Company: AmerenUE
Account Number: 365
Account Name: Overhead Conductors and Devices
Avg Life: 47 Per Ameren

Public

FILED[3]
APR 16 2007
Missouri Public Service Commission

Adjusting Net Salvage Percent
For Future Annual Inflation Rate of 2.50%

		Original Cost Of Investment Retired	Net Salvage	Net Salvage Percent
(1)	Average in Last 10 Years[1]	$3,833,195	-$2,406,494	-63%
(2)	Average Annual Historic Inflation Rate Over the Average Life For Investments That Retired In the Last 10 Years[2]		4.09%	
(3)	Remove Historic Inflation[3]	$3,833,195	-$365,877	-10%
(4)	Adjust Net Salvage for Future Inflation At:[4] 2.50%	$3,833,195	-$1,167,767	**-30%**

Source Notes:

1. Page 2 of This Document
2. Page 3 of This Document
3. -$2,406,494 / (+1+ 0.0409)^ 47 = -$365,877
4. -$365,877 *(+1+ 2.50%)^ 47 = -$1,167,767

AmerenUE **Exhibit No.** 126
Case No(s). ER-2007-0002
Date 3/27/07 **Rptr** MV

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Historic Net Salvage Data-Retirements Last Ten Years

	Regular Retirements (Original Cost)	Net Salvage	
1996	$3,946,269	-$2,361,938	
1997	$4,026,043	-$2,790,064	
1998	$2,922,526	-$2,282,455	
1999	$3,017,572	-$2,716,118	
2000	$2,565,236	-$2,547,535	
2001	$4,781,692	-$2,846,061	
2002	$4,311,235	-$2,736,438	
2003	$3,959,587	-$2,276,042	
2004	$4,101,614	-$857,058	
2005	$4,700,171	-$2,651,230	
Average in Last 10 Years	$3,833,195	-$2,406,494	-63%
Per Million of Original Cost at Historic Inflation	$1,000,000	-$627,804	-63%

Source: This Account on Pages B-81 to B-141,
AmerenUE Depreciation study, Schedule JFW-E1.

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Retire In Year (A)	Average Life (B)	Average Installed In (C)=(A)-(B)	CPI-U Install Year (D)	CPI-U Removal Year (E)	Historic Inflation Ratio, Install to Removal Period (F)=(E)/(D)	Average Annual Inflation Factor (G)= (F)^(1/(B))	Average Annual Inflation Over Average Life (H)= ((G)-1)*100%
1996	47	1949	23.80	156.90	6.59	1.040942	4.09%
1997	47	1950	24.10	160.50	6.66	1.041167	4.12%
1998	47	1951	26.00	163.00	6.27	1.039829	3.98%
1999	47	1952	26.50	166.60	6.29	1.039891	3.99%
2000	47	1953	26.70	172.20	6.45	1.040456	4.05%
2001	47	1954	26.90	177.10	6.58	1.040912	4.09%
2002	47	1955	26.80	179.88	6.71	1.04134	4.13%
2003	47	1956	27.20	183.96	6.76	1.041509	4.15%
2004	47	1957	28.10	188.90	6.72	1.041374	4.14%
2005	47	1958	28.90	195.30	6.76	1.041491	4.15%
Average Last Ten Year					6.58		4.09%