

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

Line No.	Description	Company Rebuttal Present (AIC Ex. 17.2 Sch. 1)	Staff Adjustments (Schedule 2, Page 2)	Staff Pro Forma Present (Cols. b+c)	Company Proposed Increase (AIC Ex. 17.2 Sch. 1)	Staff Gross Revenue Conversion Factor	Proposed Rates With Staff Adjustments (Cols. d+e+f)	Adjustment To Proposed Increase	Staff Pro Forma Proposed (Cols. g+h)	Hillsboro Used & Useful Allowance	Staff Rebuttal Proposed w Hillsboro Allowance (Cols. i+j)
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)
1	Gas Operating Revenues	\$ 75,594	\$ -	\$ 75,594	\$ 18,232	\$ -	\$ 93,826	\$ (5,486)	\$ 88,340	\$ 26	\$ 88,366
2	Other Revenues	958	85	1,043	-	-	1,043	-	1,043	-	1,043
3	Total Operating Revenue	76,552	85	76,637	18,232	\$ -	94,869	(5,486)	89,383	26	89,409
4	Uncollectible Accounts	826	2	828	197	-	1,025	(59)	966	-	966
5	Cost of Gas	-	-	-	-	-	-	-	-	-	-
6	Production Expenses	700	-	700	-	-	700	-	700	-	700
7	Storage, Term., and Proc. Expenses	3,497	-	3,497	-	-	3,497	-	3,497	-	3,497
8	Transmission Expenses	1,014	-	1,014	-	-	1,014	-	1,014	-	1,014
9	Distribution Expenses	20,367	97	20,464	-	-	20,464	-	20,464	-	20,464
10	Cust. Accounts, Service and Sales	7,685	-	7,685	-	-	7,685	-	7,685	-	7,685
11	Administrative and General Expenses	14,473	(1,452)	13,021	-	-	13,021	-	13,021	-	13,021
12	Depreciation and Amortization	11,452	84	11,536	-	-	11,536	-	11,536	-	11,536
13	Taxes Other than Income	4,321	(5)	4,316	-	-	4,316	-	4,316	-	4,316
14		-	-	-	-	-	-	-	-	-	-
15	Total Operating Expense										
16	Before Income Taxes	64,335	(1,274)	63,061	197	-	63,258	(59)	63,199	-	63,199
17	State Income Tax	444	132	576	1,713	-	2,289	(516)	1,773	2	1,775
18	Federal Income Tax	1,481	442	1,923	5,713	-	7,636	(1,719)	5,917	8	5,925
19	Deferred Taxes and ITCs Net	(79)	-	(79)	-	-	(79)	-	(79)	-	(79)
20	Total Operating Expenses	66,181	(700)	65,481	7,623	-	73,104	(2,294)	70,810	-	70,820
21	NET OPERATING INCOME	\$ 10,371	\$ 785	\$ 11,156	\$ 10,609	\$ -	\$ 21,765	\$ (3,192)	\$ 18,573	\$ 15	\$ 18,588
22	Staff Rate Base (ICC Staff Initial Brief, Appendix B, Schedule 3 RZ II, Column (d))								\$ 245,553		
23	Staff Overall Rate of Return (ICC Staff Exhibit 14.0, Schedule 14.01)								7.56%		
24	Non-Used and Useful Investment (Ameren Ex. 2.2, Sch 1)										489
25	Rate of Return Excluding Common Equity Return (ICC Staff Ex. 14.0, Sch. 14.01)										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)								\$ 12,831		\$ 12,857
27	Percentage Revenue Change (Cols. (i) and (h), Line 26 divided by Col. (d), Line 3)								16.76%		16.80%

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

Line No.	Description	Interest Synchronization	Charitable Contributions	Uncollectible Expense	Non-Union Wage Increase	Outside Professional Services	Employee Benefits	Rate Case Expense	Subtotal Operating Statement Adjustments
		(Staff Ex. 10.0 (Rev.) Sch. 10.06 (Rev.))	(Staff Ex. 10.0 (Rev.) Sch. 10.08 (Rev.))	(Staff Ex. 11.0 (Rev.), Sch. 11.02)	(AIC Cross Exhibit 5)	(AIC Cross Exhibit 7)	(Staff Ex. 11.0 (Rev.), Sch. 11.05)	(Staff Ex. 12.0 (Rev.) Sch. 12.01)	(i)
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
1	Gas Operating Revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2	Other Revenues	-	-	-	-	-	-	-	-
3	Total Operating Revenue	-	-	-	-	-	-	-	-
4	Uncollectible Accounts	-	-	1	-	-	-	-	1
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	-	(52)	-	(48)	(28)	(1,006)	(34)	(1,168)
12	Depreciation and Amortization	-	-	-	-	-	-	-	-
13	Taxes Other than Income	-	-	-	(5)	-	-	-	(5)
14		-	-	-	-	-	-	-	-
15	Total Operating Expense	-	(52)	1	(53)	(28)	(1,006)	(34)	(1,172)
16	Before Income Taxes	-	(52)	1	(53)	(28)	(1,006)	(34)	(1,172)
17	State Income Tax	3	5	-	5	3	96	3	115
18	Federal Income Tax	10	16	-	17	9	319	11	382
19	Deferred Taxes and ITCs Net	-	-	-	-	-	-	-	-
20	Total Operating Expenses	13	(31)	1	(31)	(16)	(591)	(20)	(675)
21	NET OPERATING INCOME	\$ (13)	\$ 31	\$ (1)	\$ 31	\$ 16	\$ 591	\$ 20	\$ 675

**Ameren Illinois Company Gas Rate Zone II**  
**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)	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 7)	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	-	85	-	-	-	-	-	85
3	Total Operating Revenue	-	85	-	-	-	-	-	85
4	Uncollectible Accounts	1	1	-	-	-	-	-	2
5	Cost of Gas	-	-	-	-	-	-	-	-
6	Production Expenses	-	-	-	-	-	-	-	-
7	Storage, Term., and Proc. Expenses	-	-	-	-	-	-	-	-
8	Transmission Expenses	-	-	-	-	-	-	-	-
9	Distribution Expenses	-	-	-	-	-	-	97	97
10	Cust. Accounts, Service and Sales	-	-	-	-	-	-	-	-
11	Administrative and General Expenses	(1,168)	-	(204)	-	(3)	(77)	-	(1,452)
12	Depreciation and Amortization	-	-	-	-	-	-	84	84
13	Taxes Other than Income	(5)	-	-	-	-	-	-	(5)
14		-	-	-	-	-	-	-	-
15	Total Operating Expense								
16	Before Income Taxes	(1,172)	1	(204)	-	(3)	(77)	181	(1,274)
17	State Income Tax	115	8	19	-	-	7	(17)	132
18	Federal Income Tax	382	27	65	-	1	24	(57)	442
19	Deferred Taxes and ITCs Net	-	-	-	-	-	-	-	-
20	Total Operating Expenses	(675)	36	(120)	-	(2)	(46)	107	(700)
21	NET OPERATING INCOME	\$ 675	\$ 49	\$ 120	\$ -	\$ 2	\$ 46	\$ (107)	\$ 785

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

Line No.	Description	Company Rebuttal Rate Base (AIC Ex. 17.12 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	\$ 667,133	\$ 685	\$ 667,818
2	Accumulated Depreciation and Amortization	(388,403)	(84)	(388,487)
3		-	-	-
4	Net Plant	278,730	601	279,331
5	Additions to Rate Base			
6	Cash Working Capital	4,554	(913)	3,641
7	Materials & Supplies Inventory	25,262	-	25,262
8		-	-	-
9		-	-	-
10		-	-	-
11		-	-	-
12		-	-	-
13		-	-	-
14		-	-	-
15		-	-	-
16	Deductions From Rate Base			
17	Accumulated Deferred Income Taxes	(55,708)	(476)	(56,184)
18	Customer Advances for Construction	(3,021)	-	(3,021)
19	Customer Deposits	(3,365)	-	(3,365)
20	Budget Payment Plan Balances	(111)	-	(111)
21		-	-	-
22		-	-	-
23	Rate Base	<u>\$ 246,341</u>	<u>\$ (788)</u>	<u>\$ 245,553</u>

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

Line No.	Description	Cash Working Capital (Staff Initial Brief Schedule 10)	ADIT	Non-Union Wage Increase (AIC Cross Exhibit 5)	Employee Benefits	SVT Program (Ameren Ex. 31.4, Schedule 1)	(Source)	(Source)	Total Rate Base Adjustments
			Metro East Asset Transfer (Staff Ex. 10.0 (Rev.) Sch. 10.09 (Rev.))		(Staff Ex. 11.0, (Rev.) Sch. 11.03)				
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
1	Gross Plant in Service	\$ -	\$ -	\$ (21)	\$ (131)	\$ 837	\$ -	\$ -	\$ 685
2	Accumulated Depreciation and Amortization	-	-	-	-	(84)	-	-	(84)
3		-	-	-	-	-	-	-	-
4	Net Plant	-	-	(21)	(131)	753	-	-	601
5	Additions to Rate Base								-
6	Cash Working Capital	(913)	-	-	-	-	-	-	(913)
7	Materials & Supplies Inventory	-	-	-	-	-	-	-	-
8		-	-	-	-	-	-	-	-
9		-	-	-	-	-	-	-	-
10		-	-	-	-	-	-	-	-
11		-	-	-	-	-	-	-	-
12		-	-	-	-	-	-	-	-
13		-	-	-	-	-	-	-	-
14		-	-	-	-	-	-	-	-
15		-	-	-	-	-	-	-	-
16	Deductions From Rate Base								-
17	Accumulated Deferred Income Taxes	-	(389)	(1)	-	(86)	-	-	(476)
18	Customer Advances for Construction	-	-	-	-	-	-	-	-
19	Customer Deposits	-	-	-	-	-	-	-	-
20	Budget Payment Plan Balances	-	-	-	-	-	-	-	-
21		-	-	-	-	-	-	-	-
22		-	-	-	-	-	-	-	-
23	Rate Base	\$ (913)	\$ (389)	\$ (22)	\$ (131)	\$ 667	\$ -	\$ -	\$ (788)

**Ameren Illinois Company Gas Rate Zone II**  
**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	\$ 76,552 <sup>(1)</sup>	\$ 85	\$ 76,637 <sup>(2)</sup>
2	Proposed Increase	<u>18,232 <sup>(3)</sup></u>	<u>(5,460) <sup>(4)</sup></u>	<u>12,772 <sup>(5)</sup></u>
3	Proposed Revenues	<u>\$ 94,784</u>	<u>\$ (5,375)</u>	<u>\$ 89,409</u>
4	% Increase	23.82%		16.67%
5	Staff Adjustments:			
6	Rate of Return (Applied to Company Rate Base)		(4,034)	
7	Employee Benefits		(1,030)	
8	Advertising Expense		(206)	
9	Non-Union Wage Increase		(55)	
10	Charitable Contributions		(53)	
11	ADIT on Metro East Asset Transfer		(42)	
12	Rate Case Expense		(34)	
13	Credit Card Expense		(3)	
14	Corrosion Control		(79)	
15	SVT Program		257	
16	Cash Working Capital		(99)	
17	Outside Professional Services		(27)	
18			-	
19			-	
20	Industry Dues		-	
21	Rental Revenues		-	
22	Gross Revenue Conversion Factor		-	
23	Rounding		(3)	
24	Uncollectible Expense		2	
25	Used & Useful		26	
26	Interest Synchronization		5	
27	Total Revenue Effect of Staff Adjustments		<u>\$ (5,375)</u>	

Sources:

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

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

Line No.	Description (a)	Amount (b)
1	Rate Base	\$ 245,553 (1)
2	Hillsboro Used and Useful Allowance	<u>489 (2)</u>
3	Rate Base Including Hillsboro Storage Field	246,042
4	Weighted Cost of Debt	3.05% (3)
5	Synchronized Interest Per Staff	7,513
6	Company Interest Expense	<u>7,544 (4)</u>
7	Increase (Decrease) in Interest Expense	<u>(31)</u>
8	Increase (Decrease) in State Income Tax Expense	
9	at 9.500%	<u>\$ 3</u>
10	Increase (Decrease) in Federal Income Tax Expense	
11	at 35.000%	<u>\$ 10</u>

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

(2) Source: AIC Schedule B-2.1, column (C), ln. 1

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

(4) Source: AIC Exhibit 15.2, Schedule 3, column (b), line 6

Ameren Illinois Company Gas Rate Zone II  
 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	1.0796%	<u>0.010796</u>	
3	State Taxable Income		0.989204	1.000000
4	State Income Tax	9.5000%	<u>0.093974</u>	<u>0.095000</u>
5	Federal Taxable Income		0.895230	0.905000
6	Federal Income Tax	35.0000%	<u>0.313331</u>	<u>0.316750</u>
7	Operating Income		<u>0.581899</u>	<u>0.588250</u>
8	Gross Revenue Conversion Factor Per Staff		<u>1.718511</u>	<u>1.699958</u>

Ameren Illinois Company Gas Rate Zone II  
Adjustment to Charitable Contributions Expense  
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	\$ 81	P. 2, Line 13
2	Charitable Contributions Per Company	<u>133</u>	AIC Sch. C-7 RZ II
3	Difference-Staff Adjustment	<u>\$ (52)</u>	Line 1 - Line 2

**Ameren Illinois Company-Gas Rate Case**  
**Adjustment to 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
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 7 * Line 8
12	CILCO Allocation Factor	25.71%	AIC WPC - 7RZ, Column (G), Line 1
13	Staff 2014 CILCO Charitable Contributions	<u>\$ 81,457</u>	Line 12 * Line 13

Notes

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

Ameren Illinois Company Gas Rate Zone II  
Adjustment to ADIT- Metro East Asset 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>389</u>	AIC Sch. B-9 RZ II, Col. (D), line 6
3	Difference-Staff Adjustment	<u>\$ (389)</u>	Line 1 - Line 2