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**Ameren Report—Why We Do Not Need—or Deserve—a Gas Price Increase—
Compiled and Written by Michael H. Brownstein—12/1/10**

Missouri Public
Service Commission

From the Annual Report—approximately page 10:

“During 2009, we continued to proactively address the effects of the global economic and financial crisis...cutting planned spending, eliminating approximately three hundred positions, freezing management salaries, and taking the difficult step of reducing the dividend.”

Freezing management salaries? Then why did Voss go from \$477,400 to \$750,000 (a \$282,600 increase in base salary alone)? Why did Lyons go from \$314,600 to \$390,000 (a \$75,400 increase in base salary alone)? Why did Baxter receive a \$22,100 dollar increase to \$575,000 base salary? The point is if they are going to lie about freezing salaries, why can't they create corporate speak (another way of lying) about everything else—including a need to increase rates? And why a rate increase? To give raises to the executive staff?

Ameren Gives Voss, Lyons pay raise--St. Louis Business Journal, 6/16/2010

Ameren Corp. gave executives Thomas Voss a 9 percent pay raise and Martin Lyons Jr. an 18 percent raise, according to a regulatory filing Tuesday.

The company said that on Thursday, the human resources committee of Ameren's board of directors approved the base salary increases, which were ratified by the board Friday. Voss, Ameren's chairman, president and CEO, will see his base pay rise from \$750,000 to \$817,500, effective July 1.

Lyons, Ameren's senior vice president and CFO, will get a base pay raise from \$390,000 to \$460,000, effective Wednesday.

Voss was elected chairman in April, succeeding Gary Rainwater, who retired. Voss also had succeeded Rainwater as president and CEO in May 2009, when his base salary was boosted from \$477,400 to \$750,000. Voss received total compensation of more than \$1.8 million last year, according to the company's most recent proxy.

Lyons was elected senior VP and CFO of Ameren in May 2009, when his base salary was increased from \$314,600 to \$390,000. Lyons received total 2009 compensation of \$784,398.

On Friday, Ameren's Missouri utility, AmerenUE, filed a request with regulators to raise gas delivery rates by \$12 million.

Second article: My comments are below the article.

Ameren loses \$167M in Q3 on charge/St. Louis Business Journal-10/29/1010

Ameren Corp lost \$167 million in the third quarter, compared with a profit of \$227 million a year ago, as the utility holding company took \$522 million in goodwill and other asset impairment charges for its merchant generation business.

The St. Louis-based parent of Ameren Missouri and Ameren Illinois utilities reported operating revenue of nearly \$2.3 billion for the quarter ended Sept. 30, up 28 percent from a year earlier.

The \$522 million in charges included the write down of power plant assets in the company's wholesale generation business, which reflected sustained lower power prices and the potential enactment of more stringent environmental regulations, Ameren said. Without the charge, Ameren, which is led by Chairman, President and CEO **Thomas Voss** said it would have posted a third-quarter profit of \$33 million.

My comments about the above article:

It's no hardship to take a charge off when your profits are up 28% in the third quarter. With a 2.3 billion dollar increase in revenue for the third quarter compared to the third quarter of the previous year, why do they need a rate increase?

This is Voss's compensation package from Bloomberg Business Week, 11/29/2010

*ANNUAL COMPENSATION**

Salary	\$660,733
Total Annual Compensation	\$660,733

*STOCK OPTIONS**

Restricted Stock Awards	\$412,584
All Other Compensation	\$25,183

*TOTAL COMPENSATION**

Total Annual Cash Compensation	\$1,145,337
Total Short Term Compensation	\$660,733
Other Long Term Compensation	\$437,767
Total Calculated Compensation	\$1,807,585

My comments: Ameren claims their CEO is not paid enough compared to other individuals in the utility field. Below is a chart showing total income of utility CEOs.

Note that Voss leads the pack. Another example of corporate speak.

COMPETITOR COMPENSATION

Name	Position/ Company	Compensation
<u>Gerard M.</u>	Chief Executive Officer, President, Group President of Energy Resources, Director and	\$820.0K

Name	Position/ Company	Compensation
<u>Anderson</u>	Member of Internal Risk Management Committee <u>DTE Energy Co.</u>	
<u>David M. McClanahan</u>	Chief Executive Officer, President and Director <u>CenterPoint Energy, Inc.</u>	\$1.1M
<u>Robert C. Skaggs Jr.</u>	Chief Executive Officer, President and Director <u>Nisource Inc.</u>	\$800.0K
<u>Joseph M. Rigby</u>	Chairman, Chief Executive Officer, President and Member of Executive Committee <u>Pepco Holdings, Inc.</u>	\$796.7K
<u>Jack A. Fusco</u>	Chief Executive Officer, President and Director <u>Calpine Corp.</u>	\$1.0M

Other Compensation for Other Executives of Ameren:

Fiscal Year Totals As Of 30 Dec 2009

<u>Lyons, Martin</u>	784,398
<u>Sullivan, Steven</u>	1,124,600
<u>Rainwater</u>	2,763,059 (base salary)
<u>Mueller, Charles</u>	2,153,810

Options Compensation

Name	Options	Value
<u>Voss, Thomas</u>	32,600	649,066
<u>Sullivan, Steven</u>	7,050	138,075
<u>Mueller, Charles</u>	303,200	3,137,814

November 29th, 2010

Additional Revenue from Awards, Bonuses and Incentives (and this comes from a corporation that claimed it gave out zero bonuses last year--but aren't awards and incentives the same as bonuses? Is this still another example of corporate speak? I don't think so—I would call it lying.):

Voss—PSU Award: 15336 shares (initial value = \$828,000)

Rainwater—OSU Award: 52510 shares (initial value = \$2,835,000)

Stock awards:

Voss: 7,341
Rainwater: 15,494
Lyons: 2608
Buston: 8872
Sullivan: 6214
Nashend: 3795
Cisel: 4946

My comments--In the next section: **At the hearing for the recent rate increase for electricity, Rainwater--I believe--told the audience that no one at the corporation would be awarded any extra compensation for work on the increase. Please note that two individuals, Voss and Baxter both received awards for their work with the Missouri Regulatory Agency.** Another example of corporate speak--or just another example of lying?

Let it be noted that Ameren mandates that the chairman, president and CEO own Ameren stocks at three times their base salary; the president has to own Ameren stocks at two times his base salary; and the senior vice president and vice president has to own Ameren stocks at one times his base salary.

Also let it be noted that Ameren gives these stocks to their executive staff as part of their compensation package in order to guarantee that they meet the mandate.

Earning per Share targets:

Rainwater:	100%	
Baxter:	50%	50% from his Missouri Regulated Work
Lyons:	100%	
Sullivan:	100%	
Voss	50%	50% from his Missouri Regulated Work
Nashend:	50%	
Cisel:	50%	

Again—the above chart shows Voss and Baxter receiving compensation for work done with the Missouri Regulatory Agency. We were told no one would receive any bonuses, incentives, awards or, in this case, additional money disguised as targets—another way of saying: “We give you this bonus for getting us a rate increase on electricity.” Will they get this same award for getting an increase OK’d for gas? If so, then my money that I pay will once again not go for laid off workers, but to additionally pad corporate greed. This is not a reason to allow a gas rate increase.

Retirement money is also a part of any compensation package. The executive staff of Ameren receives a very, very nice benefit package towards retirement. Is the gas rate

increase to give the Ameren executive staff a better—if that's possible—retirement package?

Retirement monies:

Voss: \$1,743,071
 Rainwater: \$5,548,973
 Baxter: \$891,595
 Sullivan: \$1,421,982
 Nashend: \$1,571,909
 Cisel: \$806,897

My point is that if they had a need to lay off three hundred workers and streamline their operation, why do the executives merit so much money? The raise of three executives alone could have kept twelve individuals working at \$25,000 apiece--and the additional awards, incentives and bonuses--yes, bonuses (because awards, targets where you receive additional compensation--and incentives are just other ways to say the word, "bonus")--could have easily been utilized to hire back most of these men at a lower salary, yes, but at least they would be working and adding to society--not to the compensation of an already bloated executive staff.

And from:

<http://investing.businessweek.com/research/stocks/financials/financials.asp?ticker=AEE:US>

FINANCIAL STATEMENTS FOR AMEREN CORPORATION (AEE)

Year over year, Ameren Corporation has seen little change in their bottom line (from \$605.0M to \$612.0M) despite revenues that fell from \$7.7B to \$6.9B. A key factor has been a decrease in the percentage of sales devoted to the cost of goods sold from 67.74% to 62.38%.

Annual						
Currency in	As	Dec 31	Dec 31	Dec 31	Dec 31	4-
Millions of U.S. Dollars	of:	2006	2007	2008	2009	Year
	Restated	Restated	Restated			Trend
Revenues	6,726.0	7,396.0	7,667.0	6,922.0		
TOTAL REVENUES	6,726.0	7,396.0	7,667.0	6,922.0		
Cost of Goods Sold	4,471.0	4,960.0	5,194.0	4,318.0		
GROSS PROFIT	2,255.0	2,436.0	2,473.0	2,604.0		
Selling General & Admin Expenses, Total	15.0	15.0	19.0	27.0		
Depreciation & Amortization,	661.0	681.0	685.0	725.0		

	Total			
Other Operating Expenses	1,153.0	1,115.0	1,278.0	993.0
OTHER OPERATING EXPENSES, TOTAL	1,168.0	1,130.0	1,297.0	1,020.0
OPERATING INCOME	1,188.0	1,359.0	1,376.0	1,440.0
Interest Expense	-350.0	-423.0	-440.0	-508.0
Interest and Investment Income	38.0	55.0	43.0	30.0
NET INTEREST EXPENSE	-312.0	-368.0	-397.0	-478.0
Other Non-Operating Income (Expenses)	-7.0	-5.0	6.0	18.0
Merger & Restructuring Charges	--	--	--	-17.0
Other Unusual Items, Total	--	--	-14.0	-7.0
EBT, INCLUDING UNUSUAL ITEMS	869.0	986.0	971.0	956.0
Income Tax Expense	284.0	330.0	327.0	332.0
Minority Interest in Earnings	-38.0	-38.0	-39.0	-12.0
Earnings from Continuing Operations	547.0	618.0	605.0	612.0
NET INCOME	547.0	618.0	605.0	612.0
NET INCOME TO COMMON INCLUDING EXTRA ITEMS	547.0	618.0	605.0	612.0

Results of Operations (in millions)

	2009	2008	2007
Operating Revenue: 7,000		7839	7562
Operating Expenses: 5674		6477	6203
Operating Income: 1416		1362	1359
Net Income: 612		605	618

My comments: I do not see where a rate increase is needed. Ameren made seven million dollars profit over year 2007. Seven million dollars more on increased revenue. Do we give rate increases to assist the stockholders or do we refuse a rate increase—especially

now in a major recession—and assist the consumer? Do we need to continue to assist Ameren in their greed?

Additional Sources: AmerenCorporation_DEF14A_20100310.pdf

Additional notes:

1.) No board member has received bonuses—but incentives and awards are synonyms for bonuses (and many received these awards) recently. However, everyone has received pay raises.

<http://www.bizjournals.com/stlouis/stories/2010/06/14/daily25.html>

2.) G. L. Rainwater had a reduction in his salary because his position was lowered from CEO to Executive Chairman of the Board in 2009. However, he is still the highest paid executive.

<http://phx.corporate-ir.net/phoenix.zhtml?c=91845&p=irol-sec>

3.) In their annual report Ameren: "During 2009, we continued to proactively address the effects of the global economic and financial crisis—building on efforts begun in 2008. We moved quickly and aggressively to maintain and enhance our financial strength and liquidity position by issuing new long-term debt and equity, extending our credit facilities, cutting planned spending, eliminating approximately 300 positions, freezing management salaries, and taking the difficult step of reducing the dividend. That reduction, while essential, was not a step we took lightly. These actions enhanced our credit profile and established a solid foundation to execute our future strategies" (Ameren 2009 Annual Report).

However, the salary of the executives have continued to increase.

http://www.ameren.com/AnnualReports/2009/pdfs/2009_AR.pdf

4.) Here is a general overview of the company's financial performance.

<http://investing.businessweek.com/research/stocks/financials/financials.asp?ticker=AEE:US>