

## EBIT Coverage and Debt to Equity Ratios

### Staff Proposal

	Capital	Ratio	Cost	Weighted cost	Pre-Tax Cost
Long Term Debt	\$1,321,554,211	40.43%	6.61%	2.67%	2.67%
TFTNs	\$416,690,392	12.75%	5.92%	0.75%	0.75%
Preferred Stock	\$45,430,145	1.39%	5.05%	0.07%	0.12%
Common Stock Equity	\$1,485,242,238	45.44%	10.36%	4.71%	7.89%
	\$3,268,916,986	100.00%		8.20%	11.43%

\* Data From IP Exhibit 3.2

EBIT Coverage	3.336120024
Debt to Equity	1.14
Debt to Capital	53.175%

### Company Proposal

	Capital	Ratio	Cost	Weighted cost	Pre-Tax Cost
Long Term Debt	\$703,515,115	32.89%	7.07%	2.33%	2.33%
TFTNs	\$309,516,375	14.47%	5.98%	0.87%	0.87%
Preferred Stock	\$45,430,145	2.12%	5.05%	0.11%	0.18%
Common Stock Equity	\$1,080,226,787	50.51%	11.50%	5.81%	9.73%
	\$2,138,688,422	100.00%		9.11%	13.10%

EBIT Coverage	4.106632317
Debt to Equity	0.90
Debt to Capital	47.367%

### Company (98% buyback)

	Capital	Ratio	Cost	Weighted cost	Pre-Tax Cost
Long Term Debt	\$591,794,115	27.44%	7.19%	1.97%	1.97%
TFTNs	\$309,516,375	14.35%	5.98%	0.86%	0.86%
Preferred Stock	\$45,430,145	2.11%	5.05%	0.11%	0.18%
Common Stock Equity	\$1,210,226,787	56.11%	11.50%	6.45%	10.81%
	\$2,156,967,422	100.00%		9.39%	13.82%

EBIT Coverage	4.882684103
Debt to Equity	0.72
Debt to Capital	41.786%

### CUB

	Capital	Ratio	Cost	Weighted cost	Pre-Tax Cost
Long Term Debt	\$746,985,378	36.87%	6.80%	2.51%	2.51%
TFTNs*	\$309,516,375	15.28%	5.98%	0.91%	0.91%
Preferred Stock*	\$45,430,145	2.24%	5.05%	0.11%	0.19%
Common Stock Equity	\$923,881,787	45.61%	9.64%	4.40%	7.37%
	\$2,025,813,685	100.00%		7.93%	10.98%

\* As Proposed by IP

EBIT Coverage	3.208201844
Debt to Equity	1.09
Debt to Capital	52.152%

### Assumptions

Gross Revenue Conversion Factor (AG/CUB Exhibit 1 Schedule A) 1.676

Pre-tax Cost of Equity = Weighted Cost of Equity \* Gross Revenue Conversion Factor  
Pre-tax Cost of Debt = Weighted Cost of Debt

EBIT Coverage = Pre-tax Cost of Capital / Cost of Debt (LT + TFTNs)

Benchmark
3.2
1.06

2003 S&P Median A-rated Utility

Debt to Equity = Debt (LT+TFTNs) / Equity (Preferred + Common Stock)

9/30/04 Ameren Debt to Equity (From MSN Investor)

Debt to Capital = Total Debt / Total Capital