

AmerenUE
Summary of Effect of Metro East Transfer
On AmerenUE Missouri Transmission Cost of Service
And Transmission Revenues
(In Thousands of \$s)

Current Operations:

Decrease in AmerenUE Missouri Transmission Cost of Service	\$ 4,879
Decrease in Transmission Revenues Allocated to AmerenUE Missouri	(4,494)
Net Benefit to AmerenUE Missouri Ratepayers	<u>\$ 385</u>

After Movement to MISO:

Decrease in AmerenUE Missouri Transmission Cost of Service	\$ 4,879
Decrease in Transmission Revenues Allocated to AmerenUE Missouri (1)	(3,376)
Net Benefit to AmerenUE Missouri Ratepayers	<u>\$ 1,503</u>

(1) Ameren assumes that 25% of the transmission revenues will be eliminated because of the FERC's policies eliminating the pancaking of transmission rates.

AmerenUE
Missouri Transmission Cost of Service
Without and With the Illinois Asset Transfer
(In Thousands of \$s)

	Without	With
Rate Base		
Transmission Plant	\$ 488,142	\$ 456,856
Transmission Accumulated Depreciation Reserve	192,066	175,216
Net Plant	<u>296,076</u>	<u>281,640</u>
Materials and Supplies	2,043	1,944
Accumulated Deferred Income Taxes	(72,484)	(67,264)
Rate Base	<u>\$ 225,635</u>	<u>\$ 216,320</u>

Revenue Requirement

Transmission Operating Expenses	\$ 32,895	30,171
Transmission A&G Expense	4,899	4,509
Transmission Depreciation Expense	9,068	8,403
Taxes Other Than Income Taxes Property	3,951	3,985
Return (10.50% CE or 8.293% RB)	18,712	17,939
Income Taxes at Allowed Return	8,753	8,392
Total Revenue Requirement	<u>\$ 78,278</u>	<u>\$ 73,399</u>
Difference		<u>\$ (4,879)</u>

Income Taxes

Return	\$ 18,712	\$ 17,939
Less Interest Expense (2.070%)	4,671	4,478
Net Income	14,041	13,462
Composite Income Taxes (38.4% = 48.4%/61.6% = 62.34%)	<u>\$ 8,753</u>	<u>\$ 8,392</u>

Percent of Transmission Plant Being Transferred:

Illinois Transmission Plant Being Transferred	\$ 76,399
Total AmerenUE Transmission Plant	533,255
Percent of Transmission Plant Being Transferred to CIPS	14.33%
Percent of Transmission Plant Remaining with AmerenUE	85.67%
Percent of Transmission Plant Remaining with AmerenUE Missouri (98%)	83.96%

AmerenUE
Missouri Transmission Revenues
Without and With the Illinois Asset Transfer
(In Thousands of \$s)

	<u>Current</u>	<u>After MISO (1)</u>
Point-To-Point Transmission Revenues Actual Year 2003		
Total Transmission Point-To-Point Revenues	\$ 35,113	\$ 26,335
Allocated to AmerenUE based on Transmission Plant (69%)	24,220	18,171
Allocated to AmerenUE Missouri (92%)	22,282	16,717
Allocated to AmerenUE based on Transmission Plant after Asset Transfer (59%)	20,717	15,538
Allocated to AmerenUE Missouri (98%)	20,302	15,227
Decrease in Allocation to AmerenUE Missouri	<u>\$ (1,980)</u>	<u>\$ (1,491)</u>
Third Party Network Intergration Transmission (NITS) Revenues Actual Year 2003		
Total NITS Revenues	\$ 14,364	\$ 10,773
Allocated to AmerenUE based on Transmission Plant (69%)	9,911	7,433
Allocated to AmerenUE Missouri (92%)	9,118	6,839
Allocated to AmerenUE based on Transmission Plant after Asset Transfer (59%)	8,475	6,356
Allocated to AmerenUE Missouri (98%)	8,305	6,229
Decrease in Allocation to AmerenUE Missouri	<u>\$ (813)</u>	<u>\$ (610)</u>
Network Intergration Transmission (NITS) Revenues Actual Year 2003 AME and AEM		
Total AME and AEM NITS Revenues	\$ 30,046	\$ 22,535
Allocated to AmerenUE based on Transmission Plant (69%)	20,732	15,549
Allocated to AmerenUE Missouri (92%)	19,073	14,305
Allocated to AmerenUE based on Transmission Plant after Asset Transfer (59%)	17,727	13,295
Allocated to AmerenUE Missouri (98%)	17,373	13,029
Decrease in Allocation to AmerenUE Missouri	<u>\$ (1,701)</u>	<u>\$ (1,275)</u>
Total Decrease in Missouri Transmission Revenues	<u>(4,494)</u>	<u>(3,376)</u>

(1) Assumes a 25% reduction in Third Party Revenues due to MISO.