

AmerenCIPS - Gas
Statement of Operating Income with Adjustments
For the Test Year Ending December 31, 2008
(In Thousands)

Line No.	Description	Company Rebuttal Present (Exhibit 30.2)	Company Adjustments (Sch 1, page 3)	Company Surrebuttal Present (Cols. b+c)	Company Surrebuttal Proposed Increase	Company Surrebuttal Proposed (Cols. d+e)
	(a)	(b)	(c)	(d)	(e)	(f)
1	Operating Revenues	\$ 70,417	\$ -	\$ 70,417	\$ 6,346	\$ 76,763
2	Other Revenues	2,758	-	2,758	-	2,758
3	PGA Revenues	-	-	-	-	-
4	Total Operating Revenue	<u>73,175</u>	<u>-</u>	<u>73,175</u>	<u>6,346</u>	<u>79,521</u>
5	Uncollectible Expense	918	-	918	80	998
6	Cost of Gas	-	-	-	-	-
7	Production Expenses	1,093	-	1,093	-	1,093
8	Storage, Term. And Proc. Expenses	1,867	-	1,867	-	1,867
9	Transmission Expenses	726	-	726	-	726
10	Distribution Expenses	18,272	-	18,272	-	18,272
11	Cust. Accounts, Service & Sales	5,486	(1)	5,485	-	5,485
12	Administrative and General Expenses	15,378	(1,152)	14,225	-	14,225
13	Depreciaton and Amortization	8,396	(51)	8,344	-	8,344
14	Taxes Other Than Income	3,165	(20)	3,145	-	3,145
15	Rounding	-	-	-	-	-
16	Total Operating Expense	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
17	Before Income Taxes	55,300	(1,224)	54,076	80	54,156
18	State Income Tax	864	82	946	457	1,403
19	Federal Income Tax	3,844	360	4,204	2,033	6,237
20	Deferred Taxes and ITCs Net	-	-	-	-	-
21	Total Operating Expenses	<u>60,008</u>	<u>(782)</u>	<u>59,225</u>	<u>2,570</u>	<u>61,795</u>
22	NET OPERATING INCOME	<u>\$ 13,167</u>	<u>\$ 782</u>	<u>\$ 13,950</u>	<u>\$ 3,776</u>	<u>\$ 17,726</u>
23	Company Rate Base (Schedule 2, page 1, col d, line 21).					\$ 210,143
24	Company Overall Rate of Return (Schedule 5, col e, line 18).					8.435%

AmerenCIPS - Gas
Adjustments to Operating Income
For the Test Year Ending December 31, 2008
(In Thousands)

Line No.	Description	Interest Synchronization (Schedule 3)	Incentive Compensation (Ex. 51.7 Rev.)	Employee Benefits (Ex. 51.8)	Workforce Reduction (Ex. 51.9)
	(a)	(b)	(c)	(d)	(e)
1	Operating Revenues	\$ -	\$ -	\$ -	\$ -
2	Other Revenues				
3	PGA Revenues	-	-	-	-
4	Total Operating Revenue	-	-	-	-
5	Uncollectible Expense	-	-	-	-
6	Cost of Gas	-	-	-	-
7	Production Expenses	-	-	-	-
8	Storage, Term. And Proc. Expenses	-	-	-	-
9	Transmission Expenses	-	-	-	-
10	Distribution Expenses	-	-	-	-
11	Cust. Accounts, Service & Sales	-	-	-	-
12	Administrative and General Expenses	-	(19)	(652)	(405)
13	Depreciaton and Amortization	-	(0)	-	-
14	Taxes Other Than Income	-	(2)	-	(18)
15		-	-	-	-
16	Total Operating Expense				
17	Before Income Taxes	-	(22)	(652)	(423)
18	State Income Tax	(9)	2	48	31
19	Federal Income Tax	(38)	7	212	137
20	Deferred Taxes and ITCs Net	-	-	-	-
21	Total Operating Expenses	(47)	(13)	(392)	(255)
22	NET OPERATING INCOME	\$ 47	\$ 13	\$ 392	\$ 255

AmerenCIPS - Gas
Adjustments to Operating Income
For the Test Year Ending December 31, 2008
(In Thousands)

Line No.	Description	Pro Forma Plant Additions (St. Ex. 16.0 Sch 16.01 CIPS-G)	Industry Association Dues (Ex. 51.12)	Customer Service & Info. Expense (St. Ex. 18.0 Sch 18.04 CIPS-G)	Subtotal Operating Statement Adjustments
	(a)	(f)	(g)	(h)	(i)
1	Operating Revenues	\$ -	\$ -	\$ -	\$ -
2	Other Revenues				
3	PGA Revenues	-	-	-	-
4	Total Operating Revenue	-	-	-	-
5	Uncollectible Expense	-	-	-	-
6	Cost of Gas	-	-	-	-
7	Production Expenses	-	-	-	-
8	Storage, Term. And Proc. Expenses	-	-	-	-
9	Transmission Expenses	-	-	-	-
10	Distribution Expenses	-	-	-	-
11	Cust. Accounts, Service & Sales	-	-	(1)	(1)
12	Administrative and General Expenses	-	(76)	-	(1,152)
13	Depreciaton and Amortization	(51)	-	-	(51)
14	Taxes Other Than Income	-	-	-	(20)
15		-	-	-	-
16	Total Operating Expense				
17	Before Income Taxes	(51)	(76)	(1)	(1,224)
18	State Income Tax	4	6	-	82
19	Federal Income Tax	17	25	-	360
20	Deferred Taxes and ITCs Net	-	-	-	-
21	Total Operating Expenses	(30)	(45)	(1)	(782)
22	NET OPERATING INCOME	\$ 30	\$ 45	\$ 1	\$ 782

AmerenCIPS - Gas
Rate Base
For the Test Year Ending December 31, 2008
(In Thousands)

Line No.	Description	Company Rebuttal Rate Base (Exhibit 30.2)	Company Adjustments (Sch 2, page 2)	Company Surrebuttal Rate Base (Col. b+c)
	(a)	(b)	(c)	(d)
1	Gross Plant in Service	\$ 408,595	\$ (1,324)	\$ 407,271
2	Less Accum. Deprec. and Amort.	(197,390)	(16)	(197,405)
3		-	-	-
4	Net Plant	211,205	(1,340)	209,866
5	Additions to Rate Base			
6	Cash Working Capital Allowance	4,345	(98)	4,246
7	Materials & Supplies Inventory	33,768	(2,308)	31,460
8		-	-	-
9		-	-	-
10		-	-	-
11		-	-	-
12		-	-	-
13		-	-	-
14	Deductions From Rate Base			
15	Customer Advances for Construction	(1,115)	-	(1,115)
16	Accum. Deferred Income Taxes	(40,239)	101	(40,138)
17	Customer Deposits	(1,809)	-	(1,809)
18	Accrued OPEB net of ADIT	-	7,633	7,633
19		-	-	-
20		-	-	-
21	Rate Base	<u>\$ 206,155</u>	<u>\$ 3,988</u>	<u>\$ 210,143</u>

AmerenCIPS - Gas
Adjustments to Rate Base
For the Test Year Ending December 31, 2008
(In Thousands)

Line No.	Description	Incentive Compensation (Ex. 51.7 Rev.)	Cash Working Capital (Sch 2, page 3)	Pro Forma Plant Additions (St. Ex. 16.0 Sch 16.01 CIPS-G)	Materials & Supplies (Ex. 51.10)	Accrued OPEB Liabilities (Ex. 51.14)	Total Rate Base Adjustments
	(a)	(b)	(c)	(d)	(e)	(f)	(g)
1	Gross Plant in Service	\$ (7)	\$ -	\$ (1,317)		\$ -	\$ (1,324)
2	Less Accum. Deprec. and Amort.	0	-	(16)		-	(16)
3		-	-	-	-	-	-
4	Net Plant	(7)	-	(1,333)	-	-	(1,340)
5	Additions to Rate Base						
6	Cash Working Capital Allowance	-	(98)	-	-	-	(98)
7	Materials & Supplies Inventory	-	-	-	(2,308)	-	(2,308)
8		-	-	-	-	-	-
9		-	-	-	-	-	-
10		-	-	-	-	-	-
11		-	-	-	-	-	-
12		-	-	-	-	-	-
13		-	-	-	-	-	-
14	Deductions From Rate Base						
15	Customer Advances for Construction	-	-	-	-	-	-
16	Accum. Deferred Income Taxes	-	-	101	-	-	101
17	Customer Deposits	-	-	-	-	-	-
18	Accrued OPEB net of ADIT	-	-	-	-	7,633	7,633
19		-	-	-	-	-	-
20		-	-	-	-	-	-
21	Rate Base	<u>\$ (7)</u>	<u>\$ (98)</u>	<u>\$ (1,232)</u>	<u>\$ (2,308)</u>	<u>\$ 7,633</u>	<u>\$ 3,988</u>

AmerenCIPS Gas Business
Cash Working Capital Requirement Employing the Gross Lag Methodology
As of December 31, 2008
(\$000s)

Line No.	Description (A)	Company Rebuttal Proposed (B)	Surrebuttal Adjustments (C)	Company Surrebuttal Proposed (D)	Revenue Lag/Expense (Leads) (E)	CWC Factor (F) (Col C/365)	Cash Working Capital Requirement (G) (Col. B x Col. D)
REVENUES							
1	Revenues at Proposed Rates	\$ 80,271	\$ (750)	\$ 79,521	46.53	12.75%	\$ 10,137
2	Plus PGA Revenues	179,959		179,959	46.53	12.75%	22,941
3	Plus ICC Gas Revenue Tax	195		195	31.32	8.58%	17
4	Plus Gross Receipts/MUT	3,926		3,926	31.32	8.58%	337
5	Plus Energy Assistance Charges	1,835		1,835	31.32	8.58%	157
6	Plus Illinois Gas Use and Gas Revenue Tax	4,896		4,896	31.32	8.58%	420
1	Plus Interest Expense	-		-	46.53	12.75%	-
7	(Less) Uncollectibles	(1,007)	9	(998)	46.53	12.75%	(127)
8	(Less) Depreciation and Amortization	(8,396)	52	(8,344)	46.53	12.75%	(1,064)
9	(Less) Return on Equity	(11,361)	(220)	(11,581)	46.53	12.75%	(1,476)
10	TOTAL - REVENUES	<u>\$ 250,318</u>		<u>\$ 249,409</u>			<u>31,342</u>
EXPENSES							
11	Employee Benefits	\$ 4,596	\$ (652)	\$ 3,943	(17.57)	-4.81%	(190)
12	Payroll	18,527	(424)	18,103	(12.92)	-3.54%	(641)
13	PGA Expense	179,959		179,959	(39.42)	-10.80%	(19,434)
14	Other Operations and Maintenance (less uncollectibles)	19,698	(77)	19,621	(51.07)	-13.99%	(2,745)
15	FICA	818	(20)	799	(14.74)	-4.04%	(32)
16	Federal Unemployment Tax	9		9	(76.38)	-20.92%	(2)
17	State Unemployment Tax	67		67	(76.38)	-20.92%	(14)
18	ICC Gas Revenue Tax	195		195	72.72	19.92%	39
19	Invested Capital Tax	1,117		1,117	(30.13)	-8.25%	(92)
20	Gross Receipts/Municipal Utility Tax	3,926		3,926	(30.42)	-8.33%	(327)
21	Energy Assistance Charges	1,835		1,835	(27.53)	-7.54%	(138)
22	Corporation Franchise Tax	42		42	(191.53)	-52.47%	(22)
23	Illinois Gas Use and Gas Revenue Tax	4,896		4,896	(14.67)	-4.02%	(197)
24	Property/Real Estate Taxes	1,112		1,112	(392.70)	-107.59%	(1,197)
25	Interest Expense	5,595	108	5,703	(91.25)	-25.00%	(1,426)
26	Bank Facility Fees	433	8	441	97.65	26.75%	118
27	Federal Income Tax	6,117	120	6,237	(38.00)	-10.41%	(649)
28	State Income Tax	1,376	27	1,403	(38.00)	-10.41%	(146)
29	TOTAL EXPENSES	<u>\$ 250,318</u>		<u>\$ 249,409</u>			<u>(27,096)</u>
30	CASH WORKING CAPITAL REQUIREMENT						<u>\$ 4,246</u>
31	CASH WORKING CAPITAL REQUIREMENT PER REBUTTAL						<u>\$ 4,345</u>
32	DIFFERENCE - ADJUSTMENT TO CASH WORKING CAPITAL						<u>\$ (98)</u>

NOTES

[A] Calculation of Return on Equity at Proposed Rates

1	Rate Base	\$ 210,143
2	Weighted Cost of Common and Preferred Equity	5.511%
3	Return on Common and Preferred Equity	<u>\$ 11,581</u>

AmerenCIPS - Gas
Interest Synchronization Adjustment
For the Test Year Ending December 31, 2008
(In Thousands)

Line No.	Description (a)	Amount (b)
1	Rate Base	\$ 210,143 ⁽¹⁾
2		<u>-</u>
3	Rate Base	\$ 210,143
4	Weighted Cost of Debt	2.92% ⁽²⁾
5	Synchronized Interest Per Company Surrebuttal (Line 3 x Line 4)	\$ 6,145
6	Company Rebuttal Interest Expense	<u>6,028</u> ⁽³⁾
7	Increase (Decrease) in Interest Expense	<u>117</u>
8	Increase (Decrease) in State Income Tax Expense	
9	at 7.300%	<u>(9)</u>
10	Increase (Decrease) in Federal Income Tax Expense	
11	at 35.000%	<u>\$ (38)</u>

(1) Source: Company Exhibit 51.5, Schedule 2, Column D, line 21.

(2) Source: Company Exhibit 51.5, Schedule 5, Column E, lines 12, 13 & 14.

(3) Source: Company Exhibit 30.2, Schedule 3, Column B, Line 5.

AmerenCIPS - Gas
Gross Revenue Conversion Factor
 For the Test Year Ending December 31, 2008

Line No.	Description	Rate (Ex. 29.4 (CIP-G))	Per Company With Bad Debts	Per Company Without Bad Debts
	(a)	(b)	(c)	(d)
1	Revenues		1.00000	
2	Uncollectibles	1.2547%	<u>0.01255</u>	
3	State Taxable Income		0.98745	1.00000
4	State Income Tax	7.30%	<u>0.07208</u>	<u>0.07300</u>
5	Federal Taxable Income		0.91537	0.92700
6	Federal Income Tax	35.00%	<u>0.32038</u>	<u>0.32445</u>
7	Operating Income		<u>0.59499</u>	<u>0.60255</u>
8	Gross Revenue Conversion Factor Per Staff		<u>1.68070</u>	<u>1.65961</u>

AmerenCIPS - Gas
Overall Cost of Capital
For the Test Year Ending December 31, 2008
(In Thousands)

Line No.	Description	Amount	Percent of Total	Percent of Cost	Weighted Component	Effective Tax Rates	After-Tax Cost of Capital
	(a)	(b)	(c)	(d)	(e)	(f)	(g)
1	<u>PER COMPANY DIRECT</u>						
2	Short Term Debt	\$ 58,344	5.935%	0.180%	0.011%	39.7450%	0.0066%
3	Long Term Debt	397,044	40.389%	6.760%	2.730%	39.7450%	1.6450%
4			0.000%	0.000%	0.000%		0.0000%
5			0.000%	0.000%	0.000%		0.0000%
6	Preferred Stock	48,975	4.982%	5.129%	0.256%		0.2560%
7	Common Stock	478,677	<u>48.694%</u>	11.250%	<u>5.478%</u>		<u>5.4780%</u>
8	Total	<u>\$ 983,040</u>	<u>100.000%</u>		<u>8.475%</u>		<u>7.3856%</u>
9							
10							
11	<u>PER COMPANY SURREBUTTAL</u>						
12	Short Term Debt	\$ 58,099	5.907%	1.500%	0.089%	39.7450%	0.0536%
13	Long Term Debt	397,752	40.442%	6.491%	2.625%	39.7450%	1.5817%
14	Bank Facility Fees		0.000%	0.000%	0.210%		0.2100%
15			0.000%	0.000%	0.000%		0.0000%
16	Preferred Stock	48,975	4.980%	5.129%	0.255%		0.2550%
17	Common Stock	478,677	<u>48.671%</u>	10.800%	<u>5.256%</u>		<u>5.2560%</u>
18	Total	<u>983,502</u>	<u>100.000%</u>		<u>8.435%</u>		<u>7.3563%</u>
19							
20							
21	<u>EFFECTIVE TAX RATE</u>						
22	State Income Tax Rate		7.3000%				
23	Federal Income Tax Rate		35.0000%				
24							
25	[State Rate + ((1- State Rate) x Federal Rate)]		<u>39.7450%</u>				

26 Source for company capital structure per testimony of Michael O'Bryan.