

AN ANALYSIS OF THE COST OF CAPITAL

FOR

**UNION ELECTRIC COMPANY
dba AmerenUE**

CASE NO. GR-2003-0517

BY

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UTILITY SERVICES DIVISION

MISSOURI PUBLIC SERVICE COMMISSION

October 2003

UNION ELECTRIC COMPANY

d/b/a AmerenUE

CASE NO. GR-2003-0517

List of Schedules

Schedule Number	Description of Schedule
1	List of Schedules
2-1	Federal Reserve Discount Rate and Federal Funds Rate Changes
2-2	Graph of Federal Reserve Discount Rates and Federal Funds Rate Changes
3-1	Average Prime Interest Rates
3-2	Graph of Average Prime Interest Rates
4-1	Rate of Inflation
4-2	Graph of Rate of Inflation
5-1	Average Yields on Mergent's Public Utility Bonds
5-2	Average Yields on Thirty Year U.S. Treasury Bonds
5-3	Graph of Average Yields on Mergent's Public Utility Bonds and Thirty Year U.S. Treasury Bonds
5-4	Graph of Monthly Spreads Between Yields on Mergent's Public Utility Bonds and Thirty Year U.S. Treasury Bonds
6	Economic Estimates and Projections, 2003-2005
7	Historical Capital Structures for Union Electric Company
8	Selected Financial Ratios for Union Electric Company (Consolidated Basis)
9	Capital Structure as of June 30, 2003 for Union Electric Company
10	Dividends Per Share, Earnings Per Share & Book Value Per Share Growth Rates for Ameren Corporation
11	Historical and Projected Growth Rates for Ameren Corporation
12	Monthly High / Low Average Dividend Yields for Ameren Corporation, March 2003 - August 2003
13	Discounted Cash Flow (DCF) Costs of Common Equity Estimates for Ameren Corporation
14	Average Risk Premium Above the Yields of 30-Year Treasury Bonds for Ameren Corporation's Expected Returns on Common Equity
15	Risk Premium Costs of Equity Estimates for Ameren Corporation
16	Capital Asset Pricing Model (CAPM) Costs of Equity Estimates for Ameren Corporation
17	Criteria for Selecting Comparable Gas Utility Companies
18	The Five Comparable Gas Utility Companies

UNION ELECTRIC COMPANY
dba AmerenUE
CASE NO. GR-2003-0517

List of Schedules (continued)

Schedule Number	Description of Schedule
19	Dividends Per Share, Earnings Per Share & Book Value Per Share Growth Rates for the Five Comparable Gas Utility Companies
20	Historical and Projected Growth Rates for the Five Comparable Gas Utility Companies
21	Average High / Low Stock Price for May 2003 through August 2003 for the Five Comparable Gas Utility Companies
22	Discounted Cash Flow Estimated Costs of Common Equity for the Five Comparable Gas Utility Companies
23	Capital Asset Pricing Model (CAPM) Costs of Common Equity Estimates for the Five Comparable Gas Utility Companies
24	Pro Forma Pre-Tax Interest Coverage Ratios for Union Electric Company
25	Public Utility Revenue Requirement or Cost of Service
26	Weighted Cost of Capital as of June 30, 2003 for Union Electric Company

UNION ELECTRIC COMPANY
d/b/a AmerenUE
CASE NO. GR-2003-0517

Federal Reserve Discount Rate and Federal Funds Rate Changes

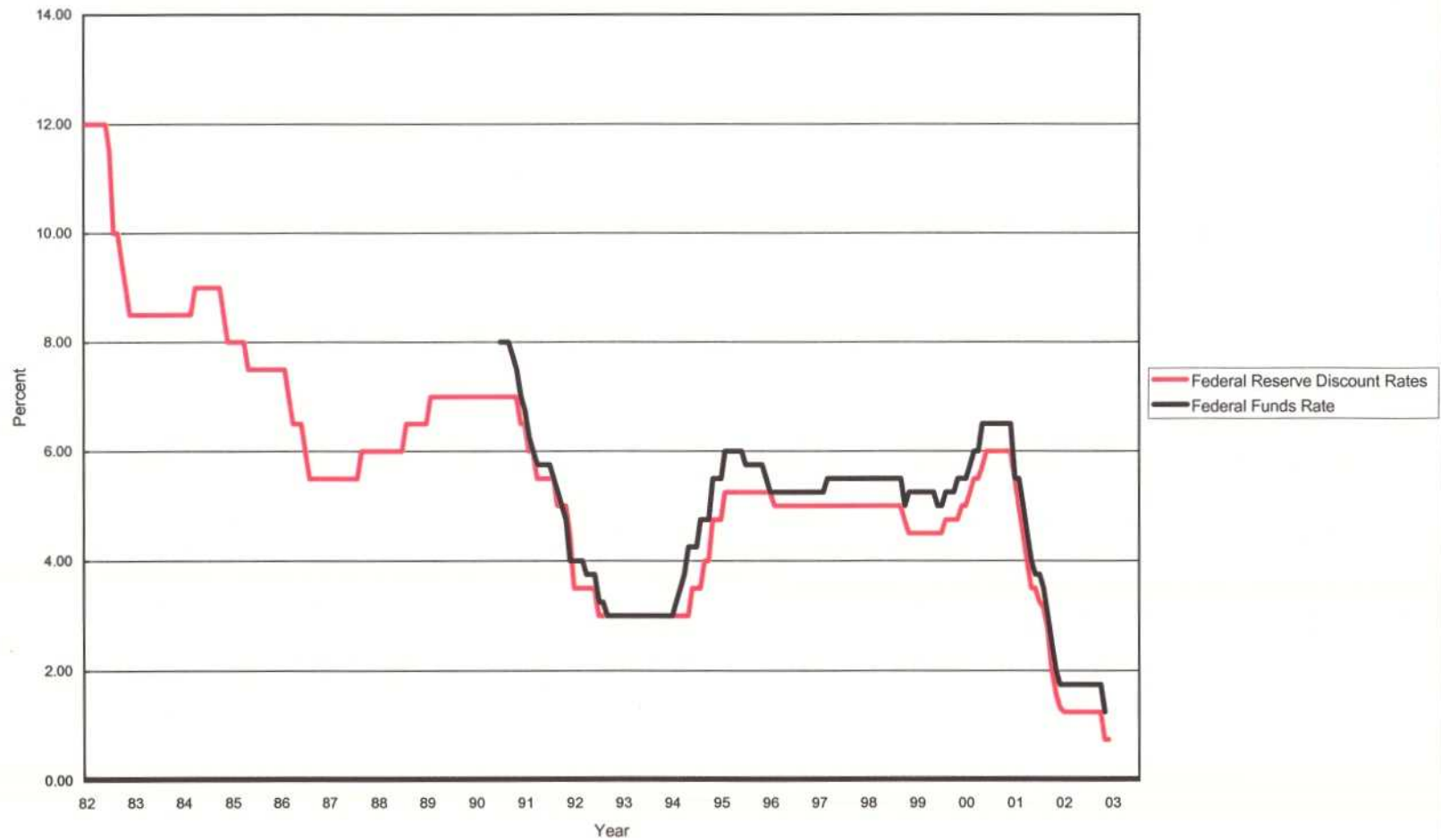
Date	Discount Rate	Federal Funds Rate
05/20/85	7.50%	
03/07/86	7.00%	
04/21/86	6.50%	
07/11/86	6.00%	
08/21/86	5.50%	
09/04/87	6.00%	
08/09/88	6.50%	
02/24/89	7.00%	
07/13/90		8.00% *
10/29/90		7.75%
11/13/90		7.50%
12/07/90		7.25%
12/18/90		7.00%
12/19/90	6.50%	
01/09/91		6.75%
02/01/91	6.00%	6.25%
03/08/91		6.00%
04/30/91	5.50%	5.75%
08/06/91		5.50%
09/13/91	5.00%	5.25%
10/31/91		5.00%
11/06/91	4.50%	4.75%
12/06/91		4.50%
12/20/91	3.50%	4.00%
04/09/92		3.75%
07/02/92	3.00%	3.25%
09/04/92		3.00%
01/01/93		
12/31/93	No Changes	No Changes
02/04/94		3.25%
03/22/94		3.50%
04/18/94		3.75%
05/17/94	3.50%	4.25%
08/16/94	4.00%	4.75%
11/15/94	4.75%	5.50%
02/01/95	5.25%	6.00%
07/06/95		5.75%
12/19/95		5.50%
01/31/96	5.00%	5.25%
03/25/97		5.50%
12/12/97	5.00%	
01/09/98	5.00%	
03/06/98	5.00%	
10/15/98	4.75%	5.00%
11/17/98	4.50%	4.75%
11/29/98		5.25%
06/30/99	4.50%	5.00%
08/24/99	4.75%	5.25%
11/16/99	5.00%	5.50%
02/02/00	5.25%	5.75%
03/21/00	5.50%	6.00%
05/16/00	5.50%	6.50%
05/19/00	6.00%	
01/03/01	5.75%	6.00%
01/04/01	5.50%	
01/31/01	5.00%	5.50%
03/20/01	4.50%	5.00%
04/18/01	4.00%	4.50%
05/15/01	3.50%	4.00%
06/27/01	3.25%	3.75%
08/21/01	3.00%	3.50%
09/17/01	2.50%	3.00%
10/02/01	2.00%	2.50%
11/06/01	1.50%	2.00%
12/11/01	1.25%	1.75%
01/11/02	1.25%	
02/01/02	1.25%	
11/06/02	0.75%	1.25%
06/25/03		1.00%

* Began tracking the Federal Funds Rate.

Sources: Federal Reserve Bank of New York: <http://www.ny.frb.org/pihome/statistics/dlyrates/fedrate.html>
Historical Changes of the Fed Fund and Discount Rate - Statistics - Federal Reserve Bank of New York

Federal Reserve Discount Rates and Federal Funds Rate Changes

1982 - 2003



UNION ELECTRIC COMPANY
d/b/a AmerenUE
CASE NO. GR-2003-0517

Average Prime Interest Rates

<u>Mo/Year</u>	<u>Rate (%)</u>	<u>Mo/Year</u>	<u>Rate (%)</u>	<u>Mo/Year</u>	<u>Rate (%)</u>	<u>Mo/Year</u>	<u>Rate (%)</u>
Jan 1988	8.75	Jan 1992	6.50	Jan 1996	8.50	Jan 2000	8.50
Feb	8.51	Feb	6.50	Feb	8.25	Feb	8.73
Mar	8.50	Mar	6.50	Mar	8.25	Mar	8.83
Apr	8.50	Apr	6.50	Apr	8.25	Apr	9.00
May	8.84	May	6.50	May	8.25	May	9.24
Jun	9.00	Jun	6.50	Jun	8.25	Jun	9.50
Jul	9.29	Jul	6.02	Jul	8.25	Jul	9.50
Aug	9.84	Aug	6.00	Aug	8.25	Aug	9.50
Sep	10.00	Sep	6.00	Sep	8.25	Sep	9.50
Oct	10.00	Oct	6.00	Oct	8.25	Oct	9.50
Nov	10.05	Nov	6.00	Nov	8.25	Nov	9.50
Dec	10.50	Dec	6.00	Dec	8.25	Dec	9.50
Jan 1989	10.50	Jan 1993	6.00	Jan 1997	8.26	Jan 2001	9.05
Feb	10.93	Feb	6.00	Feb	8.25	Feb	8.50
Mar	11.50	Mar	6.00	Mar	8.30	Mar	8.32
Apr	11.50	Apr	6.00	Apr	8.50	Apr	7.80
May	11.50	May	6.00	May	8.50	May	7.24
Jun	11.07	Jun	6.00	Jun	8.50	Jun	6.98
Jul	10.98	Jul	6.00	Jul	8.50	Jul	6.75
Aug	10.50	Aug	6.00	Aug	8.50	Aug	6.67
Sep	10.50	Sep	6.00	Sep	8.50	Sep	6.28
Oct	10.50	Oct	6.00	Oct	8.50	Oct	5.53
Nov	10.50	Nov	6.00	Nov	8.50	Nov	5.10
Dec	10.50	Dec	6.00	Dec	8.50	Dec	4.84
Jan 1990	10.11	Jan 1994	6.00	Jan 1998	8.50	Jan 2002	4.75
Feb	10.00	Feb	6.00	Feb	8.50	Feb	4.75
Mar	10.00	Mar	6.06	Mar	8.50	Mar	4.75
Apr	10.00	Apr	6.45	Apr	8.50	Apr	4.75
May	10.00	May	6.99	May	8.50	May	4.75
Jun	10.00	Jun	7.25	Jun	8.50	Jun	4.75
Jul	10.00	Jul	7.25	Jul	8.50	Jul	4.75
Aug	10.00	Aug	7.51	Aug	8.50	Aug	4.75
Sep	10.00	Sep	7.75	Sep	8.49	Sep	4.75
Oct	10.00	Oct	7.75	Oct	8.12	Oct	4.75
Nov	10.00	Nov	8.15	Nov	7.89	Nov	4.35
Dec	10.00	Dec	8.50	Dec	7.75	Dec	4.25
Jan 1991	9.52	Jan 1995	8.50	Jan 1999	7.75	Jan 2003	4.25
Feb	9.05	Feb	9.00	Feb	7.75	Feb	4.25
Mar	9.00	Mar	9.00	Mar	7.75	Mar	4.25
Apr	9.00	Apr	9.00	Apr	7.75	Apr	4.25
May	8.50	May	9.00	May	7.75	May	4.25
Jun	8.50	Jun	9.00	Jun	7.75	Jun	4.22
Jul	8.50	Jul	8.80	Jul	8.00	Jul	4.00
Aug	8.50	Aug	8.75	Aug	8.06		
Sep	8.20	Sep	8.75	Sep	8.25		
Oct	8.00	Oct	8.75	Oct	8.25		
Nov	7.58	Nov	8.75	Nov	8.37		
Dec	7.21	Dec	8.65	Dec	8.50		

Sources: Federal Reserve of St. Louis, <http://www.stls.frb.org/fred/data/irates/mprime>

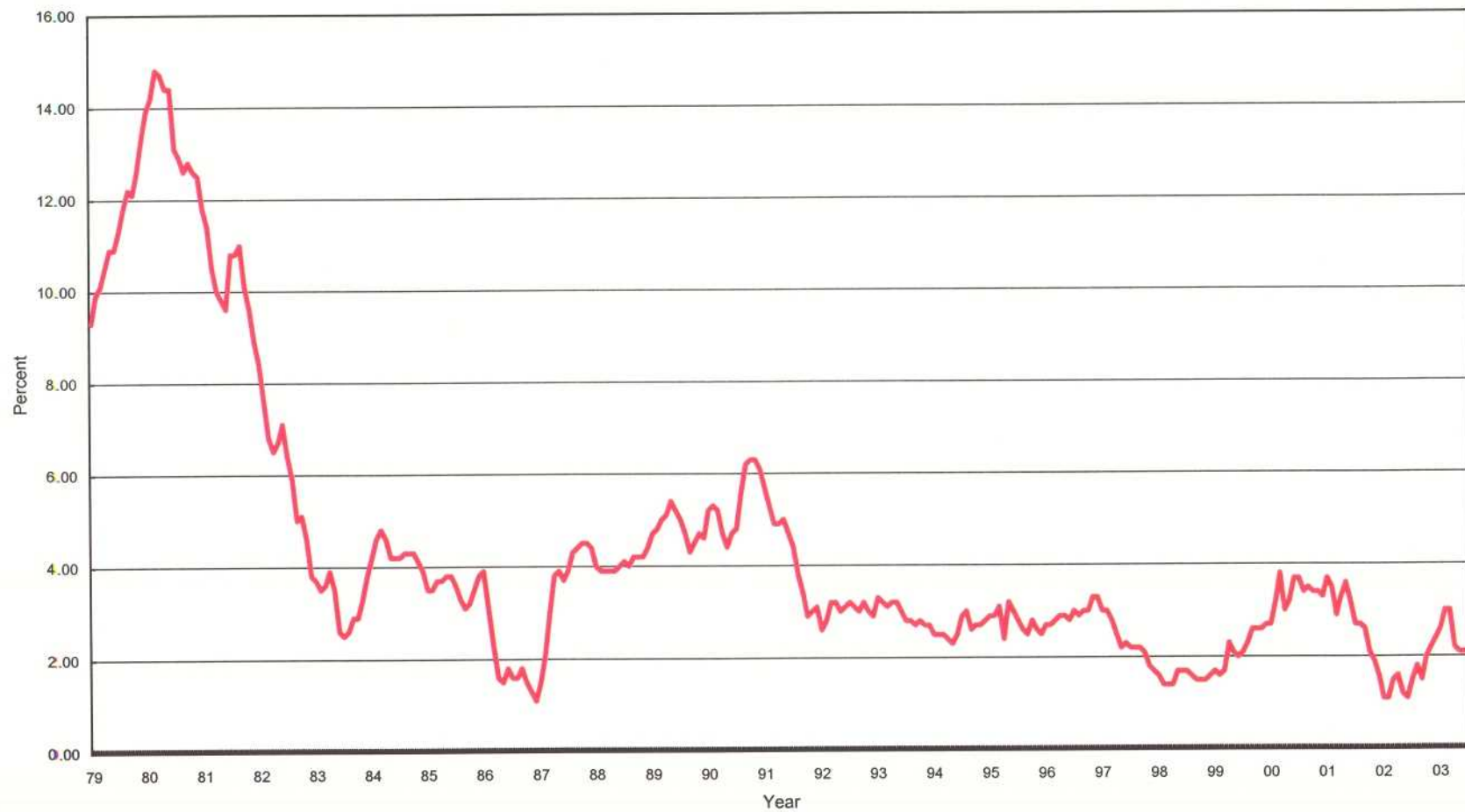
UNION ELECTRIC COMPANY
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Rate of Inflation

<u>Mo/Year</u>	<u>Rate (%)</u>	<u>Mo/Year</u>	<u>Rate (%)</u>	<u>Mo/Year</u>	<u>Rate (%)</u>	<u>Mo/Year</u>	<u>Rate (%)</u>
Jan 1988	4.00	Jan 1992	2.60	Jan 1996	2.70	Jan 2000	2.70
Feb	3.90	Feb	2.80	Feb	2.70	Feb	3.20
Mar	3.90	Mar	3.20	Mar	2.80	Mar	3.70
Apr	3.90	Apr	3.20	Apr	2.90	Apr	3.00
May	3.90	May	3.00	May	2.90	May	3.20
Jun	4.00	Jun	3.10	Jun	2.80	Jun	3.70
Jul	4.10	Jul	3.20	Jul	3.00	Jul	3.70
Aug	4.00	Aug	3.10	Aug	2.90	Aug	3.40
Sep	4.20	Sep	3.00	Sep	3.00	Sep	3.50
Oct	4.20	Oct	3.20	Oct	3.00	Oct	3.40
Nov	4.20	Nov	3.00	Nov	3.30	Nov	3.40
Dec	4.40	Dec	2.90	Dec	3.30	Dec	3.40
Jan 1989	4.70	Jan 1993	3.30	Jan 1997	3.00	Jan 2001	3.70
Feb	4.80	Feb	3.20	Feb	3.00	Feb	3.50
Mar	5.00	Mar	3.10	Mar	2.80	Mar	2.90
Apr	5.10	Apr	3.20	Apr	2.50	Apr	3.30
May	5.40	May	3.20	May	2.20	May	3.60
Jun	5.20	Jun	3.00	Jun	2.30	Jun	3.20
Jul	5.00	Jul	2.80	Jul	2.20	Jul	2.70
Aug	4.70	Aug	2.80	Aug	2.20	Aug	2.70
Sep	4.30	Sep	2.70	Sep	2.20	Sep	2.60
Oct	4.50	Oct	2.80	Oct	2.10	Oct	2.10
Nov	4.70	Nov	2.70	Nov	1.80	Nov	1.90
Dec	4.60	Dec	2.70	Dec	1.70	Dec	1.60
Jan 1990	5.20	Jan 1994	2.50	Jan 1998	1.60	Jan 2002	1.10
Feb	5.30	Feb	2.50	Feb	1.40	Feb	1.10
Mar	5.20	Mar	2.50	Mar	1.40	Mar	1.50
Apr	4.70	Apr	2.40	Apr	1.40	Apr	1.60
May	4.40	May	2.30	May	1.70	May	1.20
Jun	4.70	Jun	2.50	Jun	1.70	Jun	1.10
Jul	4.80	Jul	2.90	Jul	1.70	Jul	1.50
Aug	5.60	Aug	3.00	Aug	1.60	Aug	1.80
Sep	6.20	Sep	2.60	Sep	1.50	Sep	1.50
Oct	6.30	Oct	2.70	Oct	1.50	Oct	2.00
Nov	6.30	Nov	2.70	Nov	1.50	Nov	2.20
Dec	6.10	Dec	2.80	Dec	1.60	Dec	2.40
Jan 1991	5.70	Jan 1995	2.90	Jan 1999	1.70	Jan 2003	2.60
Feb	5.30	Feb	2.90	Feb	1.60	Feb	3.00
Mar	4.90	Mar	3.10	Mar	1.70	Mar	3.00
Apr	4.90	Apr	2.40	Apr	2.30	Apr	2.20
May	5.00	May	3.20	May	2.10	May	2.10
Jun	4.70	Jun	3.00	Jun	2.00	Jun	2.10
Jul	4.40	Jul	2.80	Jul	2.10	Jul	2.10
Aug	3.80	Aug	2.60	Aug	2.30		
Sep	3.40	Sep	2.50	Sep	2.60		
Oct	2.90	Oct	2.80	Oct	2.60		
Nov	3.00	Nov	2.60	Nov	2.60		
Dec	3.10	Dec	2.50	Dec	2.70		

Source: U.S. Department of Labor, Bureau of Labor Statistics, Consumer Price Index - All Urban Consumers,
Change for 12-Month Period, Bureau of Labor Statistics, <ftp://ftp.bls.gov/pub/special.requests/cpi/cpiat.txt>

Rate of Inflation
1979 - 2003



UNION ELECTRIC COMPANY
d/b/a AmerenUE
CASE NO. GR-2003-0517

Average Yields on Mergent's Public Utility Bonds

<u>Mo/Year</u>	<u>Rate (%)</u>	<u>Mo/Year</u>	<u>Rate (%)</u>	<u>Mo/Year</u>	<u>Rate (%)</u>	<u>Mo/Year</u>	<u>Rate (%)</u>
Jan 1988	10.75	Jan 1992	8.67	Jan 1996	7.20	Jan 2000	8.22
Feb	10.11	Feb	8.77	Feb	7.37	Feb	8.10
Mar	10.11	Mar	8.84	Mar	7.72	Mar	8.14
Apr	10.53	Apr	8.79	Apr	7.88	Apr	8.14
May	10.75	May	8.72	May	7.99	May	8.55
Jun	10.71	Jun	8.64	Jun	8.07	Jun	8.22
Jul	10.96	Jul	8.46	Jul	8.02	Jul	8.17
Aug	11.09	Aug	8.34	Aug	7.84	Aug	8.05
Sep	10.56	Sep	8.32	Sep	8.01	Sep	8.16
Oct	9.92	Oct	8.44	Oct	7.76	Oct	8.08
Nov	9.89	Nov	8.53	Nov	7.48	Nov	8.03
Dec	10.02	Dec	8.36	Dec	7.58	Dec	7.79
Jan 1989	10.02	Jan 1993	8.23	Jan 1997	7.79	Jan 2001	7.76
Feb	10.02	Feb	8.00	Feb	7.68	Feb	7.69
Mar	10.16	Mar	7.85	Mar	7.92	Mar	7.59
Apr	10.14	Apr	7.76	Apr	8.08	Apr	7.81
May	9.92	May	7.78	May	7.94	May	7.88
Jun	9.49	Jun	7.68	Jun	7.77	Jun	7.75
Jul	9.34	Jul	7.53	Jul	7.52	Jul	7.71
Aug	9.37	Aug	7.21	Aug	7.57	Aug	7.57
Sep	9.43	Sep	7.01	Sep	7.50	Sep	7.73
Oct	9.37	Oct	6.99	Oct	7.37	Oct	7.64
Nov	9.33	Nov	7.30	Nov	7.24	Nov	7.61
Dec	9.31	Dec	7.33	Dec	7.16	Dec	7.86
Jan 1990	9.44	Jan 1994	7.31	Jan 1998	7.03	Jan 2002	7.69
Feb	9.66	Feb	7.44	Feb	7.09	Feb	7.62
Mar	9.75	Mar	7.83	Mar	7.13	Mar	7.83
Apr	9.87	Apr	8.20	Apr	7.12	Apr	7.74
May	9.89	May	8.32	May	7.11	May	7.76
Jun	9.69	Jun	8.31	Jun	6.99	Jun	7.67
Jul	9.66	Jul	8.47	Jul	6.99	Jul	7.54
Aug	9.84	Aug	8.41	Aug	6.96	Aug	7.34
Sep	10.01	Sep	8.65	Sep	6.88	Sep	7.23
Oct	9.94	Oct	8.88	Oct	6.88	Oct	7.43
Nov	9.76	Nov	9.00	Nov	6.96	Nov	7.31
Dec	9.57	Dec	8.79	Dec	6.84	Dec	7.20
Jan 1991	9.56	Jan 1995	8.77	Jan 1999	6.87	Jan 2003	7.13
Feb	9.31	Feb	8.56	Feb	7.00	Feb	6.92
Mar	9.39	Mar	8.41	Mar	7.18	Mar	6.80
Apr	9.30	Apr	8.30	Apr	7.16	Apr	6.68
May	9.29	May	7.93	May	7.42	May	6.35
Jun	9.44	Jun	7.62	Jun	7.70	Jun	6.21
Jul	9.40	Jul	7.73	Jul	7.66	Jul	6.54
Aug	9.16	Aug	7.86	Aug	7.86		
Sep	9.03	Sep	7.62	Sep	7.87		
Oct	8.99	Oct	7.46	Oct	8.02		
Nov	8.93	Nov	7.40	Nov	7.86		
Dec	8.76	Dec	7.21	Dec	8.04		

Source: Mergent Bond Record

UNION ELECTRIC COMPANY
d/b/a AmerenUE
GR-2003-0157

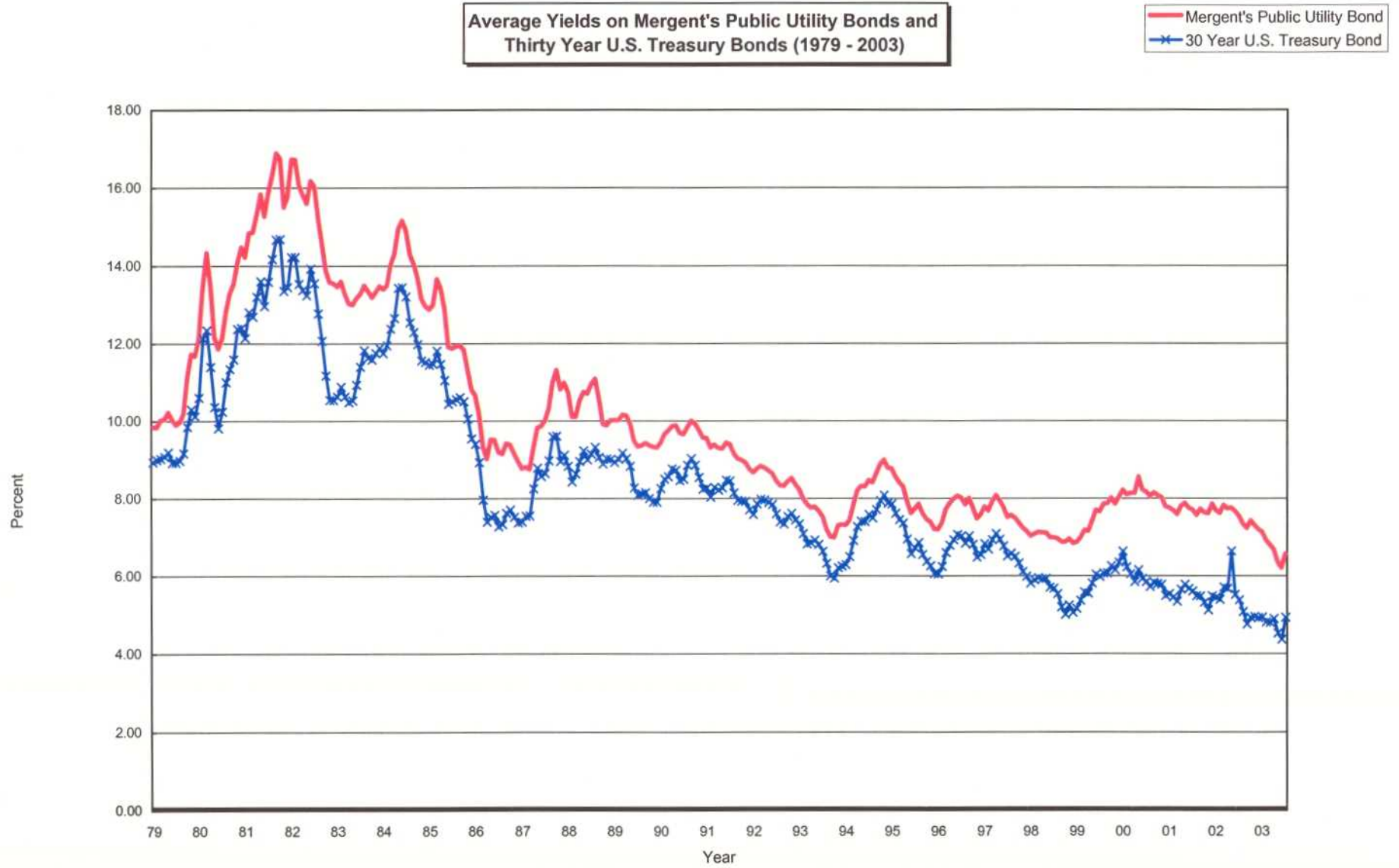
Average Yields on Thirty Year U.S. Treasury Bonds

<u>Mo/Year</u>	<u>Rate (%)</u>	<u>Mo/Year</u>	<u>Rate (%)</u>	<u>Mo/Year</u>	<u>Rate (%)</u>	<u>Mo/Year</u>	<u>Rate (%)</u>
Jan 1988	8.83	Jan 1992	7.58	Jan 1996	6.05	Jan 2000	6.63
Feb	8.43	Feb	7.85	Feb	6.24	Feb	6.23
Mar	8.63	Mar	7.97	Mar	6.60	Mar	6.05
Apr	8.95	Apr	7.96	Apr	6.79	Apr	5.85
May	9.23	May	7.89	May	6.93	May	6.15
Jun	9.00	Jun	7.84	Jun	7.06	Jun	5.93
Jul	9.14	Jul	7.60	Jul	7.03	Jul	5.85
Aug	9.32	Aug	7.39	Aug	6.84	Aug	5.72
Sep	9.06	Sep	7.34	Sep	7.03	Sep	5.83
Oct	8.89	Oct	7.53	Oct	6.81	Oct	5.80
Nov	9.02	Nov	7.61	Nov	6.48	Nov	5.78
Dec	9.01	Dec	7.44	Dec	6.55	Dec	5.49
Jan 1989	8.93	Jan 1993	7.34	Jan 1997	6.83	Jan 2001	5.54
Feb	9.01	Feb	7.09	Feb	6.69	Feb	5.45
Mar	9.17	Mar	6.82	Mar	6.93	Mar	5.34
Apr	9.03	Apr	6.85	Apr	7.09	Apr	5.65
May	8.83	May	6.92	May	6.94	May	5.78
Jun	8.27	Jun	6.81	Jun	6.77	Jun	5.67
Jul	8.08	Jul	6.63	Jul	6.51	Jul	5.61
Aug	8.12	Aug	6.32	Aug	6.58	Aug	5.48
Sep	8.15	Sep	6.00	Sep	6.50	Sep	5.48
Oct	8.00	Oct	5.94	Oct	6.33	Oct	5.32
Nov	7.90	Nov	6.21	Nov	6.11	Nov	5.12
Dec	7.90	Dec	6.25	Dec	5.99	Dec	5.48
Jan 1990	8.26	Jan 1994	6.29	Jan 1998	5.81	Jan 2002	5.45
Feb	8.50	Feb	6.49	Feb	5.89	Feb	5.39
Mar	8.56	Mar	6.91	Mar	5.95	Mar	5.71
Apr	8.76	Apr	7.27	Apr	5.92	Apr	5.67 *
May	8.73	May	7.41	May	5.93	May	5.64
Jun	8.46	Jun	7.40	Jun	5.70	Jun	5.52
Jul	8.50	Jul	7.58	Jul	5.68	Jul	5.38
Aug	8.86	Aug	7.49	Aug	5.54	Aug	5.08
Sep	9.03	Sep	7.71	Sep	5.20	Sep	4.76
Oct	8.86	Oct	7.94	Oct	5.01	Oct	4.93
Nov	8.54	Nov	8.08	Nov	5.25	Nov	4.95
Dec	8.24	Dec	7.87	Dec	5.06	Dec	4.92
Jan 1991	8.27	Jan 1995	7.85	Jan 1999	5.16	Jan 2003	4.94
Feb	8.03	Feb	7.61	Feb	5.37	Feb	4.81
Mar	8.29	Mar	7.45	Mar	5.58	Mar	4.80
Apr	8.21	Apr	7.36	Apr	5.55	Apr	4.90
May	8.27	May	6.95	May	5.81	May	4.53
Jun	8.47	Jun	6.57	Jun	6.04	Jun	4.37
Jul	8.45	Jul	6.72	Jul	5.98	Jul	4.93
Aug	8.14	Aug	6.86	Aug	6.07		
Sep	7.95	Sep	6.55	Sep	6.07		
Oct	7.93	Oct	6.37	Oct	6.26		
Nov	7.92	Nov	6.26	Nov	6.15		
Dec	7.70	Dec	6.06	Dec	6.35		

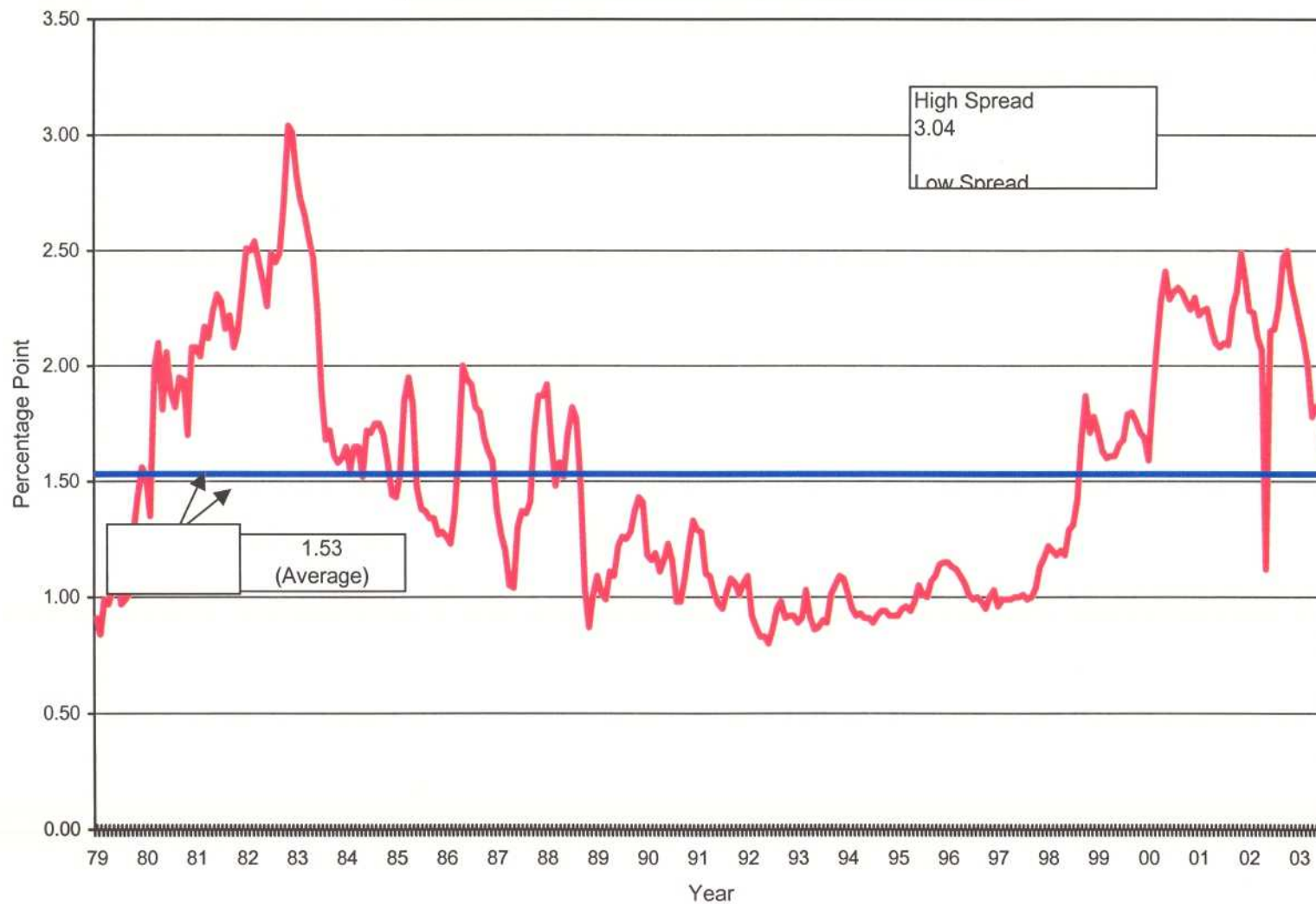
Source: Federal Reserve, <http://www.stls.frb.org/fred/data/irates/g30>

* Quotes are from the Investopedia website located at www.investopedia.com

Average Yields on Mergent's Public Utility Bonds and
Thirty Year U.S. Treasury Bonds (1979 - 2003)



Monthly Spreads Between Yields on Mergent's
Public Utility Bonds
and Thirty Year U.S. Treasury Bonds (1979 - 2003)



UNION ELECTRIC COMPANY
d/b/a AmerenUE
CASE NO. GR-2003-0517

Economic Estimates and Projections, 2003-2005

Source	Inflation Rate			Real GDP			Unemployment			3-Mo. T-Bill Rate			30-Yr. T-Bond Rate		
	2003	2004	2005	2003	2004	2005	2003	2004	2005	2003	2004	2005	2003	2004	2005
The Budget & Economic Outlook: FY2003-2005 (8/03)	2.30%	1.90%	2.40%	2.20%	3.80%	3.50%	6.20%	6.20%	5.70%	1.00%	1.70%	3.20%	N.A.	N.A.	N.A.
Value Line's "Investment Survey" (08/29/03)	1.90%	2.00%	2.10%	2.30%	3.70%	3.70%	6.10%	6.00%	5.70%	1.10%	1.60%	2.00%	5.10%	5.60%	6.00%
Current rate	2.10%			3.30%			6.10%			0.92%			5.35%		

Notes: N.A. = Not Available.

Sources of Current Rates:

- The Bureau of Labor Statistics, Consumer Price Index - All Urban Consumers, July 2003
www.bls.gov
- The Congressional Budget Office, Economic Forecasts and Projections for 2003 through 2013, August 2003
www.cbo.gov
- The Bureau of Economic Analysis; <http://www.bea.doc.gov>
- St. Louis Federal Reserve website at: <http://research.stlouisfed.org/fred2/data/GS3M.txt>
- Investopedia at: WWW.INVESTOPEDIA.COM 9/3/03

Schedule 6

UNION ELECTRIC COMPANY
d/b/a AmerenUE
CASE NO. GR-2003-0517

Historical Capital Structures for Union Electric Company

(Millions of Dollars)

Capital Components	1998	1999	2000	2001	2002
Common Equity	\$2,424,125.0	\$2,433,682.0	\$2,570,652.0	\$2,654,058.0	\$2,631,348.0
Preferred Stock	155,197.0	155,197.0	155,197.0	155,197.0	113,760.0
Long-Term Debt	1,674,311.0	1,882,601.0	1,760,439.0	1,694,868.0	1,821,139.0
Total	<u>\$4,253,633.0</u>	<u>\$4,471,480.0</u>	<u>\$4,486,288.0</u>	<u>\$4,504,123.0</u>	<u>\$4,566,247.0</u>

Capital Structure	1998	1999	2000	2001	2002
Common Equity	56.99%	54.43%	57.30%	58.93%	57.63%
Preferred Stock	3.65%	3.47%	3.46%	3.45%	2.49%
Long-Term Debt	39.36%	42.10%	39.24%	37.62%	39.88%
Total	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>

Note: The amount of Long-Term Debt includes Current Maturities.

Short-term Debt has not been noted on this schedule since CWIP usually exceeds outstanding short-term debt balances.

Source: Union Electric Company's Shareholder Annual Reports and Union Electric Company's response to Staff's Data Information Request No. 3801 for 2002

Union Electric Company
d/b/a AmerenUE
CASE NO. GR-2003-0517

**Selected Financial Ratios for Ameren
(Consolidated Basis)**

Financial Ratios	1998	1999	2000	2001	2002
Return on Year-End Common Equity	12.60%	12.50%	14.30%	14.00%	9.90%
Earnings Per Common Share	\$2.82	\$2.81	\$3.33	3.41%	2.66%
Common Dividend Payout Ratio	83.60%	96.76%	60.17%	77.53%	88.98%
Year-End Market Price Per Common Share	\$42.687	\$32.812	\$46.310	\$42.30	\$41.57
Year-End Book Value Per Common Share	\$22.27	\$22.52	\$23.30	\$24.26	\$24.93
Year-End Market to Book Ratio	1.92 x	1.46 x	1.99 x	1.74 x	1.67 x
Pre-Tax Interest Coverage Ratio	4.60* x	4.83* x	5.21** x	4.86** x	3.89** x

Notes: The numbers represent Ameren as a whole company, not AmerenUE.

Return on Year-End Common Equity = Net Income Available for Common Stock / Year-End Common Shareholders' Equity.

Common Dividend Payout Ratio = Common Dividends Paid / Net Income Available for Common Stock.

Year-End Market to Book Ratio = Year-End Market Price Per Common Share / Year-End Book Value Per Common Share.

Pre-Tax Interest Coverage Ratio = (Net Income + Income Taxes + Total Interest Expense) / Total Interest Expense.

Sources: Union Electric Company's Shareholder Annual Reports

*Ameren Corporation Shareholder Annual Reports for 2000.

**Ameren Corporation Shareholder Annual Reports for 2002.

Union Electric Company's response to Staff's Data Information Request No. 3801.

Standard and Poor's Stock guide, and Standard & Poor's Corporation's Utility Rating Service for January 2001 and 2002.

Value Line Investment Survey for August 2003.

Union Electric Company's 2002 10K submitted to the Securities Exchange Commission for Fiscal Year ended December 31, 2002.

UNION ELECTRIC COMPANY
d/b/a AmerenUE
CASE NO.GR-2003-0517

Capital Structure as of June 30, 2003
for Union Electric Company d/b/a AmerenUE
(Millions of dollars)

Capital Component	Amount in Dollars	Percentage of Capital
Common Stock Equity	\$2,631,348.0	57.63%
Preferred Stock	113,760.0	2.49%
Long-Term Debt	1,821,139.0	39.88%
Total Capitalization	<u><u>\$4,566,247.0</u></u>	<u><u>100.00%</u></u>

Source: Union Electric Company's Shareholder Annual Reports and Union Electric Company's response to Staff's Data Information Request No. 3801 updated by Data Request No. 3805.

Schedule 9

UNION ELECTRIC COMPANY
d/b/a AmerenUE
CASE NO. GR-2003-0517

**Dividends Per Share, Earnings Per Share & Book Value Per Share Growth Rates
for Ameren Corporation**

<u>Year</u>	<u>Dividends Per Share</u>	<u>Earnings Per Share</u>	<u>Book Value Per Share</u>
1992	\$2.26	\$2.65	\$21.19
1993	\$2.34	\$2.77	\$21.60
1994	\$2.40	\$3.01	\$22.22
1995	\$2.46	\$2.95	\$22.71
1996	\$2.51	\$2.86	\$23.06
1997	\$2.54	\$2.44	\$22.00
1998	\$2.54	\$2.82	\$22.27
1999	\$2.54	\$2.81	\$22.52
2000	\$2.54	\$3.33	\$23.30
2001	\$2.54	\$3.41	\$24.26
2002	\$2.54	\$2.66	\$24.93

Annual Compound Growth Rates

	<u>DPS</u>	<u>EPS</u>	<u>BVPS</u>
1992 - 2002	1.17%	0.04%	1.64%
1997-2002	0.00%	1.74%	2.53%

Source: ValueLine Investment Survey August 2003.

UNION ELECTRIC COMPANY
d/b/a AmerenUE
CASE NO.GR-2003-0517

**Historical and Projected Growth Rates
for Ameren Corporation**

Historical Growth Rates

DPS Annual Compound Growth (1997 - 2002)	0.00%
DPS Annual Compound Growth (1992 - 2002)	1.17%
BVPS Annual Compound Growth (1997 - 2002)	2.53%
BVPS Annual Compound Growth (1992 - 2002)	1.64%
EPS Annual Compound Growth (1997 - 2002)	1.74%
EPS Annual Compound Growth (1992 - 2002)	0.04%
Average of Historical Growth Rates	1.19%

Projected Growth Rates from Outside Sources

5 Year Growth Forecast (Median) I/B/E/S Inc.'s Institutional Brokers Estimate System August 13, 2003	3.00%
5-Year Projected EPS Growth Rate Standard & Poor's Corporation's Earnings Guide August 2003	3.00%
Average of Projected Growth Rates	3.00%
Average of historical and projected growth	2.09%

**Proposed Range of Growth
for Union Electric Company: 1.59% - 2.59%**

Source: See Schedule 10 for Historical Growth Rate Information

UNION ELECTRIC COMPANY

d/b/a AmerenUE

CASE NO. GR-2003-0517

**Monthly High / Low Average Dividend Yields
for Ameren Corporation**

	(1)	(2)	(3)	(4)	(5)
<u>Month / Year</u>	<u>High Stock Price</u>	<u>Low Stock Price</u>	<u>Average High / Low Price</u>	<u>Expected Dividend</u>	<u>Projected Dividend Yield</u>
March 2003	\$40.290	\$37.870	\$39.080	\$2.54	6.50%
April 2003	\$41.340	\$38.890	\$40.115	\$2.54	6.33%
May 2003	\$46.500	\$40.400	\$43.450	\$2.54	5.85%
June 2003	\$46.120	\$43.900	\$45.010	\$2.54	5.64%
July 2003	\$44.800	\$41.560	\$43.180	\$2.54	5.88%
August 2003	\$43.060	\$40.740	\$41.900	\$2.54	6.06%
Average			<u>\$42.123</u>		<u>6.04%</u>

**Proposed Dividend Yield
for Ameren Corporation:**

6.04%

Notes: Column 3 = [(Column 1 + Column 2) / 2].

Column 4 = Estimated Dividends Declared per share represents the average projected dividends for 2003 and 2004.

Column 5 = (Column 4 / Column 3).

Sources: Standard and Poor's Stock Guide for April, May, June, July, August, and September 2003.
Value Line investment Survey, August 2003

UNION ELECTRIC COMPANY

d/b/a AmerenUE

CASE NO. GR-2003-0517

**Discounted Cash Flow (DCF) Costs of Common Equity Estimates
for Ameren Corporation**

<u>UE's Cost of Common Equity</u>	=	<u>Dividend Yield</u>	+	<u>Expected Growth</u>
7.64%	=	6.04%	+	1.59%
8.64%	=	6.04%	+	2.59%

Discounted Cash Flow (DCF) Model Derivation

$$\text{Present Price} = \frac{\text{Expected Dividends}}{\text{Discounted by } k} + \frac{\text{Present Price (1 + g)}}{\text{Discounted by } k}$$

where: g = estimated growth rate and k = cost of common equity.

Letting: P_0 = present price and D_1 = expected dividends, then

$$P_0 = \frac{D_1}{(1+k)} + \frac{P_0 (1 + g)}{(1+k)} \quad \text{or}$$

$$k = \frac{D_1}{P_0} + g$$

Thus:

$$\text{Cost of Common Equity} = \text{Dividend Yield} + \text{Expected Growth}$$

Notes: See Schedule 12 for calculation of proposed dividend yield for Ameren Corporation

See Schedule 11 for calculation of proposed range of growth for Ameren Corporation

UNION ELECTRIC COMPANY
d/b/a AmerenUE
CASE NO. GR-2003-0517

**Average Risk Premium above the Yields of 30-Year Treasury Bonds for
Ameren Corporation's Expected Return on Common Equity**

Mo/Year	AEE's Expected ROE	30-Year U.S. Treasury Bond Yields	AEE's Risk Premium	Mo/Year	AEE's Expected ROE	30-Year U.S. Treasury Bond Yields	AEE's Risk Premium
Jan 1994	13.50%	6.22%	7.28%	Jan 1999	13.00%	5.09%	7.91%
Feb	13.50%	6.67%	6.83%	Feb	13.00%	5.55%	7.45%
Mar	13.50%	7.12%	6.38%	Mar	13.00%	5.62%	7.38%
Apr	13.50%	7.30%	6.20%	Apr	13.00%	5.67%	7.33%
May	13.50%	7.43%	6.07%	May	13.00%	5.82%	7.18%
Jun	13.50%	7.61%	5.89%	Jun	13.00%	5.99%	7.01%
Jul	13.00%	7.38%	5.62%	Jul	13.00%	6.10%	6.90%
Aug	13.00%	7.44%	5.56%	Aug	13.00%	6.07%	6.93%
Sep	13.00%	7.82%	5.18%	Sep	13.00%	6.06%	6.94%
Oct	13.50%	7.96%	5.54%	Oct	13.00%	6.15%	6.85%
Nov	13.50%	7.98%	5.52%	Nov	13.00%	6.28%	6.72%
Dec	13.50%	7.87%	5.63%	Dec	12.00%	6.48%	5.52%
Jan 1995	12.50%	7.69%	4.81%	Jan 2000	12.00%	6.49%	5.51%
Feb	12.50%	7.45%	5.05%	Feb	12.00%	6.13%	5.87%
Mar	12.50%	7.43%	5.07%	Mar	13.50%	5.85%	7.65%
Apr	12.50%	7.33%	5.17%	Apr	13.50%	5.96%	7.54%
May	12.50%	6.64%	5.86%	May	13.50%	6.02%	7.48%
Jun	12.50%	6.62%	5.88%	Jun	13.50%	5.88%	7.62%
Jul	12.00%	6.86%	5.14%	Jul	13.50%	5.78%	7.72%
Aug	12.00%	6.64%	5.36%	Aug	13.50%	5.67%	7.83%
Sep	12.00%	6.48%	5.52%	Sep	14.00%	5.87%	8.13%
Oct	12.00%	6.32%	5.68%	Oct	14.00%	5.78%	8.22%
Nov	12.00%	6.13%	5.87%	Nov	14.00%	5.59%	8.41%
Dec	12.00%	5.95%	6.05%	Dec	14.00%	5.46%	8.54%
Jan 1996	11.50%	6.02%	5.48%	Jan 2001	14.00%	5.54%	8.46%
Feb	12.40%	6.49%	5.91%	Feb	14.00%	5.34%	8.66%
Mar	12.40%	6.68%	5.72%	Mar	14.00%	5.45%	8.55%
Apr	13.00%	6.88%	6.12%	Apr	14.00%	5.77%	8.23%
May	13.00%	6.99%	6.01%	May	14.00%	5.78%	8.22%
Jun	13.00%	6.90%	6.10%	Jun	14.00%	5.74%	8.26%
Jul	13.00%	6.97%	6.03%	Jul	14.00%	5.50%	8.50%
Aug	13.00%	7.11%	5.89%	Aug	14.00%	5.37%	8.63%
Sep	13.00%	6.92%	6.08%	Sep	14.00%	5.41%	8.59%
Oct	13.00%	6.65%	6.35%	Oct	14.00%	4.87%	9.13%
Nov	13.00%	6.35%	6.65%	Nov	14.00%	5.26%	8.74%
Dec	13.00%	6.64%	6.36%	Dec	14.00%	5.48%	8.52%
Jan 1997	13.00%	6.80%	6.20%	Jan 2002	14.00%	5.43%	8.57%
Feb	13.00%	6.79%	6.21%	Feb	14.00%	5.41%	8.59%
Mar	13.00%	7.10%	5.90%	Mar	13.00%	5.82%	7.18%
Apr	12.50%	6.95%	5.55%	Apr	13.00%	5.59%	7.41%
May	12.50%	6.91%	5.59%	May	13.00%	5.61%	7.39%
Jun	12.50%	6.79%	5.71%	Jun	12.50%	5.52%	6.98%
Jul	13.00%	6.29%	6.71%	Jul	12.50%	5.30%	7.20%
Aug	13.00%	6.60%	6.40%	Aug	12.50%	4.94%	7.56%
Sep	13.00%	6.41%	6.59%	Sep	12.00%	4.66%	7.34%
Oct	13.00%	6.14%	6.86%	Oct	12.00%	5.01%	6.99%
Nov	13.00%	6.04%	6.96%	Nov	12.00%	5.05%	6.95%
Dec	13.00%	5.93%	7.07%	Dec	12.50%	4.78%	7.72%
Jan 1998	12.50%	5.80%	6.70%	Jan 2003	12.50%	4.85%	7.65%
Feb	12.50%	5.92%	6.58%	Feb	12.50%	4.68%	7.82%
Mar	12.50%	5.94%	6.56%	Mar	10.50%	4.84%	5.66%
Apr	12.00%	5.95%	6.05%	Apr	10.50%	4.78%	5.72%
May	12.00%	5.80%	6.20%	May	10.50%	4.36%	6.14%
Jun	12.00%	5.62%	6.38%	Jun	11.00%	4.57%	6.43%
Jul	11.50%	5.72%	5.78%	Jul	11.00%	5.41%	5.59%
Aug	11.50%	5.29%	6.21%	Aug	11.00%	5.17%	5.83%
Sep	11.50%	4.98%	6.52%				
Oct	12.00%	5.14%	6.86%				
Nov	12.00%	5.07%	6.93%				
Dec	12.00%	5.08%	6.92%				

Summary Information (Jan 1994 - Aug 2003)

Average Risk Premium:	6.73%
High Risk Premium:	9.13%
Low Risk Premium:	4.81%

Sources: The Value Line Investment Survey: Ratings & Reports August 29, 2003.
The 30-Year U.S. Treasury Bond Yields can be found at the Investopedia website
WWW.INVESTOPEDIA.COM

UNION ELECTRIC COMPANY
d/b/a AmerenUE
CASE NO. GR-2003-0517

**Risk Premium Costs of Equity Estimates
for Ameren Corporation**

AEE's Cost of Common Equity		30-Year U.S. Treasury Bond (September 15, 2003)		Equity Risk Premium (1/93 - 12/02)
11.90%	=	5.17%	+	6.73%

Risk Premium Approach

The risk premium approach is based upon the proposition that common stocks are more risky than debt and, as a result, investors require a higher expected return on stocks than bonds. In this approach, the cost of common equity is computed by the following formula:

$$\text{Common Equity} = \text{Current Cost of Debt} + \text{Equity Risk Premium}$$

where:

The Current Cost of Debt is represented by the yield on 30-Year U.S. Treasury Bonds,
The appropriate rate was determined by using the yield on U.S. Treasury Bonds on September 15, 2003.

The Equity Risk Premium represents the difference between AEE's expected return on common equity (ROE) as projected in the Value Line Investment Survey and the yield on 30-Year U.S. Treasury Bonds. The appropriate Equity Risk Premium was determined to be the average risk premium for the period January 1994 through August 2003. See Schedule 14 for the calculation of the Equity Risk Premium of 6.49%.

UNION ELECTRIC COMPANY
d/b/a AmerenUE
CASE NO. GR-2003-0517

**Capital Asset Pricing Model (CAPM) Costs of Equity Estimates
Ameren Corporation**

<u>AEE's</u> <u>Cost of Common Equity</u>	<u>=</u>	<u>Risk Free</u> <u>Rate</u>	<u>+</u>	<u>(AEE's</u> <u>(Beta</u>	<u>*</u>	<u>Market)</u> <u>Risk Premium)</u>	<u>)</u>
9.33%	=	5.17%	+	(0.65	*	6.40%)
4.95%	=	5.17%	+	(0.65	*	-0.34%)

Capital Asset Pricing Model

The capital asset pricing model (CAPM) describes the relationship between a security's investment risk and its market rate of return. This relationship identifies the rate of return which investors expect a security to earn so that its market return is comparable with the market returns earned by other securities that have similar risk. The general form of the CAPM is as follows:

$$\text{Cost of Common Equity} = \text{Risk Free Rate} + [\text{Beta} * \text{Market Risk Premium}]$$

where:

The Risk Free Rate reflects the level of return which can be achieved without accepting any risk. The Risk Free Rate is represented by the yield on 30-Year U.S. Treasury Bonds. The appropriate rate was determined to be 5.17% on September 15, 2003 as published on WWW.INVESTOPEDIA.COM.

The Beta represents the relative movement and relative risk between a particular stock and the market. The appropriate Beta for AEE was determined to be 0.65 as published in The Value Line Investment Survey: Ratings & Reports, August 29, 2003.

The Market Risk Premium represents the expected return from holding the entire market portfolio less the expected return from holding a risk free investment. The appropriate Market Risk Premium was determined to be 6.40% as calculated in Ibbotson Associates, Inc.'s Stocks, Bonds, Bills, and Inflation: 2003 Yearbook for the period 1926 - 2002 and -.34% for the period 1993-2002.

UNION ELECTRIC COMPANY
d/b/a AmerenUE
CASE NO. GR-2003-0517

Criteria for Selecting Comparable Gas Distribution Companies

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Gas Distribution Company	Gas Utility Publicly Traded	Information Printed In Value Line	Pre-Tax Interest Coverage > 2.75 x	Percent Equity ≥ 50%	Distribution Revenues to Total Revenues > 90%	Positive DPS Annual Compound Growth Rate (1992-2002)	No Missouri Operations	Natural Gas Distribution Company Met All Criteria
AGL Resources, Inc.	Yes	Yes	No					
Atmos Eneergy Corporation	Yes	Yes	No					
Cascade Natural Gas Corporation	Yes	Yes	Yes	No				
Delta Natural Gas Company, Inc.	Yes	Yes	No					
Energy West Inc.	Yes	Yes	No					
EnergySouth, Inc.	Yes	Yes	Yes	No				
Laclede Gas Company	Yes	Yes	No					
New Jersey Resources Corporation	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Northwest Natural Gas Company	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Peoples Energy Corporation	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Piedmont Natural Gas Company, Inc.	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
RGC Resources, Inc.	Yes	Yes	Yes	Yes	Yes	No		
South Jersey Industries, Inc.	Yes	Yes	Yes	No				
Southern Union Company	Yes	Yes	No					
Washington Gas Light Company	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

Sources: Columns 1, 3 & 5 = Edward Jones & Co.'s Natural Gas Industry Summary: Quarterly Financial & Common Stock Information, June 30, 2003.

Columns 2, 4 & 6 = The Value Line Investment Survey: Ratings & Reports, June 20, 2003.

Schedule 17

UNION ELECTRIC COMPANY
d/b/a AmerenUE
CASE NO. GR-2003-0517

The Five Comparable Gas Utility Companies

Number	Ticker Symbol	Company Name
1	NJR	New Jersey Resources Corporation
2	NWN	Northwest Natural Gas Company
3	PGL	Peoples Energy Corporation
4	PNY	Piedmont Natural Gas Company, Inc.
5	WGL	Washington Gas Light Company

UNION ELECTRIC COMPANY
d/b/a AmerenUE
CASE NO.GR-2003-0517

**Dividends Per Share, Earnings Per Share & Book Value Per Share Growth Rates
for the Five Comparable Gas Utility Companies**

Company Name	Dividends Per Share		Earnings Per Share		Book Value Per Share	
	1992	2002	1992	2002	1992	2002
New Jersey Resources Corporation	\$1.01	\$1.20	\$1.09	\$2.09	\$9.44	\$13.06
Northwest Natural Gas Company	\$1.15	\$1.26	\$0.74	\$1.62	\$12.41	\$18.88
Peoples Energy Corporation	\$1.76	\$2.07	\$2.06	\$2.80	\$17.72	\$22.74
Piedmont Natural Gas Company, Inc.	\$0.91	\$1.60	\$1.40	\$1.89	\$10.27	\$17.82
Washington Gas Light Company	\$1.07	\$1.27	\$1.27	\$1.14	\$10.66	\$15.78

Company Name	Annual Compound Growth Rates				Average of 10 Year Annual Compound Growth Rates
	DPS	EPS	BVPS		
Company Name	1992 - 2002	1992 - 2002	1992 - 2002		
New Jersey Resources Corporation	1.74%	6.73%	3.30%		3.92%
Northwest Natural Gas Company	0.92%	8.15%	4.29%		4.45%
Peoples Energy Corporation	1.64%	3.12%	2.53%		2.43%
Piedmont Natural Gas Company, Inc.	5.81%	3.05%	5.67%		4.84%
Washington Gas Light Company	1.73%	-1.07%	4.00%		1.55%
Average	2.37%	3.99%	3.96%		3.44%
Standard Deviation	1.75%	3.23%	1.05%		1.25%

Source: The Value Line Investment Survey: Ratings & Reports, June 20, 2003.

Schedule 19

UNION ELECTRIC COMPANY
d/b/a AmerenUE
CASE NO. GR-2003-0517

**Historical and Projected Growth Rates
for the Five Comparable Gas Utility Companies**

	(1)	(2)	(3)	(4)	(5)	(6)
Company Name	Average 10 Year Annual Compound Growth	Projected 5 Year Growth IBES (Median)	Projected 5 Year Growth EPS (S&P)	Projected 3-5 Year Growth EPS Value Line	Average Projected Growth	Average of Historical & Projected Growth
New Jersey Resources Corporation	3.92%	6.50%	7.00%	8.50%	7.33%	5.63%
Northwest Natural Gas Company	4.45%	5.00%	5.00%	5.00%	5.00%	4.73%
Peoples Energy Corporation	2.43%	5.00%	5.00%	4.00%	4.67%	3.55%
Piedmont Natural Gas Company, Inc.	4.84%	5.00%	5.00%	7.50%	5.83%	5.34%
Washington Gas Light Company	1.55%	4.00%	5.00%	7.00%	5.33%	3.44%
Average	3.44%	5.10%	5.40%	6.40%	5.63%	4.54%

Notes: Column 5 = [(Column 2 + Column 3 + Column 4) / 3].

Column 6 = [(Column 1 + Column 5) / 2].

Sources: Column 1 = Average of 10 Year Annual Compound Growth Rates from Schedule 19.

Column 2 = I/B/E/S Inc.'s Institutional Brokers Estimate System, August 13, 2003.

Column 3 = Standard & Poor's Corporation's Earnings Guide, September 2003.

Column 4 = Value Line Investment Survey, Ratings & Reports, June 20, 2003.

Schedule 20

UNION ELECTRIC COMPANY
d/b/a AmerenUE
CASE NO. GR-2003-0517

**Average High / Low Stock Price for May 2003 through August 2003
for the Five Comparable Gas Utility Companies**

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	May 2003		June 2003		July 2003		August 2003		Average
	High	Low	High	Low	High	Low	High	Low	High/Low
Company Name	Stock	Stock	Stock	Stock	Stock	Stock	Stock	Stock	Stock
	Price	Price	Price	Price	Price	Price	Price	Price	Price
									(May 03-Aug 03)
New Jersey Resources Corporation	\$35.490	\$32.600	\$36.600	\$35.120	\$36.870	\$34.500	\$36.390	\$33.700	\$35.159
Northwest Natural Gas Company	\$28.520	\$25.520	\$28.880	\$27.200	\$28.650	\$27.030	\$29.010	\$27.020	\$27.729
Peoples Energy Corporation	\$44.600	\$38.460	\$45.250	\$42.450	\$44.300	\$40.890	\$41.360	\$39.530	\$42.105
Piedmont Natural Gas Company, Inc.	\$39.690	\$36.530	\$41.500	\$38.780	\$39.740	\$37.380	\$39.320	\$37.230	\$38.771
Washington Gas Light Company	\$28.140	\$25.970	\$28.790	\$26.620	\$27.620	\$25.210	\$26.900	\$25.280	\$26.816

Notes:

Column 9 = [(Column 1 + Column 2 + Column 3 + Column 4 + Column 5 + Column 6 + Column 7 + Column 8) / 8].

Standard & Poor's Corporation's Earnings Guide, June, July, August, and September 2003.

UNION ELECTRIC COMPANY
d/b/a AmerenUE
CASE NO. GR-2003-0517

**Discounted Cash Flow Estimated Costs of Common Equity (DCF)
for the Five Comparable Gas Utility Companies**

	(1)	(2)	(3)	(4)	(5)
Company Name	Expected Annual Dividend (Avg 2003 & 2004)	Average High/Low Stock Price	Projected Dividend Yield	Average of Historical & Projected Growth Rate	Estimated Cost of Common Equity
New Jersey Resources Corporation	\$1.240	\$35.159	3.53%	5.63%	9.15%
Northwest Natural Gas Company	\$1.270	\$27.729	4.58%	4.73%	9.31%
Peoples Energy Corporation	\$2.100	\$42.105	4.99%	3.55%	8.53%
Piedmont Natural Gas Company, Inc.	\$1.630	\$38.771	4.20%	5.34%	9.54%
Washington Gas Light Company	\$1.280	\$26.816	4.77%	3.44%	8.22%
Average			<u>4.41%</u>	<u>4.54%</u>	<u>8.95%</u>

Notes: Column 1 = Estimated Dividends Declared per share represents the average actual and projected dividends for 2003 and 2004.

Column 3 = (Column 1 / Column 2).

Column 5 = (Column 3 + Column 4).

Sources: Column 1 = The Value Line Investment Survey: Ratings & Reports, June 20, 2003.

Column 2 = Schedule 21.

Column 4 = Schedule 20.

Schedule 22

UNION ELECTRIC COMPANY
d/b/a AmerenUE
CASE NO. GR-2003-0517

**Capital Asset Pricing Model (CAPM) Costs of Common Equity Estimates
for the Five Comparable Gas Utility Companies**

	(1)	(2)	(3)	(4)	(5)	(6)
Company Name	Risk Free Rate	Company's Value Line Beta	Market Risk Premium	Market Risk Premium	CAPM Cost of Common Equity (Low)	CAPM Cost of Common Equity (High)
New Jersey Resources Corporation	5.17%	0.65	-0.34%	6.40%	4.95%	9.33%
Northwest Natural Gas Company	5.17%	0.60	-0.34%	6.40%	4.97%	9.01%
Peoples Energy Corporation	5.17%	0.75	-0.34%	6.40%	4.92%	9.97%
Piedmont Natural Gas Company, Inc.	5.17%	0.65	-0.34%	6.40%	4.95%	9.33%
Washington Gas Light Company	5.17%	0.65	-0.34%	6.40%	4.95%	9.33%
Average		<u>0.66</u>			<u>4.95%</u>	<u>9.39%</u>

Notes: Column 5 = [Column 1 + (Column 2 * Column 3)] .

Column 6 = [Column 1 + (Column 2 * Column 4)] .

Sources: Column 1 = The Risk Free Rate reflects the level of return which can be achieved without accepting any risk. The Risk Free Rate is represented by the yield on 30-Year U.S. Treasury Bonds. The appropriate rate was determined to be 5.17% on September 15, 2003 as published on the Investopedia website (www.Investopedia.com).

Column 2 = The Beta represents the relative movement and relative risk between a particular stock and the market. The appropriate Betas were taken from The Value Line Investment Survey, Ratings and Reports, June 20, 2003.

Column 3 = The Market Risk Premium represents the expected return from holding the entire market portfolio less the expected return from holding a risk free investment. The appropriate Market Risk Premium was determined to be -.34% as calculated in Ibbotson Associates, Inc.'s Stocks, Bonds, Bills, and Inflation: 2003 Yearbook for the period 1993 - 2002.

Column 4 = The Market Risk Premium represents the expected return from holding the entire market portfolio less the expected return from holding a risk free investment. The appropriate Market Risk Premium was determined to be 6.40% as calculated in Ibbotson Associates, Inc.'s Stocks, Bonds, Bills, and Inflation: 2003 Yearbook for the period 1926 - 2002.

Union Electric Company
d/b/a AmerenUE
CASE NO. GR-2003-0517

**Pro Forma Pre-Tax Interest Coverage Ratios
for Union Electric Company**

	<u>9.00%</u>	<u>9.25%</u>	<u>9.50%</u>
1. Common Equity (see Schedule 9)	\$2,631,348	\$2,631,348	\$2,631,348
2. Earnings Allowed (ROE * [1])	\$236,821	\$243,400	\$249,978
3. Preferred Dividends (DR 3801 response)	\$7,682	\$7,682	\$7,682
4. Net Income Available ([2] + [3])	\$244,503	\$251,082	\$257,660
5. Tax Multiplier (1 / { 1 - Tax Rate })	1.6231	1.6231	1.6231
6. Pre-Tax Earnings ([4] * [5])	\$396,848	\$407,525	\$418,202
7. Annual Interest Costs (DR 3801 response)	\$104,872	\$104,872	\$104,872
8. Avail. for Coverage ([6] + [7])	\$501,720	\$512,397	\$523,074
9. Pro Forma Pre-Tax Interest Coverage ([8] / [7])	4.78 x	4.89 x	4.99 x

Gas Utility Financial Ratio Benchmarks - Pretax Interest Coverage (x)

Standard & Poor's Corporation's Utility Rating Service 7/7/2000	<u>"AA"</u>	<u>"A"</u>	<u>"BBB"</u>
	4.13x	3.64x	2.53x

Schedule 24

UNION ELECTRIC COMPANY
d/b/a AmerenUE
CASE NO. GR-2003-0517

Public Utility Revenue Requirement

or

Cost of Service

The formula for the revenue requirement of a public utility may be stated as follows :

Equation 1 **Revenue Requirement = Cost of Service**

or

Equation 2 **$RR = O + (V - D)R$**

The symbols in the second equation are represented by the following factors :

RR = Revenue Requirement

O = Prudent Operating Costs, including Depreciation and Taxes

V = Gross Valuation of the Property Serving the Public

D = Accumulated Depreciation

$(V - D)$ = Rate Base (Net Valuation)

$(V - D)R$ = Return Amount (\$\$) or Earnings Allowed on Rate Base

$R = iL + dP + kE$ or Overall Rate of Return (%)

i = Embedded Cost of Debt

L = Proportion of Debt in the Capital Structure

d = Embedded Cost of Preferred Stock

P = Proportion of Preferred Stock in the Capital Structure

k = Required Return on Common Equity (ROE)

E = Proportion of Common Equity in the Capital Structure

UNION ELECTRIC COMPANY
d/b/a AmerenUE
CASE NO. GR-2003-0517

**Weighted Cost of Capital as of June 30, 2003
for Union Electric Company d/b/a AmerenUE**

Capital Component	Percentage of Capital	Embedded Cost	Weighted Cost of Capital Using Common Equity Return of:		
			9.00%	9.25%	9.50%
Common Stock Equity	57.63%	-----	5.19%	5.33%	5.48%
Preferred Stock	2.49%	5.72%	0.14%	0.14%	0.14%
Long-Term Debt	39.88%	6.82%	2.72%	2.72%	2.72%
Total	<u>100.00%</u>		<u>8.05%</u>	<u>8.19%</u>	<u>8.34%</u>

Notes:

See Schedule 9 for the Capital Structure Ratios.

Embedded Cost of Long-Term Debt per response to DR 3802.