

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

Current Operations:

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

After Movement to MISO:

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

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

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APR 16 2004

Missouri Public
Service Commission

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Exhibit No. _____
Case No(s). EO-2004-0108
Date 4-7-04 Rptr tlc

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

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

Revenue Requirement

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

Income Taxes

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

Percent of Transmission Plant Being Transferred:

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

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

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

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