AN ANALYSIS OF THE COST OF CAPITAL

FOR

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

BY

RONALD L. BIBLE

UTILITY SERVICES DIVISION

MISSOURI PUBLIC SERVICE COMMISSION

October 2003

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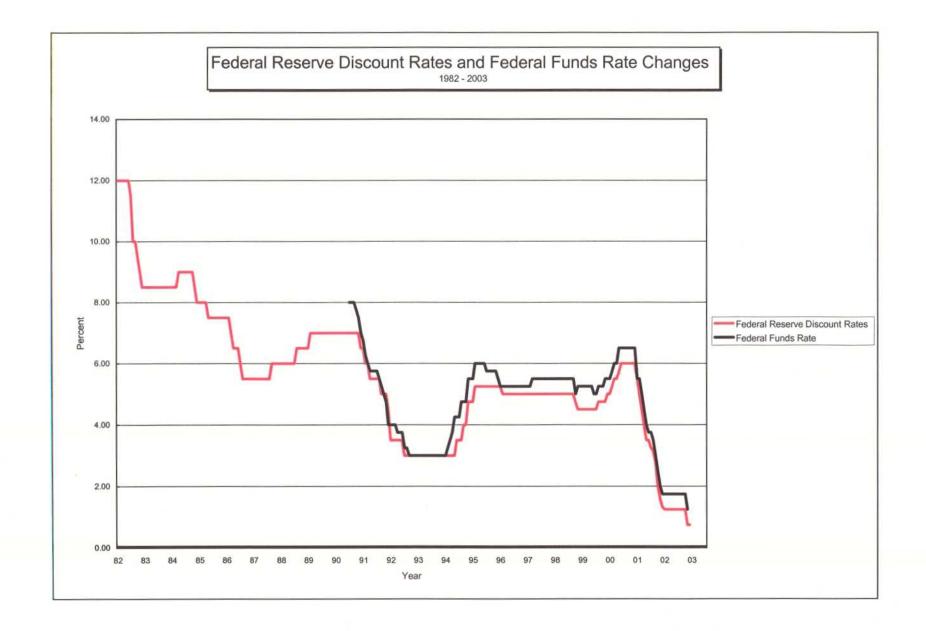
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| | | |

Federal Reserve Discount Rate and Federal Funds Rate Changes

| DSIZONSE | Date | Discount | Federal Funds Rate |
|--|--|------------|--|
| 0.4721/86 | | | Rate |
| 04/21/86 | | | |
| 08/21/86 08/21/87 08/09/88 08/21/89 08/21/89 07/13/90 10/29/90 11/13/90 10/29/90 11/13/90 12/18/90 12/18/90 12/18/90 12/18/90 10/10/91 06.50% 12/18/90 10/10/91 06.50% 12/18/90 10/10/91 06.50% 10/10/91 06.60% 10/10/91 07/10/91 07/10/91 07/10/91 07/10/91 07/10/92 08/10/91 08/10/ | | | |
| 08/04/87 | | | |
| OBJOH/88 | | | |
| Description | | | |
| 02724/89 7.09% 8.00% 7.75% 11/13/90 7.59% 12/19/90 7.59% 12/19/90 7.59% 12/19/90 7.00% 7.00% 12/19/90 7.00% 7.00% 12/19/90 6.59% 0.109/91 6.59% 0.00% 0.430/91 6.00% 6.25% 0.308/91 5.50% 5.59% 0.109/91 5.50% 6.50% 0.109/91 5.50% 6.50% 0.109/91 5.50% 6.50% 0.109/91 5.50% 6.50% 0.109/91 6.00% 6.25% 6.25% 6.00% 6.25% 6.25% 6.00% 6.25% 6.25% 6.20% 6.25% 6.20% 6.25% 6.20% 6.25% 6.20% 6.25% 6.20% 6.25% 6.20% 6.25% 6.20% 6.25% 6.20% 6.25% 6.20% 6.25% 6.20% 6.25% 6.20% 6.25% 6.20% 6.25% 6.20% | The state of the s | | |
| 077/3/90 | 08/09/88 | 6.50% | |
| 10/29/90 7.75% 7.50% 7.5 | 02/24/89 | 7.00% | |
| 11/13/90 12/19/90 12/19/90 12/19/90 01/09/91 01/09/91 02/01/91 06.50% 01/09/91 06.00% 06.25% 04/30/91 06.00% 06.25% 04/30/91 06.00% 06.25% 06/06/91 06/13/91 06/06/91 06/13/91 10/31/91 11/06/91 11/06/91 12/06/91 12/06/91 04/90/92 01/01/93 01/01/93 01/01/93 01/01/93 02/01/94 03/22/94 03/22/94 03/22/94 03/12/94 03/12/94 03/12/95 04/18/94 04/18/94 05/17/96 02/01/95 07/06/95 07/06/95 07/06/95 07/06/95 07/06/95 07/06/96 07/06/96 07/06/98 | 07/13/90 | | 8.00% * |
| 12/07/90 12/18/90 12/19/90 01/09/91 01/09/91 02/01/91 03/08/91 04/30/91 04/30/91 08/06/91 08/06/91 08/06/91 08/06/91 08/06/91 08/13/91 10/31/91 11/06/91 12/20/91 3.50% 4.50% 11/06/91 12/20/91 3.50% 4.00% 04/09/92 03/04/92 01/01/93 12/231/93 02/04/94 05/17/96 05/17/97 05/17/96 05/17 | 10/29/90 | | 7.75% |
| 12/18/90 12/19/90 12/19/90 10/10/91 10/10/91 10/10/91 10/10/91 10/10/91 10/10/91 10/10/91 10/10/91 10/10/91 10/10/91 10/10/91 10/10/91 10/10/91 11/ | 11/13/90 | | 7.50% |
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| 12/19/90 | | | |
| 01/09/91 02/01/91 02/01/91 03/08/91 04/30/91 04/30/91 05/50/91 08/10/91 10/31/91 11/06/91 11/06/91 11/06/91 11/06/91 11/06/91 11/06/91 12/20/91 04/09/92 01/01/93 01/01/93 02/04/94 05/17/94 05/15/96 05/16/96 05/ | | 6 50% | 7.0075 |
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| 12/20/91 | 10/31/91 | | 5.00% |
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^{*} 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



Average Prime Interest Rates

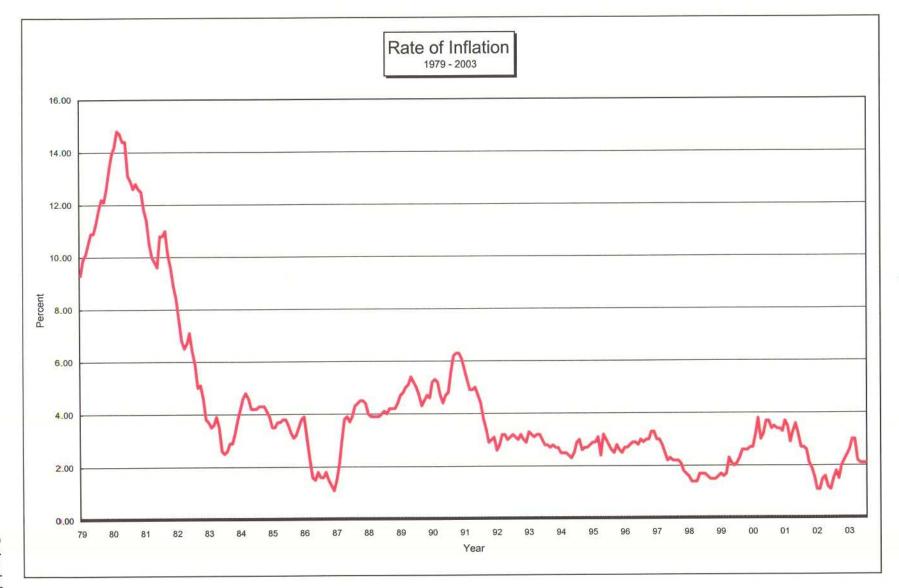
| Mo/Year | Rate (%) |
|----------|----------|----------|----------|----------|----------|----------|----------|
| Jan 1988 | 8.75 | Jan 1992 | 6.50 | Jan 1996 | 8.50 | Jan 2000 | 8.50 |
| Feb | 8.51 | Feb | 6.50 | Feb | 8.25 | Feb | 8.73 |
| Mar | 8.50 | Mar | 6.50 | Mar | 8.25 | Mar | 8.83 |
| Apr | 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

Rate of Inflation

| Mo/Year | Rate (%) |
|----------|----------|----------|----------|----------|----------|----------|----------|
| 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/cpiai.txt



Average Yields on Mergent's Public Utility Bonds

| Jan 1988 10.75 Jan 1992 8.67 Jan 1996 7.20 Jan 2000 Feb 10.11 Feb 8.77 Feb 7.37 Feb Mar 10.11 Mar 8.84 Mar 7.72 Mar Apr 10.53 Apr 8.79 Apr 7.88 Apr May 10.75 May 8.72 May 7.99 May Jun 10.71 Jun 8.64 Jun 8.07 Jun Jul 10.96 Jul 8.46 Jul 8.02 Jul Aug 11.09 Aug 8.34 Aug 7.84 Aug Sep 10.56 Sep 8.32 Sep 8.01 Sep | 8.10 8.14 8.14 8.55 8.22 8.17 8.05 8.16 8.08 |
|---|--|
| Mar 10.11 Mar 8.84 Mar 7.72 Mar Apr 10.53 Apr 8.79 Apr 7.88 Apr May 10.75 May 8.72 May 7.99 May Jun 10.71 Jun 8.64 Jun 8.07 Jun Jul 10.96 Jul 8.46 Jul 8.02 Jul Aug 11.09 Aug 8.34 Aug 7.84 Aug | 8.14 8.14 8.55 8.22 8.17 8.05 8.16 8.08 8.03 |
| Apr 10.53 Apr 8.79 Apr 7.88 Apr May 10.75 May 8.72 May 7.99 May Jun 10.71 Jun 8.64 Jun 8.07 Jun Jul 10.96 Jul 8.46 Jul 8.02 Jul Aug 11.09 Aug 8.34 Aug 7.84 Aug | 8.14 8.55 8.22 8.17 8.05 8.16 8.08 8.03 |
| May 10.75 May 8.72 May 7.99 May Jun 10.71 Jun 8.64 Jun 8.07 Jun Jul 10.96 Jul 8.46 Jul 8.02 Jul Aug 11.09 Aug 8.34 Aug 7.84 Aug | 8.55 8.22 8.17 8.05 8.16 8.08 8.03 |
| Jun 10.71 Jun 8.64 Jun 8.07 Jun Jul 10.96 Jul 8.46 Jul 8.02 Jul Aug 11.09 Aug 8.34 Aug 7.84 Aug | 8.22 8.17 8.05 8.16 8.08 8.03 |
| Jul 10.96 Jul 8.46 Jul 8.02 Jul Aug 11.09 Aug 8.34 Aug 7.84 Aug | 8.17 8.05 8.16 8.08 8.03 |
| Aug 11.09 Aug 8.34 Aug 7.84 Aug | 8.05 8.16 8.08 8.03 |
| | 8.16 8.08 8.03 |
| Sep. 10.56 Sep. 8.32 Sep. 8.01 Sep. | 8.08 8.03 |
| | 8.03 |
| Oct 9.92 Oct 8.44 Oct 7.76 Oct | |
| Nov 9.89 Nov 8.53 Nov 7.48 Nov | |
| 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 200 | |
| 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 200 | |
| 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 200 | 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 | |

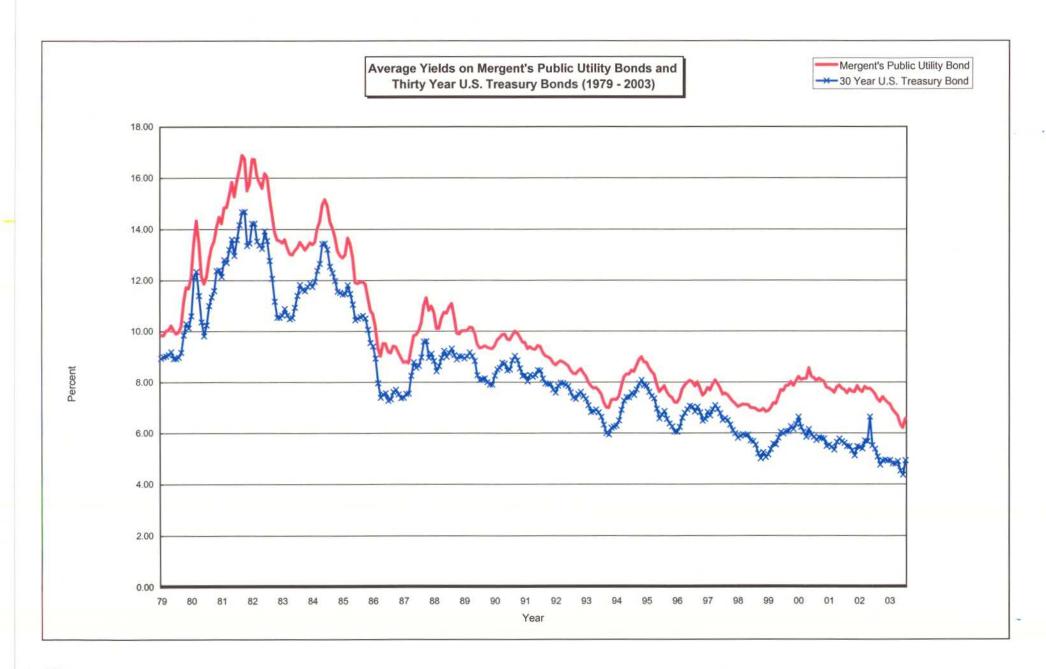
Source: Mergent Bond Record

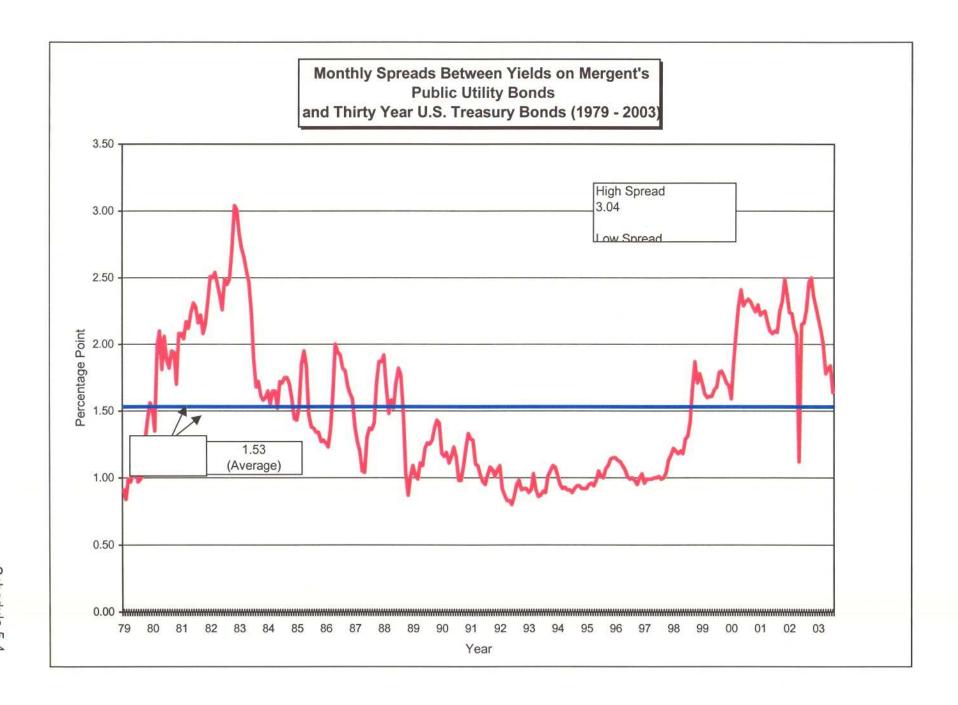
Average Yields on Thirty Year U.S. Treasury Bonds

| Mo/Year | Rate (%) |
|----------|----------|----------|----------|----------|----------|----------|----------|
| 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/gs30

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





Economic Estimates and Projections, 2003-2005

| | 1 | nflation Rat | e | | Real GDP | | U | nemploymer | nt | 3-M | lo. T-Bill Ra | ate | 30- | Yr. T-Bond l | Rate |
|---|-------|--------------|-------|-------|----------|-------|-------|------------|-------|-------|---------------|-------|-------|--------------|-------|
| Source | 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 ble 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

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 | \$4,253,633.0 | \$4,471,480.0 | \$4,486,288.0 | \$4,504,123.0 | \$4,566,247.0 |

| 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 | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% |

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 | Х | 1.46 | X | 1.99 | X | 1.74 | Х | 1.67 x |
| Pre-Tax Interest | | | | | | | | | |
| Coverage Ratio | 4.60* | X | 4.83* | X | 5.21** | X | 4.86** | Х | 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.

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

| in Dollars | of Capital |
|---------------|--------------------------|
| \$2,631,348.0 | 57.63% |
| 113,760.0 | 2.49% |
| 1,821,139.0 | 39.88% |
| \$4,566,247.0 | 100.00% |
| | 113,760.0 1,821,139.0 |

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.

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

| | Dividends | Earnings | Book Value |
|--------------|------------------|------------------|--------------------|
| Year | Per Share | Per Share | Per Share |
| 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 |
| 2000 2001 | \$2.54 \$2.54 | \$3.33 \$3.41 | \$23.30 \$24.26 |

Annual Compound Growth Rates

| | DPS | EPS | BVPS |
|-------------|-------|-------|-------|
| 1992 - 2002 | 1.17% | 0.04% | 1.64% |
| 1997-2002 | 0.00% | 1.74% | 2.53% |

Source: ValueLine Investment Survey August 2003.

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 Average of historical and projected growth | 3.00% 2.09% |
| Proposed Range of Growth | |

Source: See Schedule 10 for Historical Growth Rate Information

for Union Electric Company:

Schedule 11

1.59% - 2.59%

Monthly High / Low Average Dividend Yields for Ameren Corporation

| | (1) | (2) | (3) | (4) | (5) |
|--------------|----------|----------|------------|----------|-----------|
| | High | Low | Average | | Projected |
| | Stock | Stock | High / Low | Expected | Dividend |
| Month / Year | Price | Price | Price | Dividend | Yield |
| 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 | | | \$42.123 | | 6.04% |

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

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

| of Common Equity | = | Dividend Yield | + | Expected Growth |
|------------------|---|----------------|---|------------------------|
| 7.64% | = | 6.04% | + | 1.59% |
| 8.64% | = | 6.04% | + | 2.59% |

Discounted Cash Flow (DCF) Model Derivation

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

Letting: P_0 = present price and D1 = expected dividends, then

$$P_0 = D1 + P_0 (1+g)$$
 or $(1+k)$

$$k = D1 + g$$

Thus:

Cost of Common Equity = Dividend Yield + 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

Schedule 13

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

| | 4 4000 | 30-Year | CAMPING | | AEE's | 30-Year U.S. Treasur | v AEE's |
|---------------|----------|----------------|---------|---|---------------|---|----------------------|
| | AEE's | U.S. Treasury | AEE's | | | Bond | Risk |
| 10 1000000000 | Expected | Bond | Risk | 4 3 C V V C C C C C C C C C C C C C C C C | Expected | Yields | Premium |
| Mo/Year | ROE | Yields | Premium | Mo/Year Jan 1999 | ROE 13.00% | 5.09% | 7.91% |
| Jan 1994 | 13.50% | 6.22% | 7.28% | Feb | 13.00% | 5.55% | 7.45% |
| Feb | 13.50% | 6.67% 7.12% | 6.83% | Mar | 13.00% | 5.62% | 7.38% |
| Mar | 13.50% | 7.30% | 6.20% | Apr | 13.00% | 5.67% | 7.33% |
| Apr | 13.50% | 7.43% | 6.07% | May | 13.00% | 5.82% | 7.18% |
| May | 13.50% | | 5.89% | Jun | 13.00% | 5.99% | 7.01% |
| Jun | 13.50% | 7.61% 7.38% | 5.62% | Jul | 13.00% | 6.10% | 6.90% |
| Jul | 13.00% | 7.44% | 5.56% | Aug | 13.00% | 6.07% | 6.93% |
| Aug | 13.00% | 7.82% | 5.18% | Sep | 13.00% | 6.06% | 6.94% |
| Sep | 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% |
| | 12.50% | 7.33% | 5.17% | Apr | 13.50% | 5.96% | 7.54% |
| Apr | 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% |
| | 12.00% | 6.64% | 5.36% | Aug | 13.50% | 5.67% | 7.83% |
| Aug 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% | | | nformation | (Ian 1994 - Aug 20 |
| | | | | | Summary | 111111111111111111111111111111111111111 | LIGHT 1779 - MILE ZU |

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 <u>WWW.Investopedia.com</u>

| Summary Information | (Jan 1994 - Aug 2003) |
|-----------------------|-----------------------|
| Average Risk Premium: | 6.73% |
| High Risk Premium: | 9.13% |
| Low Risk Premium: | 4.81% |
| | |

Risk Premium Costs of Equity Estimates for Ameren Corporation

| | | 30-Year | | Equity |
|------------------|------|-----------------------|---|-----------------|
| AEE's Cost of | L | J.S. Treasury Bond | | Risk Premium |
| Common Equity | (Sep | tember 15, 2003) | | (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:

| Common | | Current | | Equity Risk | |
|--------|---|--------------|---|--------------------|--|
| Equity | = | Cost of Debt | + | 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%.

Schedule 15

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

| AEE's Cost of Common Equity | = | Risk Free Rate | | + | (AEE's (Beta | * | Market) Risk Premium) | |
|--------------------------------|---|-------------------|---|---|-----------------|---|--------------------------|---|
| 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:

Cost of Common Equity = Risk Free Rate + [Beta * 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 approriate 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 approriate 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 approriate 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.

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.

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 |

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

| | Dividends Per Share | | Earnings Per Share | | Book Value Per Share | |
|------------------------------------|---------------------|--------|--------------------|--------|----------------------|---------|
| Company Name | 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 |

| | ***** | Annual Compound Growth Rates | | |
|------------------------------------|-------------|-------------------------------------|-------------|---------------------------------|
| | DDC | | BVPS | Average of 10 Year Annual |
| | DPS | EPS | DVFS | Compound |
| Company Name | 1992 - 2002 | 1992 - 2002 | 1992 - 2002 | Growth Rates |
| 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

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

| | (1) | (2) | (3) | (4) | (5) | (6) |
|------------------------------------|----------|-------------|-----------|------------|-----------|-------------|
| | | Projected | Projected | Projected | | |
| | Average | 5 Year | 5 Year | 3-5 Year | | Average of |
| | 10 Year | Growth | EPS | EPS | Average | Historical |
| | Annual | IBES | Growth | Growth | Projected | & Projected |
| Company Name | Compound | (Median) | (S&P) | Value Line | Growth | 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

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 2 | 2003 | June 2 | 2003 | July 2 | 2003 | August | 2003 | Average High/Low |
| | High | Low | High | Low | High | Low | High | Low | Stock |
| | Stock | Price |
| Company Name | 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.

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

| | (1) | (2) | (3) | (4) | (5) |
|------------------------------------|-------------------|------------------------------|--|---|-------------------|
| | Expected Annual | Average High/Low Stock | Projected Dividend | Average of Historical & Projected | Estimated Cost of |
| | Dividend | | A THE REAL PROPERTY OF THE PARTY OF THE PART | Growth | Common |
| Company Name | (Avg 2003 & 2004) | Price | Yield | Rate | 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 | | | 4.41% | 4.54% | 8.95% |

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

Column 3 = (Column 1 / Column 2).

Column 5 = (Column 3 + Column 4).

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

Column 2 = Schedule 21.

Schedule 22

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

| | (1) | (2) | (3) | (4) | (5) | (6) |
|------------------------------------|-------|------------|---------|---------|---------|---------|
| | | | | | CAPM | CAPM |
| | | | | | Cost of | Cost of |
| | Risk | Company's | Market | Market | Common | Common |
| | Free | Value Line | Risk | Risk | Equity | Equity |
| Company Name | Rate | Beta | Premium | Premium | (Low) | (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 | | 0.66 | | | 4.95% | 9.39% |

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 approriate 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 approriate 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 approriate 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 approriate 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

| | 9.00% | 9.25% | 9.50% |
|--|---------------------|--------------------|-------------|
| 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 |
| 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 |
| 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 Bench | marks - Pretax Inte | erest Coverage (x) | |
| Standard & Poor's Corporation's Utility Rating Service 7/7/2000 | "AA" | "A" | "BBB" |
| Curry Rating Service // //2000 | 4.13x | 3.64x | 2.53x |
| | | | Schedule 24 |

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:

R R = 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

Schedule 25

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

Weighted Cost of Capital Using Common Equity Return of:

| | | • | Common Equity Return of. | | | |
|---------------------|-----------------------|------------------|--------------------------|-------|-----------------|--|
| Capital Component | Percentage of Capital | Embedded Cost | 9.00% | 9.25% | 9.50% | |
| | | | | | 7. 400 (| |
| 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 | 100.00% | | 8.05% | 8.19% | 8.34% | |

Notes:

See Schedule 9 for the Capital Structure Ratios.

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