

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)	Adjustments (App. C, p. 4)	Pro Forma Present (Cols. b+c)	Company Proposed Increase (AIC Ex. 17.3 Sch. 1)	Gross Revenue Conversion Factor	Proposed Rates With Adjustments (Cols. d+e+f)	Adjustment To Proposed Increase	Approved Operating Statement per Order (Cols. g+h)	Hillsboro Used & Useful Allowance	Approved Pro Forma 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	\$ (6,897)	\$ 183,329	\$ 43	\$ 183,372
2	Other Revenues	2,157	229	2,386	-	-	2,386	-	2,386	-	2,386
3	Total Operating Revenue	172,361	229	172,590	20,021	\$ 1	192,612	(6,897)	185,715	43	185,758
4	Uncollectible Accounts	2,549	4	2,553	188	-	2,741	(65)	2,676	-	2,676
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	84	39,717	-	-	39,717	-	39,717	-	39,717
10	Cust. Accounts, Service and Sales	15,084	-	15,084	-	-	15,084	-	15,084	-	15,084
11	Administrative and General Expenses	28,281	(2,563)	25,718	-	-	25,718	-	25,718	-	25,718
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	(2,322)	121,526	188	-	121,714	(65)	121,649	-	121,649
17	State Income Tax	2,965	406	3,371	1,884	-	5,255	(649)	4,606	4	4,610
18	Federal Income Tax	9,885	1,358	11,243	6,282	-	17,525	(2,164)	15,361	14	15,375
19	Deferred Taxes and ITCs Net	(304)	-	(304)	-	-	(304)	-	(304)	-	(304)
20	Total Operating Expenses	136,394	(558)	135,836	8,354	-	144,190	(2,878)	141,312	18	141,330
21	NET OPERATING INCOME	\$ 35,967	\$ 787	\$ 36,754	\$ 11,667	\$ 1	\$ 48,422	\$ (4,019)	\$ 44,403	\$ 25	\$ 44,428
22	Rate Base (Appendix C, Page 5)								\$ 564,624		
23	Overall Rate of Return (per Order)								7.86%		
24	Non-Used and Useful Investment (Ameren Ex. 2.3 RZ)										870
25	Rate of Return Excluding Common Equity Return (per Order)										2.82%
26	Revenue Change from Co. Rebuttal Present (with and without Hillsboro Used & Useful) (Cols. (i) and (k), Line 3 minus Col. (d), Line 3)								\$ 13,125		\$ 13,168
27	Percentage Revenue Change (Cols. (i) and (h), Line 26 divided by Col. (c), Line 3)								7.60%		7.63%

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 (App. C, p. 8)	Charitable Contributions (AG Ex. 5.1, p. 4)	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 (Per Order)	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	-	(68)	-	(92)	(55)	(1,981)	-	(2,196)
12	Depreciation and Amortization	-	-	-	(1)	-	-	-	(1)
13	Taxes Other than Income	-	-	-	(10)	-	-	-	(10)
14		-	-	-	-	-	-	-	-
15	Total Operating Expense	-	(68)	2	(103)	(55)	(1,981)	-	(2,205)
16	Before Income Taxes	-	(68)	2	(103)	(55)	(1,981)	-	(2,205)
17	State Income Tax	165	6	-	10	5	188	-	374
18	Federal Income Tax	550	22	(1)	33	17	627	-	1,248
19	Deferred Taxes and ITCs Net	-	-	-	-	-	-	-	-
20	Total Operating Expenses	715	(40)	1	(60)	(33)	(1,166)	-	(583)
21	NET OPERATING INCOME	\$ (715)	\$ 40	\$ (1)	\$ 60	\$ 33	\$ 1,166	\$ -	\$ 583

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 Operating Statement Adjustments	Rental Revenues (AG Ex. 5.1, p. 3)	Advertising Expense (AG Ex. 5.1, p. 6)	Industry Dues (Staff Ex. 13.0, Sch. 13.04)	Credit Card Expense (Per Order)	Corrosion Control Expense (AIC Cross Exhibit 2)	SVT Program (Ameren Ex. 31.4 Schedule 1)	Subtotal Operating Statement Adjustments
	(a)	(j)	(k)	(l)	(m)	(n)	(o)	(p)	(q)
1	Gas Operating Revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2	Other Revenues	-	229	-	-	-	-	-	229
3	Total Operating Revenue	-	229	-	-	-	-	-	229
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	(2,196)	-	(215)	-	-	(152)	-	(2,563)
12	Depreciation and Amortization	(1)	-	-	-	-	-	164	163
13	Taxes Other than Income	(10)	-	-	-	-	-	-	(10)
14		-	-	-	-	-	-	-	-
15	Total Operating Expense								
16	Before Income Taxes	(2,205)	2	(215)	-	-	(152)	354	(2,216)
17	State Income Tax	374	22	20	-	-	14	(34)	396
18	Federal Income Tax	1,248	72	68	-	-	48	(112)	1,324
19	Deferred Taxes and ITCs Net	-	-	-	-	-	-	-	-
20	Total Operating Expenses	(583)	96	(127)	-	-	(90)	208	(496)
21	NET OPERATING INCOME	\$ 583	\$ 133	\$ 127	\$ -	\$ -	\$ 90	\$ (208)	\$ 725

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 Operating Statement Adjustments	JULIE Locate Requests (AG Ex. 5.1, p. 2, Line 8)	Sewer Cross Bore Inspections (AG Ex. 5.1, p. 2, Line 5)	(Source)	(Source)	(Source)	(Source)	Total Operating Statement Adjustments
	(a)	(r)	(s)	(t)	(u)	(v)	(w)	(x)	(y)
1	Gas Operating Revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2	Other Revenues	229	-	-	-	-	-	-	229
3	Total Operating Revenue	229	-	-	-	-	-	-	229
4	Uncollectible Accounts	4	-	-	-	-	-	-	4
5	Cost of Gas	-	-	-	-	-	-	-	-
6	Production Expenses	-	-	-	-	-	-	-	-
7	Storage, Term., and Proc. Expenses	-	-	-	-	-	-	-	-
8	Transmission Expenses	-	-	-	-	-	-	-	-
9	Distribution Expenses	190	(81)	(25)	-	-	-	-	84
10	Cust. Accounts, Service and Sales	-	-	-	-	-	-	-	-
11	Administrative and General Expenses	(2,563)	-	-	-	-	-	-	(2,563)
12	Depreciation and Amortization	163	-	-	-	-	-	-	163
13	Taxes Other than Income	(10)	-	-	-	-	-	-	(10)
14		-	-	-	-	-	-	-	-
15	Total Operating Expense								
16	Before Income Taxes	(2,216)	(81)	(25)	-	-	-	-	(2,322)
17	State Income Tax	396	8	2	-	-	-	-	406
18	Federal Income Tax	1,324	26	8	-	-	-	-	1,358
19	Deferred Taxes and ITCs Net	-	-	-	-	-	-	-	-
20	Total Operating Expenses	(496)	(47)	(15)	-	-	-	-	(558)
21	NET OPERATING INCOME	\$ 725	\$ 47	\$ 15	\$ -	\$ -	\$ -	\$ -	\$ 787

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)	Adjustments (App. C, p. 6)	Per Order 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	(2,370)	7,548
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)	(159)	(102,907)
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	<u>\$ 565,945</u>	<u>\$ (1,321)</u>	<u>\$ 564,624</u>

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 (App. C, p. 10)	ADIT Metro East Asset Transfer (Per Order)	Non-Union Wage Increase (AIC Cross Exhibit 5)	Employee Benefits (Staff Ex. 11.0, (Rev.), Sch. 11.05)	SVT Program (Ameren Ex. 31.4, Schedule 1)	(Source)	(Source)	Total Rate Base Adjustments
	(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	(2,370)	-	-	-	-	-	-	(2,370)
7	Materials & Supplies Inventory	-	-	-	-	-	-	-	-
8		-	-	-	-	-	-	-	-
9		-	-	-	-	-	-	-	-
10		-	-	-	-	-	-	-	-
11		-	-	-	-	-	-	-	-
12		-	-	-	-	-	-	-	-
13		-	-	-	-	-	-	-	-
14		-	-	-	-	-	-	-	-
15		-	-	-	-	-	-	-	-
16	Deductions From Rate Base								-
17	Accumulated Deferred Income Taxes	-	-	(1)	-	(158)	-	-	(159)
18	Customer Advances for Construction	-	-	-	-	-	-	-	-
19	Customer Deposits	-	-	-	-	-	-	-	-
20	Budget Payment Plan Balances	-	-	-	-	-	-	-	-
21		-	-	-	-	-	-	-	-
22		-	-	-	-	-	-	-	-
23	Rate Base	\$ (2,370)	\$ -	\$ (44)	\$ (221)	\$ 1,314	\$ -	\$ -	\$ (1,321)

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

Line No.	Description	Per Company	Adjustments	Per Order
	(a)	(b)	(c)	(d)
1	Present Revenues	\$ 172,361	\$ 229	\$ 172,590
2	Proposed Increase	<u>20,021</u>	<u>(6,853)</u>	<u>13,168</u>
3	Proposed Revenues	<u>\$ 192,382</u>	<u>\$ (6,624)</u>	<u>\$ 185,758</u>
4	% Increase	11.62%		7.63%
5	Effect of Each Adjustment			
6	Rate of Return (Applied to Company Rate Base)		(5,366)	
7	Employee Benefits		(2,027)	
8	Cash Working Capital		(275)	
9	Advertising Expense		(218)	
10	Corrosion Control		(154)	
11	Non-Union Wage Increase		(108)	
12	JULIE Locate Requests		(81)	
13	Charitable Contributions		(69)	
14	Outside Professional Services		(57)	
15	Sewer Cross Bore Inspections		(26)	
16	ADIT on Metro East Transfer		-	
17	Credit Card Expense		-	
18	Rounding		(3)	
19	Rate Case Expense		-	
20	Industry Dues		-	
21	Interest Synchronization		1,202	
22	Rental Revenues		-	
23	Gross Revenue Conversion Factor		1	
24	Uncollectible Expense		2	
25	Used and Useful		46	
26	SVT Program		<u>509</u>	
27	Total Revenue Effect of Adjustments		<u>\$ (6,624)</u>	
 <u>Reconciliation to Appendix C, Page 1</u>				
28	Column (c), line 3		\$ 229	
29	Column (f), line 3		1	
30	Column (h), line 3		(6,897)	
31	Column (j), line 3		<u>43</u>	
32	Total Revenue Effect of Adjustments		<u>\$ (6,624)</u>	

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	\$ 564,624 (1)
2	Hillsboro Used and Useful Allowance	<u>870 (2)</u>
3	Rate Base Including Hillsboro Storage Field	565,494
4	Weighted Cost of Debt	2.75% (3)
5	Synchronized Interest Per Order	15,569
6	Company Interest Expense	<u>17,306 (4)</u>
7	Increase (Decrease) in Interest Expense	<u>(1,737)</u>
8	Increase (Decrease) in State Income Tax Expense	
9	at 9.500%	<u>\$ 165</u>
10	Increase (Decrease) in Federal Income Tax Expense	
11	at 35.000%	<u>\$ 550</u>

(1) Source: Appendix C, Page 5, Column (d), Line 23

(2) Source: Appendix C, Page 1, Column (k), Line 24

(3) Source: Per Order

(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 Order With Bad Debts	Per Order 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 Order		<u>1.716090</u>	<u>1.699958</u>

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>Lag (Lead)</u> (c)	<u>CWC Factor</u> (d) (c/365)	<u>CWC Requirement</u> (e) (b*d)	<u>Column b Source</u> (f)
1	Revenues	\$ 362,020	49.74	0.13627	\$ 49,334	Appendix C, Page 11, Column (b), Line 7
2	Pass-through Taxes	22,479	-	0.00000	-	Lines 12+14+15+17
3	Total Receipts	<u>\$ 384,499</u>			<u>\$ 49,334</u>	Line 1 + Line 2
4	Employee Benefits	\$ 9,676	(15.97)	(0.04375)	\$ (423)	Appendix C, Page 12, Column (b), Line 3
5	Base Payroll and Withholdings	37,612	(11.39)	(0.03121)	(1,174)	Appendix C, Page 12, Column (b), Line 6
6	PGA Purchases	227,004	(39.23)	(0.10748)	(24,399)	
7	Other Operations and Maintenance	43,824	(48.87)	(0.13389)	(5,868)	Appendix C, Page 11, Column (b), Line 17
8	FICA	2,294	(13.13)	(0.03597)	(83)	Appendix C, Page 12, Column (b), Line 9
9	Federal Unemployment Tax	42	(76.38)	(0.20925)	(9)	
10	State Unemployment Tax	148	(76.38)	(0.20925)	(31)	
11	St. Louis Payroll Expense Tax	1	(83.51)	(0.22880)	-	
12	ICC Gross Revenue Tax	397	65.50	0.17945	71	
13	Illinois Invested Capital Tax	4,235	(30.13)	(0.08253)	(350)	
14	Municipal Utility Tax	6,556	(45.63)	(0.12501)	(820)	
15	Energy Assistance Charges	4,814	(41.84)	(0.11463)	(552)	
16	Corporation Franchise Tax	258	(161.97)	(0.44375)	(114)	
17	Illinois Gas Use and Gas Revenue Tax	10,712	(29.79)	(0.08162)	(874)	
18	Property/Real Estate Taxes	976	(375.08)	(1.02763)	(1,003)	
19	Interest Expense	16,915	(91.25)	(0.25000)	(4,229)	Appendix C, Page 8, Line 5 less Bank Facility Costs
20	Bank Facility Costs	339	156.59	0.42900	145	
21	State Income Tax	4,610	(37.88)	(0.10377)	(478)	Appendix C, Page 1, Column (k), Line 17
22	Federal Income Tax	15,375	(37.88)	(0.10377)	(1,595)	Appendix C, Page 1, Column (k), Line 18
23	Total Outlays	<u>\$ 385,788</u>			<u>\$ (41,786)</u>	Sum of Lines 4 through 22
24	Cash Working Capital per Order				\$ 7,548	Line 3 plus line 23
25	Cash Working Capital per Company				9,918	Ameren Ex. 17.3, Schedule 2, p. 3
26	Difference -- Adjustment per Order				<u>\$ (2,370)</u>	Line 24 minus Line 25

Note: Amount is from Ameren Ex. 17.3, Schedule 2, p. 3, Column (B) except where noted in "Source" column
Lag (Lead) is from Ameren Ex. 17.1, Schedule 2, p. 3, Column (C) except lines 14, 15 and 17 which are from ICC Staff Ex. 11.0, pp. 6 - 10

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	\$ 185,758	Appendix C, Page 1, Column (k), Line 3
2	Uncollectible Accounts	(2,676)	Appendix C, Page 1, Column (k), Line 4
3	Depreciation & Amortization	(19,907)	Appendix C, Page 1, Column (k), Line 12
4	PGA	227,004	ICC Staff Ex. 11.0, Sch. 11.01, p. 1, Line 6
5	Deferred Taxes and ITCs Net	304	Appendix C, Page 1, Column (k), Line 19
6	Return on Equity	(28,463)	Line 10 below
7	Total Revenues for CWC Calculation	<u>\$ 362,020</u>	Sum of Lines 1 through 6
8	Total Rate Base	\$ 564,624	Appendix C, Page 5, Column (d), Line 23
9	Weighted Cost of Equity	5.04%	Per Order
10	Return on Equity	<u>\$ 28,463</u>	Line 8 times Line 9
11	Operating Expense Before Income Taxes	\$ 121,649	Appendix C, Page 1, Column (k), Line 16
12	Employee Benefits Expense	(9,676)	Appendix C, Page 12, Column (b), Line 3
13	Payroll Expense	(37,612)	Appendix C, Page 12, Column (b), Line 6
14	Uncollectible Accounts	(2,676)	Appendix C, Page 1, Column (k), Line 4
15	Depreciation & Amortization	(19,907)	Appendix C, Page 1, Column (k), Line 12
16	Taxes Other Than Income	(7,954)	Appendix C, Page 10, Column (b), Lines 8 - 11, 13, 16 & 18
17	Other Operations & Maintenance for CWC Calculation	<u>\$ 43,824</u>	Sum of Lines 10 through 16

Ameren Illinois Company-Gas Rate Case RZ I
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	Employee Benefits per Company Filing	\$ 11,657	Ameren Ex. 17.1, Schedule 2, p. 3, Column (B)
2	Employee Benefits Adjustment	<u>(1,981)</u>	Appendix C, Page 2, Column (g), Line 11
3	Employee Benefits per Order	<u>9,676</u>	Line 1 + Line 2
4	Base Payroll and Withholdings per Company Filing	37,704	Ameren Ex. 17.1, Schedule 2, p. 3, Column (B)
5	Non-Union Wage Increase Adjustment	<u>(92)</u>	Appendix C, Page 2, Column (e), Line 11
6	Base Payroll and Withholdings per Order	<u>\$ 37,612</u>	Line 4 + Line 5
7	FICA per Company Filing	\$ 2,304	Ameren Ex. 17.1, Schedule 2, p. 3, Column (B)
8	Non-Union Wage Increase Adjustment	<u>(10)</u>	Appendix C, Page 2, Column (e), Line 13
9	FICA per Order	<u>\$ 2,294</u>	Line 7 + Line 8