

Ameren Illinois Company-Gas Rate Case RZ III
Adjustment to Cash Working Capital
 For the Year Ending December 31, 2014
 (In Thousands)

<u>Line</u>	<u>Item</u> (a)	<u>Amount</u> (b)	<u>Source</u> (c)
1	Total Operating Revenues	\$ 181,445	ICC Staff IB, Appendix C, Schedule 1 RZ III
2	Uncollectible Accounts	(2,636)	ICC Staff IB, Appendix C, Schedule 1 RZ III
3	Depreciation & Amortization	(19,907)	ICC Staff IB, Appendix C, Schedule 1 RZ III
4	PGA	227,004	ICC Staff Ex. 11.0, Sch. 11.01, p. 1, Line 6
5	Deferred Taxes and ITCs Net	304	ICC Staff IB, Appendix C, Schedule 1 RZ III
6	Return on Equity	(25,445)	Line 10 below
7	Total Revenues for CWC Calculation	<u>\$ 360,765</u>	Sum of Lines 1 through 6
8	Total Rate Base	\$ 564,192	ICC Staff IB, Appendix C, Schedule 3 RZ III
9	Weighted Cost of Capital	4.510%	ICC Staff Ex. 14.0
10	Return on Equity	<u>\$ 25,445</u>	Line 8 times Line 9
11	Operating Expense Before Income Taxes	\$ 121,453	ICC Staff IB, Appendix C, Schedule 1 RZ III
12	Employee Benefits Expense	(11,657)	Ameren Ex. 17.3, Schedule 2, p. 3
13	Payroll Expense	(37,704)	Ameren Ex. 17.3, Schedule 2, p. 3
14	Uncollectible Accounts	(2,636)	ICC Staff IB, Appendix C, Schedule 1 RZ III
15	Depreciation & Amortization	(19,907)	ICC Staff IB, Appendix C, Schedule 1 RZ III
16	Taxes Other Than Income	(7,964)	ICC Staff IB, Appendix C, Schedule 10 RZ III, p. 1, lines 8 - 11, 13,
17	Other Operations & Maintenance for CWC Calculation	<u>\$ 41,585</u>	Sum of Lines 10 through 16

Ameren Illinois Company Gas Rate Zone III
Statement of Operating Income with Adjustments
 For the Test Year Ending December 31, 2014
 (In Thousands)

Line No.	Description	Company Rebuttal Present (AIC Ex. 17.3 Sch. 1)	Staff Adjustments (Staff Ex. 10.0 (Rev), (Schedule 2 Page 2))	Staff Pro Forma Present (Cols. b+c)	Company Proposed Increase (AIC Ex. 17.3 Sch. 1)	Staff Gross Revenue Conversion Factor	Proposed Rates With Staff Adjustments (Cols. d+e+f)	Adjustment To Proposed Increase	Staff Proposed (Cols. g+h)	Hillsboro Used & Useful Allowance	Staff Pro Forma Proposed w Hillsboro Allowance (Cols. i+j)
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)
1	Gas Operating Revenues	\$ 170,204	\$ -	\$ 170,204	\$ 20,021	\$ 1	\$ 190,226	\$ (11,174)	\$ 179,052	\$ 46	\$ 179,098
2	Other Revenues	2,157	190	2,347	-	-	2,347	-	2,347	-	2,347
3	Total Operating Revenue	172,361	190	172,551	20,021	\$ 1	192,573	(11,174)	181,399	46	181,445
4	Uncollectible Accounts	2,549	4	2,553	188	-	2,741	(105)	2,636	-	2,636
5	Cost of Gas	-	-	-	-	-	-	-	-	-	-
6	Production Expenses	833	-	833	-	-	833	-	833	-	833
7	Storage, Term., and Proc. Expenses	6,223	-	6,223	-	-	6,223	-	6,223	-	6,223
8	Transmission Expenses	3,360	-	3,360	-	-	3,360	-	3,360	-	3,360
9	Distribution Expenses	39,633	190	39,823	-	-	39,823	-	39,823	-	39,823
10	Cust. Accounts, Service and Sales	15,084	-	15,084	-	-	15,084	-	15,084	-	15,084
11	Administrative and General Expenses	28,281	(2,825)	25,456	-	-	25,456	-	25,456	-	25,456
12	Depreciation and Amortization	19,744	163	19,907	-	-	19,907	-	19,907	-	19,907
13	Taxes Other than Income	8,141	(10)	8,131	-	-	8,131	-	8,131	-	8,131
14		-	-	-	-	-	-	-	-	-	-
15	Total Operating Expense										
16	Before Income Taxes	123,848	(2,478)	121,370	188	-	121,558	(105)	121,453	-	121,453
17	State Income Tax	2,965	258	3,223	1,884	-	5,107	(1,052)	4,055	4	4,059
18	Federal Income Tax	9,885	861	10,746	6,282	-	17,028	(3,506)	13,522	15	13,537
19	Deferred Taxes and ITCs Net	(304)	-	(304)	-	-	(304)	-	(304)	-	(304)
20	Total Operating Expenses	136,394	(1,359)	135,035	8,354	-	143,389	(4,663)	138,726	19	138,745
21	NET OPERATING INCOME	\$ 35,967	\$ 1,549	\$ 37,516	\$ 11,667	\$ 1	\$ 49,184	\$ (6,511)	\$ 42,673	\$ 27	\$ 42,700
22	Staff Rate Base (ICC Staff Initial Brief, Appendix C, Schedule 3 RZ III, Column (d))								\$ 564,192		
23	Staff Overall Rate of Return (ICC Staff Exhibit 14.0, Schedule 14.01)								7.56%		
24	Non-Used and Useful Investment (Ameren Ex. 2.3 RZ)										870
25	Rate of Return Excluding Common Equity Return										3.12%
26	Revenue Change from Co. Rebuttal Present (with and without Hillsboro Used & Useful) (Cols. (i) and (k), Line 3 minus Col. (d), Line 3)								\$ 9,038		\$ 9,084
27	Percentage Revenue Change (Cols. (i) and (h), Line 26 divided by Col. (c), Line 3)								5.24%		5.27%

Ameren Illinois Company Gas Rate Zone III
Adjustments to Operating Income
 For the Test Year Ending December 31, 2014
 (In Thousands)

Line No.	Description	Interest Synchronization (Staff Ex. 10.0 (Rev), Schedule 10.06 (Rev.))	Charitable Contributions (Staff Ex. 10.0 (Rev), Schedule 10.09 (Rev.))	Uncollectible Expense (Staff Ex. 11.0, (Rev.), Sch. 11.02)	Non-Union Wage Increase (AIC Cross Exhibit 5)	Outside Professional Services (AIC Cross Exhibit 7)	Employee Benefits (Staff Ex. 11.0, (Rev.), Sch. 11.05)	Rate Case Expense (Staff Ex. 12.0, Sch. 12.01)	Subtotal Operating Statement Adjustments
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
1	Gas Operating Revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2	Other Revenues	-	-	-	-	-	-	-	-
3	Total Operating Revenue	-	-	-	-	-	-	-	-
4	Uncollectible Accounts	-	-	2	-	-	-	-	2
5	Cost of Gas	-	-	-	-	-	-	-	-
6	Production Expenses	-	-	-	-	-	-	-	-
7	Storage, Term., and Proc. Expenses	-	-	-	-	-	-	-	-
8	Transmission Expenses	-	-	-	-	-	-	-	-
9	Distribution Expenses	-	-	-	-	-	-	-	-
10	Cust. Accounts, Service and Sales	-	-	-	-	-	-	-	-
11	Administrative and General Expenses	-	(102)	-	(92)	(55)	(1,981)	(34)	(2,264)
12	Depreciation and Amortization	-	-	-	(1)	-	-	-	(1)
13	Taxes Other than Income	-	-	-	(10)	-	-	-	(10)
14		-	-	-	-	-	-	-	-
15	Total Operating Expense	-	(102)	2	(103)	(55)	(1,981)	(34)	(2,273)
16	Before Income Taxes	-	(102)	2	(103)	(55)	(1,981)	(34)	(2,273)
17	State Income Tax	5	10	-	10	5	188	3	221
18	Federal Income Tax	16	32	(1)	33	17	627	11	735
19	Deferred Taxes and ITCs Net	-	-	-	-	-	-	-	-
20	Total Operating Expenses	21	(60)	1	(60)	(33)	(1,166)	(20)	(1,317)
21	NET OPERATING INCOME	\$ (21)	\$ 60	\$ (1)	\$ 60	\$ 33	\$ 1,166	\$ 20	\$ 1,317

Ameren Illinois Company Gas Rate Zone III
Adjustments to Operating Income
 For the Test Year Ending December 31, 2014
 (In Thousands)

Line No.	Description	Subtotal Adjustments (Schedule 2, Page 1)	Rental Revenues (Staff Ex. 13.0, Sch. 13.01)	Advertising Expense (Staff Ex. 13.0, Sch. 13.02), & AIC Ex. 31.7)	Industry Dues (Staff Ex. 13.0, Sch. 13.04)	Credit Card Expense (Staff Ex. 13.0, Sch. 13.06)	Corrosion Control Expense (AIC Cross Exhibit 2)	SVT Program (Ameren Ex. 31.4 Schedule 1)	Total Operating Statement Adjustments
	(a)	(j)	(k)	(l)	(m)	(n)	(o)	(p)	(q)
1	Gas Operating Revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2	Other Revenues	-	190	-	-	-	-	-	190
3	Total Operating Revenue	-	190	-	-	-	-	-	190
4	Uncollectible Accounts	2	2	-	-	-	-	-	4
5	Cost of Gas	-	-	-	-	-	-	-	-
6	Production Expenses	-	-	-	-	-	-	-	-
7	Storage, Term., and Proc. Expenses	-	-	-	-	-	-	-	-
8	Transmission Expenses	-	-	-	-	-	-	-	-
9	Distribution Expenses	-	-	-	-	-	-	190	190
10	Cust. Accounts, Service and Sales	-	-	-	-	-	-	-	-
11	Administrative and General Expenses	(2,264)	-	(403)	-	(6)	(152)	-	(2,825)
12	Depreciation and Amortization	(1)	-	-	-	-	-	164	163
13	Taxes Other than Income	(10)	-	-	-	-	-	-	(10)
14		-	-	-	-	-	-	-	-
15	Total Operating Expense								
16	Before Income Taxes	(2,273)	2	(403)	-	(6)	(152)	354	(2,478)
17	State Income Tax	221	18	38	-	1	14	(34)	258
18	Federal Income Tax	735	60	128	-	2	48	(112)	861
19	Deferred Taxes and ITCs Net	-	-	-	-	-	-	-	-
20	Total Operating Expenses	(1,317)	80	(237)	-	(3)	(90)	208	(1,359)
21	NET OPERATING INCOME	\$ 1,317	\$ 110	\$ 237	\$ -	\$ 3	\$ 90	\$ (208)	\$ 1,549

Ameren Illinois Company Gas Rate Zone III
 Rate Base
 For the Test Year Ending December 31, 2014
 (In Thousands)

Line No.	Description	Company Rebuttal Rate Base (AIC Ex. 17.3 Sch. 2)	Staff Adjustments (Schedule 4, Page 1)	Staff Pro Forma Rate Base (Col. b+c)
	(a)	(b)	(c)	(d)
1	Gross Plant in Service	\$ 1,181,113	\$ 1,371	\$ 1,182,484
2	Accumulated Depreciation and Amortization	(552,956)	(163)	(553,119)
3		-	-	-
4	Net Plant	628,157	1,208	629,365
5	Additions to Rate Base			
6	Cash Working Capital	9,918	(2,084)	7,834
7	Materials & Supplies Inventory	41,085	-	41,085
8		-	-	-
9		-	-	-
10		-	-	-
11		-	-	-
12		-	-	-
13		-	-	-
14		-	-	-
15		-	-	-
16	Deductions From Rate Base			
17	Accumulated Deferred Income Taxes	(102,748)	(877)	(103,625)
18	Customer Advances for Construction	(5,572)	-	(5,572)
19	Customer Deposits	(4,750)	-	(4,750)
20	Budget Payment Plan Balances	(145)	-	(145)
21		-	-	-
22		-	-	-
23	Rate Base	\$ 565,945	\$ (1,753)	\$ 564,192

Ameren Illinois Company Gas Rate Zone III
Adjustments to Rate Base
 For the Test Year Ending December 31, 2014
 (In Thousands)

Line No.	Description	Cash Working Capital	ADIT Metro East Asset Transfer	Non-Union Wage Increase	Employee Benefits	SVT Program	(Source)	(Source)	Total Rate Base Adjustments
		(Staff Initial Brief Schedule 10)	(Staff Ex. 10.0 (Rev), Schedule 10.09 (Rev.))	(AIC Cross Exhibit 5)	(Staff Ex. 11.0, (Rev.), Sch. 11.05)	(Ameren Ex. 31.4, Schedule 1)	(g)	(h)	(i)
	(a)	(b)	(c)	(d)	(g)	(e)	(g)	(h)	(i)
1	Gross Plant in Service	\$ -	\$ -	\$ (44)	\$ (221)	\$ 1,636	\$ -	\$ -	\$ 1,371
2	Accumulated Depreciation and Amortization	-	-	1	-	(164)	-	-	(163)
3	-	-	-	-	-	-	-	-	-
4	Net Plant	-	-	(43)	(221)	1,472	-	-	1,208
5	Additions to Rate Base	-	-	-	-	-	-	-	-
6	Cash Working Capital	(2,084)	-	-	-	-	-	-	(2,084)
7	Materials & Supplies Inventory	-	-	-	-	-	-	-	-
8	-	-	-	-	-	-	-	-	-
9	-	-	-	-	-	-	-	-	-
10	-	-	-	-	-	-	-	-	-
11	-	-	-	-	-	-	-	-	-
12	-	-	-	-	-	-	-	-	-
13	-	-	-	-	-	-	-	-	-
14	-	-	-	-	-	-	-	-	-
15	-	-	-	-	-	-	-	-	-
16	Deductions From Rate Base	-	-	-	-	-	-	-	-
17	Accumulated Deferred Income Taxes	-	(718)	(1)	-	(158)	-	-	(877)
18	Customer Advances for Construction	-	-	-	-	-	-	-	-
19	Customer Deposits	-	-	-	-	-	-	-	-
20	Budget Payment Plan Balances	-	-	-	-	-	-	-	-
21	-	-	-	-	-	-	-	-	-
22	-	-	-	-	-	-	-	-	-
23	Rate Base	\$ (2,084)	\$ (718)	\$ (44)	\$ (221)	\$ 1,314	\$ -	\$ -	\$ (1,753)

Ameren Illinois Company Gas Rate Zone III
Revenue Effect of Adjustments
 For the Test Year Ending December 31, 2014
 (In Thousands)

Line No.	Description (a)	Per Company (b)	Staff Adjustments (c)	Per Staff (d)
1	Present Revenues	\$ 172,361 ⁽¹⁾	\$ 190	\$ 172,551 ⁽²⁾
2	Proposed Increase	<u>20,021 ⁽³⁾</u>	<u>(11,127) ⁽⁴⁾</u>	<u>8,894 ⁽⁵⁾</u>
3	Proposed Revenues	<u>\$ 192,382</u>	<u>\$ (10,937)</u>	<u>\$ 181,445</u>
4	% Increase	11.62%		5.15%
5	Staff Adjustments:			
6	Rate of Return (Applied to Company Rate Base)		(8,286)	
7	Employee Benefits		(2,025)	
8	Advertising Expense		(407)	
9	Non-Union Wage Increase		(108)	
10	Charitable Contributions		(103)	
11	ADIT on Metro East Transfer		(78)	
12	Credit Card Expense		(5)	
13	Rounding		-	
14	Corrosion Control		(154)	
15	SVT Program		499	
16	Cash Working Capital		(226)	
17	Rate Case Expense		(34)	
18			-	
19			-	
20	Industry Dues		-	
21	Outside Professional Services		(57)	
22	Rental Revenues		-	
23	Gross Revenue Conversion Factor		1	
24	Uncollectible Expense		2	
25	Used and Useful		46	
26	Interest Synchronization		<u>(2)</u>	
27	Total Revenue Effect of Staff Adjustments		<u>\$ (10,937)</u>	

Sources:

- (1) ICC Staff Initial Brief, Appendix C, Schedule 1 RZ III, column (b), line 3
- (2) ICC Staff Initial Brief, Appendix C, Schedule 1 RZ III, column (d), line 3
- (3) ICC Staff Initial Brief, Appendix C, Schedule 1 RZ III, column (e), line 3
- (4) ICC Staff Initial Brief, Appendix C, Schedule 1 RZ III, columns (f) + (h), line 3
- (5) ICC Staff Initial Brief, Appendix C, Schedule 1 RZ III, column (i), line 24

Ameren Illinois Company Gas Rate Zone III
Interest Synchronization Adjustment
 For the Test Year Ending December 31, 2014
 (In Thousands)

Line No.	Description (a)	Amount (b)
1	Rate Base	\$ 564,192 (1)
2	Hillsboro Used and Useful Allowance	<u>870 (2)</u>
3	Rate Base Including Hillsboro Storage Field	565,062
4	Weighted Cost of Debt	3.05% (3)
5	Synchronized Interest Per Staff	17,254
6	Company Interest Expense	<u>17,306 (4)</u>
7	Increase (Decrease) in Interest Expense	<u>(52)</u>
8	Increase (Decrease) in State Income Tax Expense	
9	at 9.500%	<u>\$ 5</u>
10	Increase (Decrease) in Federal Income Tax Expense	
11	at 35.000%	<u>\$ 16</u>

(1) Source: ICC Staff Initial Brief, Appendix C, Schedule 4 RZIII, Column (d)

(2) Source: AIC Exhibit 15.3, Schedule 1

(3) Source: ICC Staff Exhibit 14.0, Schedule 14.01

(4) Source: AIC Exhibit 2.1, Schedule 3, col. (b), line 6

Ameren Illinois Company Gas Rate Zone III
 Gross Revenue Conversion Factor
 For the Test Year Ending December 31, 2014
 (In Thousands)

Line No.	Description	Rate	Per Staff With Bad Debts	Per Staff Without Bad Debts
	(a)	(b)	(c)	(d)
1	Revenues		1.000000	
2	Uncollectibles	0.9400%	<u>0.009400</u>	
3	State Taxable Income		0.990600	1.000000
4	State Income Tax	9.5000%	<u>0.094107</u>	<u>0.095000</u>
5	Federal Taxable Income		0.896493	0.905000
6	Federal Income Tax	35.0000%	<u>0.313773</u>	<u>0.316750</u>
7	Operating Income		<u>0.582720</u>	<u>0.588250</u>
8	Gross Revenue Conversion Factor Per Staff		<u>1.716090</u>	<u>1.699958</u>

Ameren Illinois Company Gas Rate Zone III
Charitable Contributions
For the Test Year Ending December 31, 2014
(In Thousands)

<u>Line No.</u>	<u>Description</u> (a)	<u>Amount</u> (b)	<u>Source</u> (c)
1	Charitable Contributions Per Staff	\$ 160	P. 2, Line 13
2	Charitable Contributions Per Company	<u>263</u>	AIC Sch. C-7 RZ III
3	Difference-Staff Adjustment	<u>\$ (102)</u>	Line 1 - Line 2

Ameren Illinois Company Gas Rate Zone III
Charitable Contributions
 For the Test Year Ending December 31, 2014

<u>Line No.</u>	<u>Description</u> (a)	<u>Amount</u> (b)	<u>Source</u> (c)
1	2010 Actual Charitable Contributions	\$ 785,322	AIC response to MHE 2.05
2	2011 Actual Charitable Contributions	574,902	AIC response to MHE 2.05
3	2012 Actual Charitable Contributions	<u>918,517</u>	AIC response to MHE 2.05
4	3 Year Total Actual Contributions	\$2,278,741	Sum of Lines 1 thru 3
5	2011 Out of Service Territory Contribution	3,484	AIC Response to MHE 2.01/10.06
6	3 Year Adjusted Total Actual Contributions	\$2,275,257	Line 4 - Line 5
7	Charitable Contributions with 2% Inflation factor-2013	2,320,762	Line 6 * 1.02
8	Charitable Contributions with 2% Inflation factor-2014	2,367,177	Line 7 * 1.02
9	3 Year Average Total Actual Contributions	\$ 789,059	Line 8 / 3
10	Allocation to Gas	40.16%	AIC Sch. C-7, Column (F), Line 42
11	3 Year Average Contributions Allocated To Gas	\$ 316,886	Line 9 * Line 10
12	IP Allocation Factor	50.63%	AIC WPC - 7RZ, Column (G), Line 1
13	Staff 2014 IP Charitable Contributions	<u>\$ 160,436</u>	Line 11 * Line 12

Notes

Line 5: Contribution to the Greater Missouri Leadership Foundation AMC donation allocated to AIC

Ameren Illinois Company-Gas Rate Case RZ III
ADIT- Metro East Transfer
For the Test Year Ending December 31, 2014
(In Thousands)

<u>Line No.</u>	<u>Description</u> (a)	<u>Amount</u> (b)	<u>Source</u> (c)
1	Average Balance ADIT-Metro East Transfer Per Staff	\$ -	
2	Average Balance ADIT-Metro East Transfer Per Company	<u>718</u>	AIC Sch. B-9 RZ III, Col. (D), line 6
3	Difference-Staff Adjustment	<u>\$ (718)</u>	Line 1 - Line 2