

September 26, 2001

VIA FAX & U. S. MAIL

Mr. Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge
P.O. Box 360
Jefferson City, MO 65102

FILED³

OCT - 1 2001

Missouri Public
Service Commission

Re: Preliminary Earnings and Sharing Report
Case No. EM-96-149



Dear Mr. Roberts:

This letter will document for the record that Union Electric Company d/b/a AmerenUE, has submitted a preliminary earnings report, along with a proposed sharing report, to the Staff of the Missouri Public Service Commission, the Office of Public Counsel and the attorneys for certain industrial customers. These reports have been prepared pursuant to the provisions of the Stipulation and Agreement submitted in the above styled case – specifically Section 7.f.iv., and cover the Sharing Period ending June 30, 2001.

A copy of the referenced reports and calculations is attached hereto, but is not being submitted for filing. Copies of this cover letter will be sent to all other parties to this docket.

Very truly yours,

A handwritten signature in cursive script, appearing to read "James J. Cook".

James J. Cook
Managing Associate General Counsel

JJC/mlh
Enclosure(s)
cc w/encl.: Mr. Steve Dottheim
Mr. John Coffman
Mr. Robert Johnson
Ms. Diana Schmidt-Vuylsteke

cc w/o encl.: All Other Parties on Service List
14976

UNION ELECTRIC COMPANY
12 MONTHS ENDED JUNE 30, 2001
(IN THOUSANDS OF DOLLARS)

EARNINGS REPORT
PRELIMINARY

	<u>TOTAL ELECTRIC</u>	<u>MISSOURI JURISDICTIONAL</u>
Plant in Service	\$ 8,770,434	\$ 8,074,575
Reserve for Depreciation	3,751,751	3,432,579
 Net Plant	 5,018,683	 4,641,996
 Add:		
Fuel and Materials & Supplies	189,246	168,336
Cash Working Capital	(26,664)	(24,000)
Prepayments	12,239	11,016
 Less:		
Income Tax Offset (Staff Method)	61,481	56,386
Interest Expense Offset (Staff Method)	12,926	11,949
Customer Advances	10,138	10,058
Customer Deposits	14,710	14,710
 Accumulated Deferred Income Taxes:		
Account 190	69,191	62,819
Account 282	(918,069)	(842,411)
Account 283	(2,713)	(2,436)
 (A) Total Rate Base	 \$ 4,242,658	 \$ 3,922,217
 (B) Net Operating Income	 \$ 450,608	 \$ 421,292
 (C) Return on Rate Base ((B) / (A))	 <u>10.621%</u>	 <u>10.741%</u>
 (D) Return Portion Related to Debt & Preferred	 2.592%	 2.592%
 (E) Return Portion Related to Common Equity ((C) - (D))	 8.029%	 8.149%
 (F) Equity Percentage of Capital Structure	 <u>62.210%</u>	 <u>62.210%</u>
 (G) Achieved Cost of Common Equity ((E) / (F))	 <u>12.906%</u>	 <u>13.099%</u>

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UNION ELECTRIC COMPANY
12 MONTHS ENDED JUNE 30, 2001
(IN THOUSANDS OF DOLLARS)

EARNINGS REPORT
PRELIMINARY

	<u>TOTAL ELECTRIC</u>	<u>MISSOURI JURISDICTIONAL</u>
Operating Revenues	\$ 2,268,195	\$ 2,076,228
Operating & Maintenance Expenses:		
Production:		
Fixed Allocation	136,830	123,913
Variable Allocation	516,907	457,101
Directly Assigned	(5,259)	(4,451)
Total Production Expenses	<u>648,478</u>	<u>576,563</u>
Transmission Expenses (Fixed)	30,141	27,296
Distribution Expenses (Distr. Plant)	111,698	104,485
Customer Accounting Expenses (Direct)	58,461	53,935
Customer Serv. & Info. Expenses (Direct)	5,184	4,765
Sales Expenses (Direct)	1,615	1,467
Administrative & General Expenses:		
Directly Assigned	2,906	2,670
Labor Allocation	264,774	239,885
Total Administrative & General Expenses	<u>267,680</u>	<u>242,555</u>
Total Operating & Maintenance Expenses	<u>1,123,257</u>	<u>1,011,066</u>
Depreciation & Amortization Expense:		
Fixed Allocation	73,880	66,906
Labor Allocation	9,437	8,550
Directly Assigned	184,405	171,413
Total Depreciation & Amortization Expense	<u>267,722</u>	<u>246,869</u>
Taxes Other than Income Taxes:		
Fixed Allocation	51,152	46,323
Variable Allocation	1,863	1,648
Labor Allocation	4,122	3,734
Directly Assigned	144,060	137,947
Total Taxes Other than Income Taxes	<u>201,197</u>	<u>189,652</u>
Income Taxes:		
Federal Income Taxes	193,885	176,878
Missouri State Income Tax	31,211	30,471
Other States' Income Taxes	315	0
Total Income Taxes	<u>225,411</u>	<u>207,349</u>
Net Operating Income	<u>\$ 450,608</u>	<u>\$ 421,292</u>

UNION ELECTRIC COMPANY
12 MONTHS ENDED JUNE 30, 2001

EARNINGS REPORT
PRELIMINARY

ALLOCATION FACTORS

	<u>TOTAL ELECTRIC</u>	<u>MISSOURI JURISDICTIONAL</u>
Fixed	100.00%	90.56%
Variable	100.00%	88.43%
Nuclear	100.00%	90.96%
Distribution	100.00%	94.47%
Mo. Distribution Plant	100.00%	99.48%
Labor	100.00%	90.60%
Net Plant	100.00%	92.50%
Operating Revenues	100.00%	91.54%
Operating Expenses	100.00%	90.01%
Callaway Post Operational	100.00%	97.48%
EPRI	100.00%	91.86%

UNION ELECTRIC COMPANY
MISSOURI ELECTRIC
CALCULATION OF SHARING REVENUES
BASED ON TWELVE MONTHS ENDING JUNE 30, 2001
(IN THOUSANDS OF DOLLARS)
EARNINGS REPORT
PRELIMINARY

	Preliminary 6/30/01
MISSOURI RATE BASE	\$ 3,922,217
TOTAL RETURN ON RATE BASE	10.741%
EARNED RETURN ON COMMON EQUITY	13.099%
50% SHARING FOR EARNED RETURN > 12.61% = 14.00%	
$[(13.099\% - 12.61\%) * 50\% * \$3,922,217 (RB) * 0.62210 (C.E. \%)]$	\$ 5,966
TOTAL 50% SHARING INCLUDING INCOME TAXES (.6231)	\$ 9,683
90% SHARING FOR EARNED RETURN > 14.00% = 16.00%	
$[(14.000\% - 14.00\%) * 90\% * \$3,922,217 (RB) * 0.62210 (C.E. \%)]$	\$ -
TOTAL 90% SHARING INCLUDING INCOME TAXES (.6231)	\$ -
100% SHARING FOR EARNED RETURN > 16.00%	
$[(16.000\% - 16.00\%) * 100\% * \$3,922,217 (RB) * 0.62210 (C.E. \%)]$	\$ -
TOTAL 100% SHARING INCLUDING INCOME TAXES (.6231)	\$ -
TOTAL SHARING INCLUDING TAXES (EXCLUDES GROSS RECEIPTS TAX)	\$ 9,683

**UNION ELECTRIC COMPANY
CAPITAL STRUCTURE AND
EMBEDDED COST OF DEBT AND PREFERRED
AT JUNE 30, 2000 AND 2001
PRELIMINARY**

BEGINNING OF SHARING PERIOD (JUNE 30, 2000)

	(I) CAPITAL STRUCTURE DOLLARS	(II) %	(III) EMBEDDED COST	(IV) WGTD AVG COST
COMMON STOCK EQUITY*	\$2,523,579,615	60.969%	N/A	N/A
PREFERRED STOCK	155,197,000	3.750%	5.775%	0.217%
LONG-TERM DEBT	1,460,359,853	35.282%	7.207%	2.543%
TOTAL CAPITALIZATION	<u>\$4,139,136,468</u>	<u>100.000%</u>		
RETURN PORTION RELATED TO DEBT AND PREFERRED				<u>2.759%</u>

END OF SHARING PERIOD (JUNE 30, 2001)

	(V) CAPITAL STRUCTURE DOLLARS	(VI) %	(VII) EMBEDDED COST	(VIII) WGTD AVG COST
COMMON STOCK EQUITY*	\$2,670,071,248	63.451%	N/A	N/A
PREFERRED STOCK	155,197,000	3.688%	5.775%	0.213%
LONG-TERM DEBT	1,382,833,093	32.861%	6.728%	2.211%
TOTAL CAPITALIZATION	<u>\$4,208,101,341</u>	<u>100.000%</u>		
RETURN PORTION RELATED TO DEBT AND PREFERRED				<u>2.424%</u>

RETURN PORTION RELATED TO DEBT AND PREFERRED
AVERAGE BEGINNING AND END OF SHARING PERIOD

2.592%

AVERAGE COMMON STOCK EQUITY*
BEGINNING AND END OF SHARING PERIOD (%)

62.210%

*Since common dividends payable at the end of a quarter and preferred dividends payable during the subsequent quarter are removed from common equity in their entirety during the first month of every quarter, the balance for common stock equity for the end of the first or second month in each quarter (if used as the beginning or end of the sharing period) should be adjusted from actual book value. The balance for the end of the first month in the quarter should be adjusted by adding back two-thirds of the quarterly preferred and common dividend. The balance for the end of the second month in the quarter should be adjusted by adding back one-third of the quarterly preferred and common dividend.

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing was served via first class U.S. mail, postage prepaid, on this 26th day of September, 2001, on the following parties of record:

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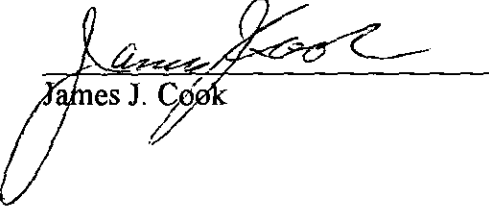
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