

base to the extent that they exceed increased accumulated depreciation. This produces a net increase in plant in service of \$785,000, and reduces depreciation expense by \$34,000, and more accurately matches the costs and revenues that may be expected for the period during which the rates are in place.

2. Cash Working Capital Allowance

a. Ameren's Position

The Ameren Companies each proposed to include in rate base an allowance for cash working capital, the amount of funds required from investors to finance the day-to-day utility operations. Staff witness Ebrey opposed the reflection of any portion of the cash working capital requirement because she believes that certain assumptions made in the Companies' analyses are flawed and may materially overstate the Companies' requirement. Particularly, Ameren identifies the trouble as stemming from items when the actual delivery date is difficult to ascertain (e.g., fuel, where one invoice may reflect multiple deliveries) or items for which invoices are extremely voluminous (e.g., other operations and maintenance ("O&M") expense). For these items, the Companies assumed that deliveries were distributed evenly within a month, and further assumed that deliveries were made, on average, in the middle of each month.

Ameren witness Subbakrishna explained that, as with most regulated utilities in the country, there is usually a lag between the time a utility provides service to its customers and the time the utility receives payment for such services, as well as a lead time between the utility's purchase of products and services from its vendors and the utility's payment for such products and services. He explained that it is thus appropriate to consider both the working capital requirements associated with the lags as well as the offsetting working capital requirements associated with the lead times in the context of this proceeding.

Ameren explains that its witness determined the net level of funds dedicated to utility service by means of a lead-lag study. In such a study, the lead and lag are both measured in days. The dollar-weighted lead and lag days are then divided by 365 to determine a daily cash working capital factor ("CWC factor"). This CWC factor is then multiplied by the annual test year revenue and expense to determine the amount of cash working capital required for operations. The resulting amount of cash working capital is then included as part of the Company's rate base.

Mr. Subbakrishna analyzed lags related to revenue received from both base rates and the Purchased Gas Adjustment ("PGA") Clause. He also considered lead times associated with the following expense categories: pensions and benefits; purchased gas expenses; base payroll; withholding; fuel; other operations and maintenance expenses; general taxes; federal income taxes; state income taxes; and interest on long-term debt.

Ameren asserts that the average lead time for purchased gas was 27.52 days, including a mid-point based average of approximately 15 days of lead time. The

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service lead time assumes that deliveries are as likely to occur in the beginning of the month as they are at the end of the month. The Company engages in transactions with other vendors (not associated with pensions, benefits, payroll, fuel, or taxes) for a variety of purposes including facility maintenance, maintenance of system reliability, and customer service. Ameren asserts that the time between receipt of services and payment for operations and maintenance activities was 28.59 days.

The addition of the mid-point of a month (365/12/2, or 15.21 days) to the invoice processing time was intended to provide an estimate of the expense lead time. Use of a shorter processing lead time reduces expense leads and increases cash working capital requirements. Later, in response to criticism from Ms. Ebrey, Mr. Subbakrishna removed the additional 15.21 days of expense lead time, which increased the cash working capital requirements for CIPS by approximately \$556,000, and for UE by about \$51,000. The Ameren Companies state that they are willing to reverse that modification, and restore the 15.21 days if the Commission determines that the use of the monthly mid-point for invoice processing is appropriate.

Ameren views the flaws identified by Staff as unnecessary inclusion of a separate lag for PGA revenues; inconsistent application of the "mid-point" theory; inappropriate application of the "obligation date" theory; and lack of recognition of the service company involvement with cash flow. Also, the Companies note that AG witness Effron opposed the inclusion of a separate PGA lag.

(1) Separate Lag for PGA Revenues

While the PGA mechanism is designed to eventually allow the Company full recovery of its prudently incurred gas costs, there is both a true-up lag and a residual lag inherent in the process of full recovery. Such amounts are investor funded until fully recovered from customers. Ameren therefore asserts that the two-month lag should be applied to the 12-month total of these amounts. The residual lag is then combined, using dollar-weighting, with the PGA true-up lag to result in the weighted PGA revenue lag. The weighted PGA revenue lag is offset against the fuel expense lead time to result in the fuel expense net lag used in the calculation of the cash working capital requirements associated with fuel costs.

Staff and the AG both argue that each customer is billed each period for both the PGA and all other charges for gas service, and therefore no different lag should be considered for PGA revenue. Ameren counters that the issue is the timing of the collection of the base rate and PGA revenues. From the existence of the over/under-recovery mechanism in the PGA clause, the Commission anticipated variances between actual and recovered gas costs in a given month. When the Companies under-recover the gas costs collected via the PGA clause, the PGA revenues are not collected on the same schedule as the base rate revenues. The Companies assert that their PGA revenue lags reflect their actual test-year experiences regarding the timing of recoveries of the PGA revenue.

Ameren argues that, even though they receive only one payment for current month service from a customer, included in the payment are estimated PGA costs for the current month as well as true-up amounts from two months prior. Therefore, they conclude that it is appropriate to consider the cash working capital impact of the PGA separately from other operating revenues in order to fully appreciate the lag associated both with recovery of current month gas costs as well as with reconciliations and true-ups from two months prior.

Ameren views Staff and the AG as arguing that over-collections and under-collections will balance in the long run. Ameren asserts, however, that over-collections are not equally likely as under-collections, because the Companies use the PGA to normalize gas costs. While such an approach may delay recoveries of incurred fuel costs, it has a positive impact on customer satisfaction and uncollectible expenses. Mr. Subbakrishna noted that the Companies are generally in an under-recovery position.

Elimination of a separate PGA lag would reduce CIPS' cash working capital requirement by about \$3.1 million and UE's cash working capital requirement by about \$326,400. Ameren notes that, even if the Commission agrees with the Staff and the AG with regard to the separate PGA lag, it would not require the Commission to reject the cash working capital allowance in total.

(2) Mid-Point Theory

Mid-points are used for obligations which accrue ratably over a period of time. The Ameren Companies are not aware of any unresolved concern regarding mid-points, and, in any event, the Companies contend that there would not be any material impact on the results of their studies.

(3) Obligation Date Theory

Staff argued that the Companies did not develop obligation dates properly for fuel expenses and other operation and maintenance expenses. Ameren explains that an obligation has been incurred when a good or service has been provided. When the date on which the good or service was provided is known, it was used to determine the lead time associated with the good or service for purposes of the lead-lag study. If such date was not available, the invoice date was used to determine the lead time, with an additional adjustment of approximately 15 days in the case of fuel for service lead time. The Companies indicate that they are willing to extend this adjustment to apply to other O&M expenses.

With respect to fuel expenses, the largest single driver of the Companies' cash working capital requirement, Staff expresses concern that Mr. Subbakrishna had examined out of period invoices, had used invoices applicable to one company to determine expense leads for the other, and had included non-fuel invoices in his calculations. Mr. Subbakrishna claims that the Companies did not include out of period expenses in their determination of the level of cash working capital. He says invoice

amounts in the sample selected were used solely for the purpose of calculating a weighting factor to apply to the nominal lead time associated with natural gas deliveries to the Companies and, thus, derive a cash working capital factor. The actual fuel expense dollar amounts to which the cash working capital factors were applied for both Companies were test year amounts only. One of the criteria used in selecting the sample of fuel invoices was that the sample contain sufficient data points to be representative of the population. While the Companies included their largest suppliers in the sample, multiple years of data were included to generate a large set of data points for the analyses.

In response to Ms. Ebrey's testimony, Mr. Subbakrishna limited his analysis to the data points falling within the test year. As a result, the working capital requirements of CIPS increased by \$198,000, and those at UE decreased by about \$34,000. Ameren asserts that these are not material effects. Ameren further states that Mr. Subbakrishna did not revise his analysis to exclude invoices applicable to the other company because industry invoicing terms are fairly standard and there would be no material impact on the results.

With respect to other O&M expenses, Ameren understands Staff to argue that Mr. Subbakrishna did not identify specific obligation dates for each of several thousand invoices. He assumes initially that each Company was invoiced at the time the good or service was provided. Ameren asserts that many items falling within other O&M expenses are purchases where the time of receipt, invoicing, and payment are identical. The Companies are willing to assume, however, that goods are received, on average, one-half month before the invoice.

(4) Service Company Involvement With Cash Flow

Under the Amended General Services Agreement, Ameren Services Company pays the bills and other obligations for CIPS and UE. Staff contends that, as a result, the expense lead time associated with pensions and benefits expenses, other operations and maintenance expenses, interest expenses, real estate taxes, invested capital taxes, and the PUF Tax, should be the same for both Companies. Staff saw differing lead times for the two Companies for similar items as a fatal flaw casting doubt on the validity of the lead/lag study as a whole.

Ameren counters that the expense lead times are calculated on a dollar-weighted basis. The unweighted expense lead times associated with pensions and benefits are comparable for both CIPS and UE. The weighted lead times are different on account of the dollar-weighting of various elements all categorized within pensions and benefits, as well as differences in invoice processing time between the two companies. Also, the float times, included in the derivation of lead time on other operations and maintenance expenses, are different for the two Companies. Thus, the weighted expense lead time associated with other operations and maintenance expenses for UE is longer than that for CIPS.

b. Staff's Position

Staff notes that the Companies proposed cash working capital amounts of \$8,005,000 for CIPS and \$855,000 for UE. Staff's position is that zero cash working capital be approved for both Companies on the grounds that the proposed amounts are not adequately supported by the lead/lag studies performed. The Companies respond that some level of cash working capital, other than zero, is appropriate. Staff states that a zero CWC would neutralize the impact of CWC on rate base since Ameren failed to support the amount it requested.

Staff witness Ebrey proposed adjustments to entirely disallow the Companies' requested cash working capital ("CWC") requirements on the basis that the lead/lag studies offered as support include inappropriate data and unsupported assumptions, and therefore are significantly flawed. Staff asserts that the CWC for both CIPS and UE should be set to zero. Should the Commission decide to allow CIPS and UE some positive CWC requirements in rate base, Staff states that those amounts should be limited by the exclusion of a separate PGA revenue lag, fuel expense and other operations and maintenance expense. Staff does not support this piece-meal treatment, however, because it considers it tantamount to single-issue ratemaking.

(1) Disallowance of a Separate PGA Revenue Lag

Staff explains that the purpose of the PGA mechanism is to calculate the PGA rate charged each month to the ratepayers for the actual gas they consume. Staff avers that the Companies use the PGA mechanism clause as a form of rate stabilization; the PGA mechanism has no impact on gas costs to the Companies.

Staff asserts that a separate lag for PGA revenues is inappropriate for several reasons. First, there is no difference in the lead-time of the receipt of PGA revenues and base rate revenues. Cash associated with PGA revenue is collected from ratepayers at the same time as cash associated with base rate revenue. Staff notes that the Companies define the revenue lag as the time that passes between provision of service and payment for that service. Mr. Subbakrishna admitted under cross-examination that the bill for services to ratepayers includes both base rates and PGA charges, and that any ratepayer sends only a single check including payment of both base rate and PGA charges. This signifies to Staff that there is no difference between the time cash is collected for base rates and cash is collected for PGA rates for services rendered in any given time period. Thus, Staff believes no separate PGA revenue lag should be considered in the calculation of the revenue lead days.

Second, the PGA mechanism matches revenue recorded on the books of the Companies with expenses recorded by the Companies. It does not have any relationship to cash flows. Mr. Subbakrishna agrees that the recoveries considered in the PGA filings represent revenues recorded by the Companies. It is inappropriate to use PGA monthly filings for the analysis of a PGA revenue lag, Staff asserts, because the revenues recorded by the Companies and presented on the PGA filings are impacted by "unbilled" revenues, which are not equivalent to cash. Thus, Staff

contends using the information from PGA filings in an analysis of cash flows is without merit.

Third, Staff claims that the amounts used by the Companies to determine their PGA revenue lags are inappropriate because the PGA revenues are double-counted. The amounts used from the PGA monthly filings include "true-ups" in addition to the monthly PGA revenues in the calculations. According to Staff, the amounts included in any given month on Line 9 of Schedule II in the PGA monthly filing are also included incrementally in the following two months' totals on Line 9 of Schedule II.

(2) Disallowance of PGA Fuel Costs

Staff argues that, because the Companies' analyses of PGA fuel costs do not support the calculated lead times they present, no allowance for fuel expense should be included in the CWC requirement. Staff explains that its concerns address items that are outside the population of fuel invoices for CIPS, and therefore not representative of the population which was being analyzed. Furthermore, Staff asserts that some of its concerns raised were not addressed by Ameren. These include allegations that costs attributable to UE were included in calculating CIPS' fuel lead; interchange sales were included in CIPS' analysis; charges for gas services facilities at a power plant were included in both CIPS and UE analyses; several invoices included in the sample were not supported by invoices provided to Staff; and invoices included in the analyses represented more than the total jurisdictional test year costs.

In its Initial Brief, Staff recounts several items elicited from Mr. Subbakrishna to highlight its doubt as to the reliability of the analysis he performed. Since the CWC requirement for the fuel expense component represents 87% of the total requested for CIPS and 79% of the total requested for UE, Staff argues that the data used to develop the CWC factor for fuel expense warrant a more intense review than other expense areas on a materiality basis. Staff states that it has identified its concerns with Ameren's analysis of fuel expense throughout this case and contends that Ameren had ample opportunity to make corrections to its analysis. When questioned about his actual review of supporting documentation related to fuel costs, Staff points out that Mr. Subbakrishna testified that his review was based on an analysis of an accounts payable report, not an analysis of actual third party documentation such as invoices. Accordingly, Staff asserts that the results of the analyses are unreliable, and urges that no allowance for PGA fuel expense should be included in the CWC requirements approved in this proceeding.

(3) Disallowance of Fuel Expense and other Operations and Maintenance Expense

Staff advocates disallowing any working capital allowance for fuel expense and other operations and maintenance expense. According to Staff, the Companies define an expense lead as the time elapsed between receipt of, and payment for, a good or service. Staff alleges, however, that the Companies ignored their definition, and instead assigned a 15.21 day invoice processing lead-time for fuel expense and other

operations and maintenance expense. Staff asserts that this figure corresponds to an average half-month, or "365/12/2", but that this figure is otherwise unsupported by the record. Staff also rejects Ameren's claims that it was too difficult to ascertain delivery dates for gas or other operations and maintenance expenses and that the invoices were too voluminous. Additionally, Staff attacks as unsupported the Companies' assumption that deliveries were made evenly throughout the month. Staff points out that the Ameren witness admitted that his analysis was based on an accounts payable report, which apparently did not include receipt dates, and that no consideration was given to the actual delivery dates. Staff believes that his analysis was in conflict with his own definition of expense lead time.

Staff also remains concerned about the application of Mid-point theory to obligations which accrue over specified time intervals, as well as with Ameren Services' involvement with payments of expenses for both CIPS and UE. For the latter, to the extent that an industry standard is emerging, Staff does not see the need for separate lead/lag studies. Staff notes that, as to these concerns, it is assessing the consistency of the lead/lag studies with the Companies' definitions, but is not mandating identical results for both CIPS and UE.

c. AG's Position

According to the AG, the CWC amount proposed by CIPS and UE is inflated because it reflects large PGA under-collections during the test year. The AG argues that absent some bias in the PGA recovery, under-recovery and over-recovery of PGA revenue should cancel each other out. Since PGA under and over recoveries will cancel out over time, the AG claims that building a CWC amount into the expenses that CIPS and UE recover from ratepayers each year will result in ratepayers paying for an unnecessary expense. The AG recommends that the CWC expense be calculated using a PGA revenue lag time identical to the lag time used for base rate revenues. This reduces the CWC requirement for CIPS by \$4,534,000, and for UE by \$557,000.

The AG asserts that during the test year, the level of PGA under-collection for several months was disproportionately high as compared to other periods near the test year. The AG claims that this illustrates that the over- and under-recoveries tend to offset themselves over time. Accordingly, the AG recommends its lag times in order to more accurately reflect the long-term effects of PGA collections.

The AG understands Ameren to claim that its theory of offsetting over- and under-recoveries ignores the PGA revenue lags experienced by the companies during the test year. Mr. Subbakrishna's surrebuttal testimony indicates that the Companies generally under-recover PGA costs each month, and that this under-recovery results from their use of the PGA clause for rate stabilization. The AG, however, points out that Mr. Subbakrishna did not testify about using the PGA clause for rate stabilization in his direct or rebuttal testimony. The AG complains that Mr. Subbakrishna instead waited until his surrebuttal testimony, and failed to quantify the amount of the recovery bias attributed to rate stabilization.

Furthermore, though Mr. Subbakrishna claimed to be making a general statement about a broad under-recovery trend, the AG contends that he did not consider any information from outside of the test year in drawing his conclusion that the Companies are generally in an under-recovery position. The AG emphasizes that during the 12-month period from November 2001 through November 2002, which overlaps the test year by five months, UE over recovered in seven out of the 12 months, and that under and over recoveries nearly cancel out, with a net difference of only \$177,490.

The AG continues to assert that there is no bias toward under recover in the PGA. Consequently, the AG maintains that PGA over and under recoveries will cancel each other out over time and there is no need for a separate lag calculation for PGA recovery.

d. Commission Conclusion

The Commission is not convinced that zero is the appropriate CWC for the Companies, as advocated by Staff. Staff witness Ebrey testified that a zero CWC implies that cash inflows and outflows on a day-to-day basis were optimized such that no party had to supply CWC. In light of the discussion of the various leads and lags, the Commission doubts that matching of cash inflows and outflows is realistic for CIPS and UE. The Commission finds that the record supports Ameren's arguments that CIPS and UE each have a positive CWC.

The Commission agrees with the rationale set forth by Staff and the AG that recognition of a separate lag for PGA revenue is not appropriate. Also, the Commission concurs with Staff that certain irregularities in Ameren's approach to estimating PGA fuel costs are of concern. Accordingly, the Commission accepts the AG's recommended reductions to the Companies' proposed CWC because they better reflect the manner in which the PGA operates. The AG's recommendations, however, were calculated on a gross lag basis while CIPS and UE revised their CWC figures to reflect a net-lag approach. Thus, the Commission will use Ameren's net-lag calculations of the PGA revenue affect. The Commission also accepts Ameren's use of a half-month lead to approximate obligation dates when the date on which the good or service was obtained is not known. Furthermore, Ameren's assumption that the time of receipt, invoicing and payment are identical for other operations and maintenance expenses is not unreasonable.

3. Materials and Supplies

a. Ameren's Position

Ameren disagrees with Staff's recommendation that the Companies' proposed materials and supplies inventory be reduced by the calculated amount of accounts payable owed on the inventory.

AmerenCIPS
Adjustments to Operating Income
For the Test Year Ending June 30, 2002
(In Thousands)

Line No.	Description	Interest Synchronization (Per Order)	Uncollectibles Expense (St. Ex. 10.0 Sch. 10.3 CIPS)	Rate Case Expense (Per Order)	Wage Expense (St. Ex. 18.0 Sch. 18.9 CIPS)	Pension Expense (Per Order)	Incentive Compensation (St. Ex. 18.0 Sch. 18.11 CIPS)	Early Retirement (St. IB Appendix A Sch. 6)	Subtotal Operating Statement Adjustments
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)
1	Operating Revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2	Other Revenues	-	-	-	-	-	-	-	-
3	PGA Revenues	-	-	-	-	-	-	-	-
4		-	-	-	-	-	-	-	-
5	Total Operating Revenue	-	-	-	-	-	-	-	-
6	Uncollectible Accounts	-	(453)	-	-	-	-	-	(453)
7	Production	-	-	-	-	-	(88)	(2)	(90)
8	PGA Expenses	-	-	-	-	-	-	-	-
9	Gas Storage and Processing	-	-	-	(9)	-	(14)	(2)	(25)
10	Transmission	-	-	-	(4)	-	(25)	(2)	(31)
11	Distribution	-	-	-	(185)	-	(257)	(30)	(472)
12	Customer Accounts	-	-	-	(43)	-	(40)	(6)	(89)
13	Customer Service	-	-	-	-	-	(6)	-	(6)
14	Sales	-	-	-	-	-	(7)	-	(7)
15	Administrative and General	-	-	(41)	(13)	(1,549)	(97)	(6)	(1,706)
16	Depreciation and Amortization	-	-	-	-	-	-	-	-
17	Taxes Other Than Income	-	-	-	(19)	-	(41)	(4)	(64)
18		-	-	-	-	-	-	-	-
19	Total Operating Expense	-	(453)	(41)	(273)	(1,549)	(575)	(52)	(2,943)
20	Before Income Taxes	-	(453)	(41)	(273)	(1,549)	(575)	(52)	(2,943)
21	State Income Tax	(3)	33	3	20	113	42	4	212
22	Federal Income Tax	(15)	147	13	89	503	187	17	941
23	Deferred Invest. Tax Credits - Net	-	-	-	-	-	-	-	-
24	Total Operating Expenses	(18)	(273)	(25)	(164)	(933)	(346)	(31)	(1,790)
25	NET OPERATING INCOME	\$ 18	\$ 273	\$ 25	\$ 164	\$ 933	\$ 346	\$ 31	\$ 1,790

AmerenCIPS
Adjustments to Operating Income
For the Test Year Ending June 30, 2002
(In Thousands)

Line No.	Description	Subtotal Operating Statement Adjustments	Voluntary Retirement Program Costs (Per Order)		Advertising Expense (Per Order)				Subtotal Operating Statement Adjustments
	(A)	(J)	(K)	(L)	(M)	(N)	(O)	(P)	(Q)
1	Operating Revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2	Other Revenues	-	-	-	-	-	-	-	-
3	PGA Revenues	-	-	-	-	-	-	-	-
4		-	-	-	-	-	-	-	-
5	Total Operating Revenue	-	-	-	-	-	-	-	-
6	Uncollectible Accounts	(453)	-	-	-	-	-	-	(453)
7	Production	(90)	-	-	-	-	-	-	(90)
8	PGA Expenses	-	-	-	-	-	-	-	-
9	Gas Storage and Processing	(25)	-	-	-	-	-	-	(25)
10	Transmission	(31)	-	-	-	-	-	-	(31)
11	Distribution	(472)	-	-	-	-	-	-	(472)
12	Customer Accounts	(89)	-	-	-	-	-	-	(89)
13	Customer Service	(6)	-	-	(5)	-	-	-	(11)
14	Sales	(7)	-	-	-	-	-	-	(7)
15	Administrative and General	(1,706)	(460)	-	-	-	-	-	(2,166)
16	Depreciation and Amortization	-	-	-	-	-	-	-	-
17	Taxes Other Than Income	(64)	-	-	-	-	-	-	(64)
18		-	-	-	-	-	-	-	-
19	Total Operating Expense	-	-	-	-	-	-	-	-
20	Before Income Taxes	(2,943)	(460)	-	(5)	-	-	-	(3,408)
21	State Income Tax	212	34	-	-	-	-	-	246
22	Federal Income Tax	941	149	-	2	-	-	-	1,092
23	Deferred Invest. Tax Credits - Net	-	-	-	-	-	-	-	-
24	Total Operating Expenses	(1,790)	(277)	-	(3)	-	-	-	(2,070)
25	NET OPERATING INCOME	\$ 1,790	\$ 277	\$ -	\$ 3	\$ -	\$ -	\$ -	\$ 2,070

renCIPS
Operating Income
Ending June 30, 2002
(Thousands)

Line No.	Description	Subtotal	Income Tax	Belle Gent	Depreciation				Total
		Operating Statement Adjustments	Expense (St. Ex. 10.0 Sch. 10.8 CIPS)	Storage Field (St. Ex. 16.0 Sch. 16.2 CIPS)	Expense on Plant in Service (AG Ex. 1.0 Sch. C)	(V)	(W)	(X)	Operating Statement Adjustments
	(A)	(R)	(S)	(T)	(U)	(V)	(W)	(X)	(Y)
1	Operating Revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2	Other Revenues	-	-	-	-	-	-	-	-
3	PGA Revenues	-	-	-	-	-	-	-	-
4		-	-	-	-	-	-	-	-
5	Total Operating Revenue	-	-	-	-	-	-	-	-
6	Uncollectible Accounts	(453)	-	-	-	-	-	-	(453)
7	Production	(90)	-	-	-	-	-	-	(90)
8	PGA Expenses	-	-	-	-	-	-	-	-
9	Gas Storage and Processing	(25)	-	(4)	-	-	-	-	(29)
10	Transmission	(31)	-	-	-	-	-	-	(31)
11	Distribution	(472)	-	-	-	-	-	-	(472)
12	Customer Accounts	(89)	-	-	-	-	-	-	(89)
13	Customer Service	(11)	-	-	-	-	-	-	(11)
14	Sales	(7)	-	-	-	-	-	-	(7)
15	Administrative and General	(2,166)	-	-	-	-	-	-	(2,166)
16	Depreciation and Amortization	-	-	(5)	(112)	-	-	-	(117)
17	Taxes Other Than Income	(64)	-	-	-	-	-	-	(64)
18		-	-	-	-	-	-	-	-
19	Total Operating Expense	-	-	-	-	-	-	-	-
20	Before Income Taxes	(3,408)	-	(9)	(112)	-	-	-	(3,529)
21	State Income Tax	246	(119)	1	8	-	-	-	136
22	Federal Income Tax	1,092	(108)	3	36	-	-	-	1,023
23	Deferred Invest. Tax Credits - Net	-	-	-	-	-	-	-	-
24	Total Operating Expenses	(2,070)	(227)	(5)	(68)	-	-	-	(2,370)
25	NET OPERATING INCOME	\$ 2,070	\$ 227	\$ 5	\$ 68	\$ -	\$ -	\$ -	\$ 2,370

AmerenCIPS
Rate Base
For the Test Year Ending June 30, 2002
(In Thousands)

Line No.	Description	Company Rebuttal Pro Forma Rate Base (St. Ex. 18.0 Sch. 18.3 CIPS, p. 2)	Adjustments (Appendix A Sch. 4)	Rate Base Per Order (Col. B+C)
	(A)	(B)	(C)	(D)
1	Gross Plant in Service	\$ 299,201	\$ (2,531)	\$ 296,670
2	Accumulated Depreciation	(137,601)	297	(137,304)
3		-	-	-
4	Net Plant	<u>161,600</u>	<u>(2,234)</u>	<u>159,366</u>
5	Additions to Rate Base			
6	Materials & Supplies	1,063	-	1,063
7	Gas Stored Underground & Propane	26,979	(842)	26,137
8	Cash Working Capital	7,386	(3,093)	4,293
9	Deferred Info System Development	102	-	102
10		-	-	-
11		-	-	-
12		-	-	-
13		-	-	-
14		-	-	-
15		-	-	-
16	Deductions From Rate Base			
17	Customer Advances	(717)	-	(717)
18	Customer Deposits	(688)	-	(688)
19	Pre-1971 Investment Tax Credits	(2)	-	(2)
20	Accumulated Deferred Income Taxes	(21,144)	-	(21,144)
21		-	-	-
22		<u>-</u>	<u>-</u>	<u>-</u>
23	Rate Base	<u>\$ 174,579</u>	<u>\$ (6,169)</u>	<u>\$ 168,410</u>

AmerenCIPS
Adjustments to Rate Base
For the Test Year Ending June 30, 2002
(In Thousands)

Line No.	Description	Plant in Service (AG Ex. 1.0 Sch. B)	Cash Working Capital (Per Order)	Underground Storage (St. Ex. 17.0 Sch. 17.1)			Belle Gent Storage Field (St. Ex. 16.0 Sch. 16.2)	Richwood Storage Field (St. Ex. 16.0 Sch. 16.3)	Total Rate Base Adjustments
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)
1	Gross Plant in Service	\$ (2,404)	\$ -	\$ -	\$ -	\$ -	\$ (127)	\$ -	\$ (2,531)
2	Accumulated Depreciation	112	-	-	-	-	127	58	297
3		-	-	-	-	-	-	-	-
4	Net Plant	(2,292)	-	-	-	-	-	58	(2,234)
5	Additions to Rate Base								
6	Materials & Supplies	-	-	-	-	-	-	-	-
7	Gas Stored Underground & Propane	-	-	(842)	-	-	-	-	(842)
8	Cash Working Capital	-	(3,093)	-	-	-	-	-	(3,093)
9	Deferred Info System Development	-	-	-	-	-	-	-	-
10		-	-	-	-	-	-	-	-
11		-	-	-	-	-	-	-	-
12		-	-	-	-	-	-	-	-
13		-	-	-	-	-	-	-	-
14		-	-	-	-	-	-	-	-
15		-	-	-	-	-	-	-	-
16	Deductions From Rate Base								
17	Customer Advances	-	-	-	-	-	-	-	-
18	Customer Deposits	-	-	-	-	-	-	-	-
19	Pre-1971 Investment Tax Credits	-	-	-	-	-	-	-	-
20	Accumulated Deferred Income Taxes	-	-	-	-	-	-	-	-
21		-	-	-	-	-	-	-	-
22		-	-	-	-	-	-	-	-
23	Rate Base	\$ (2,292)	\$ (3,093)	\$ (842)	\$ -	\$ -	\$ -	\$ 58	\$ (6,169)

AmerenUE
Adjustments to Operating Income
For the Test Year Ending June 30, 2002
(In Thousands)

Line No.	Description	Interest Synchronization (Per Order)	Uncollectibles Expense (St. Ex. 10.0 Sch. 10.3 UE)	Rate Case Expense (Per Order)	Wage Expense (St. Ex. 18.0 Sch. 18.9 UE)	Pension Expense (Per Order)	Incentive Compensation (St. Ex. 18.0 Sch. 18.11 UE)	Early Retirement (St. IB Appendix B Sch. 6)	Subtotal Operating Statement Adjustments
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)
1	Operating Revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2	Other Revenues	-	-	-	-	-	-	-	-
3	PGA Revenues	-	-	-	-	-	-	-	-
4		-	-	-	-	-	-	-	-
5	Total Operating Revenue	-	-	-	-	-	-	-	-
6	Uncollectible Accounts	-	(297)	-	-	-	-	-	(297)
7	Production	-	-	-	-	-	(24)	(1)	(25)
8	PGA Expenses	-	-	-	-	-	-	-	-
9	Gas Storage and Processing	-	-	-	-	-	-	-	-
10	Transmission	-	-	-	-	-	(1)	-	(1)
11	Distribution	-	-	-	(26)	-	(26)	(3)	(55)
12	Customer Accounts	-	-	-	(6)	-	(6)	(1)	(13)
13	Customer Service	-	-	-	(2)	-	(2)	-	(4)
14	Sales	-	-	-	(1)	-	-	-	(1)
15	Administrative and General	-	-	(32)	(3)	(330)	(17)	(1)	(383)
16	Depreciation and Amortization	-	-	-	-	-	-	-	-
17	Taxes Other Than Income	-	-	-	(3)	-	(6)	-	(9)
18		-	-	-	-	-	-	-	-
19	Total Operating Expense	-	(297)	(32)	(41)	(330)	(82)	(6)	(788)
20	Before Income Taxes	-	(297)	(32)	(41)	(330)	(82)	(6)	(788)
21	State Income Tax	(1)	22	2	3	24	6	-	56
22	Federal Income Tax	(6)	96	10	13	107	27	2	249
23	ITCs	-	-	-	-	-	-	-	-
24	Total Operating Expense:	(7)	(179)	(20)	(25)	(199)	(49)	(4)	(483)
25	NET OPERATING INCOME	\$ 7	\$ 179	\$ 20	\$ 25	\$ 199	\$ 49	\$ 4	\$ 483

AmerenUE
Adjustments to Operating Income
For the Test Year Ending June 30, 2002
(In Thousands)

Line No.	Description	Subtotal	Voluntary		Advertising	Income Tax	Depreciation		Total
		Operating	Retirement		Expense	Expense	Expense on		Operating
		Statement	Program Costs		(Per	(St. Ex. 10.0	Plant in		Statement
	(A)	Adjustments	(Per	(L)	Order)	Sch. 10.8 UE)	Service	(P)	Adjustments
		(J)	Order)	(L)	(M)	(N)	(AG Ex. 1.0	(Q)	(Q)
			(K)	(L)	(M)	(N)	Sch. B-1)		
1	Operating Revenues	\$ -		\$ -	\$ -			\$ -	\$ -
2	Other Revenues	-	-	-	-	-	-	-	-
3	PGA Revenues	-	-	-	-	-	-	-	-
4		-	-	-	-	-	-	-	-
5	Total Operating Revenue	-	-	-	-	-	-	-	-
6	Uncollectible Accounts	(297)	-	-	-	-	-	-	(297)
7	Production	(25)	-	-	-	-	-	-	(25)
8	PGA Expenses	-	-	-	-	-	-	-	-
9	Gas Storage and Processing	-	-	-	-	-	-	-	-
10	Transmission	(1)	-	-	-	-	-	-	(1)
11	Distribution	(55)	-	-	-	-	-	-	(55)
12	Customer Accounts	(13)	-	-	-	-	-	-	(13)
13	Customer Service	(4)	-	-	(1)	-	-	-	(5)
14	Sales	(1)	-	-	-	-	-	-	(1)
15	Administrative and General	(383)	(49)	-	-	-	-	-	(432)
16	Depreciation and Amortization	-	-	-	-	-	(34)	-	(34)
17	Taxes Other Than Income	(9)	-	-	-	-	-	-	(9)
18		-	-	-	-	-	-	-	-
19	Total Operating Expense								
20	Before Income Taxes	(788)	(49)	-	(1)	-	(34)	-	(872)
21	State Income Tax	56	4	-	-	(113)	2	-	(51)
22	Federal Income Tax	249	16	-	-	(337)	11	-	(61)
23	ITCs	-	-	-	-	-	-	-	-
24	Total Operating Expense:	(483)	(29)	-	(1)	(450)	(21)	-	(984)
25	NET OPERATING INCOME	\$ 483	\$ 29	\$ -	\$ 1	\$ 450	\$ 21	\$ -	\$ 984

AmerenUE
Rate Base
For the Test Year Ending June 30, 2002
(In Thousands)

Line No.	Description	Company Rebuttal Pro Forma Rate Base (St. Ex. 18.0 Sch. 18.3 UE, p. 2)	Adjustments (Appendix B Sch. 4)	Rate Base Per Order (Col. B+C)
	(A)	(B)	(C)	(D)
1	Gross Plant in Service	\$ 32,088	\$ (1,420)	\$ 30,668
2	Accumulated Depreciation	(15,977)	(53)	(16,030)
3		-	-	-
4	Net Plant	16,111	(1,473)	14,638
5	Additions to Rate Base			
6	Materials & Supplies	36	-	36
7	Gas Stored Underground & Propane	1,703	(2)	1,701
8	Cash Working Capital	840	(326)	514
9	Deferred Info System Development	-	-	-
10		-	-	-
11		-	-	-
12		-	-	-
13		-	-	-
14		-	-	-
15		-	-	-
16	Deductions From Rate Base			
17	Customer Advances	(147)	-	(147)
18	Customer Deposits	(46)	-	(46)
19	Pre-1971 Investment Tax Credits	(13)	-	(13)
20	Accumulated Deferred Income Taxes	(1,734)	-	(1,734)
21		-	-	-
22		-	-	-
23	Rate Base	<u>\$ 16,750</u>	<u>\$ (1,801)</u>	<u>\$ 14,949</u>

AmerenUE
Adjustments to Rate Base
For the Test Year Ending June 30, 2002
(In Thousands)

Line No.	Description	Plant in Service (AG Ex. 1.0 Sch. B)	Cash Working Capital (Per Order)		Underground Storage (St. Ex. 11.0 Sch. 11.1 UE)	(Source)	(Source)	(Source)	Total Rate Base Adjustments
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)
1	Gross Plant in Service	\$ (1,420)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (1,420)
2	Accumulated Depreciation	(53)	-	-	-	-	-	-	(53)
3		-	-	-	-	-	-	-	-
4	Net Plant	(1,473)	-	-	-	-	-	-	(1,473)
5	Additions to Rate Base								
6	Materials & Supplies	-	-	-	-	-	-	-	-
7	Gas Stored Underground & Propane	-	-	-	(2)	-	-	-	(2)
8	Cash Working Capital	-	(326)	-	-	-	-	-	(326)
9	Deferred Info System Developmen	-	-	-	-	-	-	-	-
10		-	-	-	-	-	-	-	-
11		-	-	-	-	-	-	-	-
12		-	-	-	-	-	-	-	-
13		-	-	-	-	-	-	-	-
14		-	-	-	-	-	-	-	-
15		-	-	-	-	-	-	-	-
16	Deductions From Rate Base								
17	Customer Advances	-	-	-	-	-	-	-	-
18	Customer Deposits	-	-	-	-	-	-	-	-
19	Pre-1971 Investment Tax Credits	-	-	-	-	-	-	-	-
20	Accumulated Deferred Income Taxes	-	-	-	-	-	-	-	-
21		-	-	-	-	-	-	-	-
22		-	-	-	-	-	-	-	-
23	Rate Base	\$ (1,473)	\$ (326)	\$ -	\$ (2)	\$ -	\$ -	\$ -	\$ (1,801)