Accrual Due to Net Salvage
(1)	(2)	(3)	(4)	(5)	(6)=(3)*(5)	(7)	(8)=(6)*(7)
	Osage Hydraulic Production Plant						
331	Structures and Improvements	3,860,732	(41)	0.94%	36,291	29.08%	10,553
332	Reservoirs, Dams, and Waterways	25,439,912	0	0.56%	142,464	0.00%	-
333	Water Wheels, Turbines, and Generators	19,301,223	(161)	2.09%	403,396	61.69%	248,838
334	Accessory Electric Equipment	4,112,456	(9)	1.68%	69,089	8.26%	5,705
335	Misc. Power Plant Equipment	1,773,982	0	1.67%	29,625	0.00%	-
336	Roads, Railroads, and Bridges	77,445	0	1.63%	1,262	0.00%	-
	Keokuk Hydraulic Production Plant						
331	Structures and Improvements	4,117,339	(41)	0.94%	38,703	29.08%	11,254
332	Reservoirs, Dams, and Waterways	12,367,195	0	0.56%	69,256	0.00%	-
333	Water Wheels, Turbines, and Generators	59,194,802	(161)	2.09%	1,237,171	61.69%	763,159
334	Accessory Electric Equipment	9,167,068	(9)	1.68%	154,007	8.26%	12,716
335	Misc. Power Plant Equipment	2,631,559	0	1.67%	43,947	0.00%	-
336	Roads, Railroads, and Bridges	114,926	0	1.63%	1,873	0.00%	-
	Taum Sauk Hydraulic Production Plant						
331	Structures and Improvements	5,503,349	(41)	0.94%	51,731	29.08%	15,042
332	Reservoirs, Dams, and Waterways	27,586,615	0	0.56%	154,485	0.00%	-
333	Water Wheels, Turbines, and Generators	37,356,989	(161)	2.09%	780,761	61.69%	481,619
334	Accessory Electric Equipment	4,188,185	(9)	1.68%	70,362	8.26%	5,810
335	Misc. Power Plant Equipment	1,630,658	0	1.67%	27,232	0.00%	-
336	Roads, Railroads, and Bridges	45,570	0	1.63%	743	0.00%	-
	Total Hydraulic Production Plant	**218,470,005**			**3,312,399**		**1,554,696**
	Other Production Plant						
341	Structures and Improvements	15,382,120	0	1.67%	256,881	0.00%	-
342	Fuel Holders, Products, and Accessories	12,264,732	0	2.50%	306,618	0.00%	-
344	Generators	583,616,964	0	2.22%	12,956,297	0.00%	-
345	Accessory Electric Equipment	26,793,140	0	1.89%	506,390	0.00%	-
346	Misc. Power Plant Equipment	5,665,300	0	4.00%	226,612	0.00%	-
	Total Other Production Plant	**643,722,256**			**14,252,799**		**-**
	Transmission Plant						
352	Structures and Improvements	6,219,706	0	1.67%	103,869	0.00%	-
353	Station Equipment	181,457,965	(6)	1.56%	2,830,744	5.66%	160,231
354	Tower and Fixtures	70,903,822	(22)	1.88%	1,332,992	18.03%	240,376
355	Poles and Fixtures	113,204,654	(24)	2.38%	2,694,271	19.35%	521,472
356	Overhead Conductors and Devices	118,782,726	(2)	1.85%	2,197,480	1.96%	43,088
359	Roads and Trails	71,788	0	0.00%	-	0.00%	-
	Total Transmission Plant	**490,640,661**			**9,159,356**		**965,166**

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AmerenUE

ANNUAL DEPRECIATION RELATED TO NET SALVAGE BASED ON STAFF'S PROPOSED DEPRECIATION PARAMETERS

Account No.	Title	Plant Original Cost Jun-06	Staff's Proposed Depreciation Parameters Net Salvage (%)	Deprec. Rate (%)	Annual Accrual	Annual Accrual Due to Net Salvage (%)**	Annual Accrual Due to Net Salvage
(1)	(2)	(3)	(4)	(5)	(6)=(3)*(5)	(7)	(8)=(6)*(7)
	Distribution Plant						
361	Structures and Improvements	15,759,384	0	1.67%	263,182	0.00%	-
362	Station Equipment	531,174,647	(2)	1.62%	8,605,029	1.96%	168,726
364	Poles, Towers, and Fixtures	657,866,888	(154)	5.92%	38,945,720	60.63%	23,612,759
365	Overhead Conductors and Devices	725,041,472	(52)	3.30%	23,926,369	34.21%	8,185,337
366	Underground Conduit	172,578,086	0	1.54%	2,657,703	0.00%	-
367	Underground Conductors and Devices	459,391,695	(40)	2.59%	11,898,245	28.57%	3,399,499
368	Line Transformers	353,005,804	(1)	2.40%	8,472,139	0.99%	83,883
369.001	Overhead Services	126,844,186	(303)	10.86%	13,775,279	75.19%	10,357,095
369.002	Underground Services	121,695,103	(98)	4.39%	5,342,415	49.49%	2,644,226
370	Meters	103,953,475	2	3.50%	3,638,372	0.00%	-
371	Installations on Customer Premises	164,856	0	3.55%	5,852	0.00%	-
373.00	Street Lighting and Signal Systems	101,695,076	(58)	4.27%	4,342,380	36.71%	1,594,038
	Total Distribution Plant	**3,369,170,672**			**121,872,683**		**50,045,562**
	General Plant						
390.0	Structures and Improvements	171,487,901	(11)	2.46%	4,218,602	9.91%	418,060
391.0	Office Furniture and Equipment	44,289,607	0	5.00%	2,214,480	0.00%	-
391.1	Mainframe Computers	422,014	0	16.67%	70,350	0.00%	-
391.2	Personal Computers	1,796,928	0	11.11%	199,639	0.00%	-
392.0	Transportation Equipment	83,429,052	7	8.41%	7,016,383	0.00%	-
393.0	Stores Equipment	2,104,840	4	3.84%	80,826	0.00%	-
394.00	Tools, Shop and Garage Equipment	10,972,846	4	3.20%	351,131	0.00%	-
395.00	Laboratory Equipment	6,650,033	0	3.85%	256,026	0.00%	-
396.00	Power Operated Equipment	9,843,387	13	5.80%	570,916	0.00%	-
397.00	Communication Equipment	128,018,518	0	3.70%	4,736,685	0.00%	-
398.00	Miscellaneous Equipment	641,398	2	4.26%	27,324	0.00%	-
	Total General Plant	**459,656,524**			**19,742,363**		**418,060**
Analyzed Totals							
Column Totals		**10,604,372,487**			**288,455,286**		**71,159,026**

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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 JOHN F. WIEDMAYER

COMMONWEALTH OF PENNSYLVANIA)
) **ss**
COUNTY OF MONTGOMERY)

John F. Wiedmayer, being first duly sworn on his oath, states:

1. My name is John F. Wiedmayer. I work in Audubon, Pennsylvania and I am a Project Manager with the firm of Gannett Fleming, Inc.

2. Attached hereto and made a part hereof for all purposes is my Surrebuttal Testimony on behalf of Union Electric Company d/b/a AmerenUE consisting of ____ pages and Schedules JFW-E3 and JFW-E4, which has 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.

John F. Wiedmayer, Jr.
John F. Wiedmayer

Subscribed and sworn to before me this 27th day of February, 2007.

Susan F. Warner
Notary Public

My commission expires: July 5, 2008

COMMONWEALTH OF PENNSYLVANIA
Notarial Seal
Susan F. Warner, Notary Public
Lower Providence Twp., Montgomery County
My Commission Expires July 5, 2008