

Ameren Illinois Gas Rate Zone III - (IP)
Statement of Operating Income with Adjustments
For the Test Year Ending December 31, 2016
(In Thousands)

Line No.	Description	Company Supplemental Rebuttal (Ameren Ex. 32.2 WP)	Company Adjustments (Sch 1, page 2)	Company Surrebuttal Present (Cols. b+c)	Company Surrebuttal Proposed Increase	Company Surrebuttal Proposed (Cols. d+e)
	(a)	(b)	(c)	(d)	(e)	(f)
1	Gas Operating Revenues	\$ 181,031	\$ -	\$ 181,031	\$ 22,143	\$ 203,175
2	Other Revenues	2,241	-	2,241	-	2,241
3	Total Operating Revenue	183,273	-	183,273	22,143	205,416
4	Uncollectible Expense	1,767	-	1,767	213	1,981
5	Cost of Gas	-	-	-	-	-
6	Production Expenses	1,374	-	1,374	-	1,374
7	Storage, Term., and Proc. Expenses	6,950	(3)	6,947	-	6,947
8	Transmission Expenses	5,794	(1)	5,793	-	5,793
9	Distribution Expenses	45,988	(44)	45,943	-	45,943
10	Cust. Accounts, Service & Sales	14,180	(3)	14,177	-	14,177
11	Administrative and General Expenses	29,794	201	29,995	-	29,995
12	Depreciaton and Amortization	23,995	-	23,995	-	23,995
13	Taxes Other Than Income	7,793	-	7,793	-	7,793
14	Rounding	-	-	-	-	-
15	Total Operating Expense					
16	Before Income Taxes	137,633	150	137,784	213	137,997
17	State Income Tax	644	(9)	635	1,700	2,335
18	Federal Income Tax	2,683	(35)	2,648	7,081	9,729
19	Deferred Taxes and ITCs Net	7,695	-	7,695	-	7,695
20	Total Operating Expenses	148,656	107	148,763	8,994	157,756
21	NET OPERATING INCOME	\$ 34,617	\$ (107)	\$ 34,510	\$ 13,150	\$ 47,660
22	Company Rate Base (Schedule 2, page 1, col d, line 21)				\$	622,596
23	Company Overall Rate of Return (Schedule 5, col e, line 18)					7.655%

Ameren Illinois Gas Rate Zone III - (IP)
Adjustments to Operating Income
For the Test Year Ending December 31, 2016
(In Thousands)

Line No.	Description	Interest Synchronization Part 285 Ex. 34.3, Sch 3 (b)	Gasoline Price Adjustment (Staff Ex. 11.0, Schedule 11.01) (c)	Diesel Fuel Price Adjustment (Staff Ex. 11.0, Schedule 11.02) (d)	Charitable Contributions Adjustments (AIC Exhibit 33.0) (e)	(source) (f)	(source) (g)	(source) (h)	Total Operating Statement Adjustments (i)
1	Gas Operating Revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2	Other Revenues	-	-	-	-	-	-	-	-
3	Total Operating Revenue	-	-	-	-	-	-	-	-
4	Uncollectible Expense	-	-	-	-	-	-	-	-
5	Cost of Gas	-	-	-	-	-	-	-	-
6	Production Expenses	-	-	-	-	-	-	-	-
7	Storage, Term., and Proc. Expenses	-	(1)	(2)	-	-	-	-	(3)
8	Transmission Expenses	-	(0)	(1)	-	-	-	-	(1)
9	Distribution Expenses	-	(14)	(31)	-	-	-	-	(44)
10	Cust. Accounts, Service & Sales	-	(1)	(2)	-	-	-	-	(3)
11	Administrative and General Expenses	-	(0)	(0)	201	-	-	-	201
12	Depreciation and Amortization	-	-	-	-	-	-	-	-
13	Taxes Other Than Income	-	-	-	-	-	-	-	-
14		-	-	-	-	-	-	-	-
15	Total Operating Expense	-	(16)	(35)	201	-	-	-	150
16	Before Income Taxes	-	(16)	(35)	201	-	-	-	150
17	State Income Tax	3	1	3	(16)	-	-	-	(9)
18	Federal Income Tax	14	5	11	(65)	-	-	-	(35)
19		-	-	-	-	-	-	-	-
20	Total Operating Expenses	17	(9)	(21)	121	-	-	-	107
21	NET OPERATING INCOME	\$ (17)	\$ 9	\$ 21	\$ (121)	\$ -	\$ -	\$ -	\$ (107)

Ameren Illinois Gas Rate Zone III - (IP)
Rate Base
For the Test Year Ending December 31, 2016
(In Thousands)

Line No.	Description	Company Supplemental Rebuttal (Ameren Ex. 32.2 WP)	Company Adjustments (Sch 2, page 2)	Company Surrebuttal Rate Base (Col. b+c)
	(a)	(b)	(c)	(d)
1	Gross Plant in Service	\$ 1,309,447	\$ (10)	\$ 1,309,437
2	Less Accum. Deprec. and Amort.	(580,959)	-	(580,959)
3		-	-	-
4	Net Plant	728,488	(10)	728,478
5	Additions to Rate Base			
6	Cash Working Capital Allowance	12,560	5	12,565
7	Materials & Supplies Inventory	38,574	(1,540)	37,034
8		-	-	-
9		-	-	-
10		-	-	-
11		-	-	-
12		-	-	-
13		-	-	-
14	Deductions From Rate Base			
15	Accum. Deferred Income Taxes	(143,381)	-	(143,381)
16	Customer Advances for Construction	(6,558)	-	(6,558)
17	Customer Deposits	(5,541)	-	(5,541)
18		-	-	-
19		-	-	-
20		-	-	-
21	Rate Base	\$ 624,142	\$ (1,545)	\$ 622,596

Ameren Illinois Gas Rate Zone III - (IP)
Adjustments to Rate Base
For the Test Year Ending December 31, 2016
(In Thousands)

Line No.	Description	Cash Working Capital Part 285 (Ex. 34.3, Sch 2)	Gas in Storage - Materials and Supplies (Staff Ex. 11.0, Sch. 11.03)	Capitalization of Fuel Cost (Staff Ex. 11.0, Sch. 11.04)	(source)	(source)	(source)	Total Rate Base Adjustments
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
1	Gross Plant in Service	\$ -	\$ -	\$ (10)	\$ -	\$ -	\$ -	\$ (10)
2	Less Accum. Deprec. and Amort.	-	-	-	-	-	-	-
3		-	-	-	-	-	-	-
4	Additions to Rate Base	-	-	(10)	-	-	-	(10)
5	Additions to Rate Base							
6	Cash Working Capital Allowance	5	-	-	-	-	-	5
7	Materials & Supplies Inventory	-	(1,540)	-	-	-	-	(1,540)
8		-	-	-	-	-	-	-
9		-	-	-	-	-	-	-
10		-	-	-	-	-	-	-
11		-	-	-	-	-	-	-
12		-	-	-	-	-	-	-
13		-	-	-	-	-	-	-
14	Deductions From Rate Base							
15	Accum. Deferred Income Taxes	-	-	-	-	-	-	-
16	Customer Advances for Construction	-	-	-	-	-	-	-
17	Customer Deposits	-	-	-	-	-	-	-
18		-	-	-	-	-	-	-
19		-	-	-	-	-	-	-
20		-	-	-	-	-	-	-
21	Rate Base	\$ 5	\$ (1,540)	\$ (10)	\$ -	\$ -	\$ -	\$ (1,545)

Ameren Illinois Gas Rate Zone III - (IP)
Cash Working Capital Requirement Employing the Gross Lag Methodology
For the Test Year Ending December 31, 2016
(\$000s)

Line No.	Description (A)	Company Direct Proposed (B)	Revenue Lag/Expense (Leads) (C)	CWC Factor (D) (Col E/365)	Cash Working Capital Requirement (E) (Col. D x Col. B)
REVENUES					
1	Revenues at Present Rates	\$ 205,416	55.68	15.25%	\$ 31,336
2	Plus PGA Revenues	195,347	55.68	15.25%	29,800
3	Plus ICC Gross Revenue Tax	353	-	0.00%	-
4	Plus Municipal Utility Tax	6,866	-	0.00%	-
5	Plus Energy Assistance Charges	4,431	-	0.00%	-
6	Plus Illinois Public Utility Tax	11,256	-	0.00%	-
7	Plus Interest Expense and Bank Facility Fees	17,395	55.68	15.25%	2,654
8	(Less) Deferred Taxes and ITCs Net	(7,695)	55.68	15.25%	(1,174)
9	(Less) Uncollectibles	(1,981)	55.68	15.25%	(302)
10	(Less) Depreciation and Amortization	(23,995)	55.68	15.25%	(3,660)
11	(Less) Return on Equity and Debt	(47,660)	55.68	15.25%	(7,270)
12	TOTAL - REVENUES	<u>\$ 359,733</u>			<u>\$ 51,382</u>
EXPENSES					
13	Employee Benefits	\$ 6,157	(20.27)	-5.55%	(342)
14	Payroll	39,919	(11.53)	-3.16%	(1,261)
15	PGA Expense	195,347	(38.62)	-10.58%	(20,672)
16	Other Operations and Maintenance (less uncollectibles)	58,153	(47.04)	-12.89%	(7,494)
17	FICA	2,530	(13.13)	-3.60%	(91)
18	Federal Unemployment Tax	15	(76.38)	-20.92%	(3)
19	State Unemployment Tax	44	(76.38)	-20.92%	(9)
20	St. Louis Payroll Expense Tax	2	(87.33)	-23.93%	(0)
21	ICC Gross Revenue Tax	353	25.92	7.10%	25
22	Invested Capital Tax	4,147	(30.13)	-8.25%	(342)
23	Municipal Utility Tax	6,866	(45.63)	-12.50%	(858)
24	Energy Assistance Charges	4,431	(45.66)	-12.51%	(554)
25	Corporation Franchise Tax	258	(193.45)	-53.00%	(137)
26	Illinois Public Utility Tax	11,256	(29.79)	-8.16%	(919)
27	Property/Real Estate Taxes	795	(387.27)	-106.10%	(844)
28	Interest Expense	17,134	(91.25)	-25.00%	(4,283)
29	Bank Facility Costs	262	307.92	84.36%	221
30	Federal Income Tax	9,728	(37.88)	-10.38%	(1,009)
31	State Income Tax	2,336	(37.88)	-10.38%	(242)
32	TOTAL EXPENSES	<u>\$ 359,733</u>			<u>(38,818)</u>
33	CASH WORKING CAPITAL REQUIREMENT - SURREBUTTAL				<u>\$ 12,565</u>
34	CASH WORKING CAPITAL REQUIREMENT - SUPPLEMENTAL REBUTTAL				<u>\$ 12,560</u>
35	DIFFERENCE - ADJUSTMENT TO CASH WORKING CAPITAL				<u>\$ 5</u>

Ameren Illinois Gas Rate Zone III - (IP)
Interest Synchronization Adjustment
For the Test Year Ending December 31, 2016
(In Thousands)

Line No.	Description (a)	Amount (b)
1	Rate Base	\$ 622,596 ⁽¹⁾
2	Weighted Cost of Debt	<u>2.79% ⁽²⁾</u>
3	Synchronized Interest Per Company Surrebuttal (Line 1 x Line 2)	\$ 17,395
4	Company Supplemental Rebuttal Interest Expense	17,439 ⁽³⁾
5	Increase (Decrease) in Interest Expense (Line 3 - Line 4)	<u>(43)</u>
6	Increase (Decrease) in State Income Tax Expense	
7	at 7.750%	<u>3</u>
8	Increase (Decrease) in Federal Income Tax Expense	
9	at 35.000%	<u>\$ 14</u>

(1) Source: Company Exhibit 34.3, Schedule 2, Page 1, col D, ln 21.

(2) Source: Company Exhibit 34.3, Schedule 5, col E, ln 12, 13 & 14.

(3) Source: Company Exhibit 32.2 WP, Schedule 3, col B, ln 3.

Ameren Illinois Gas Rate Zone III - (IP)
Gross Revenue Conversion Factor
For the Test Year Ending December 31, 2016

Line No.	Description	Rate (Part 285 A-2.1 RZ-III)	Per Company With Bad Debts	Per Company Without Bad Debts
	(a)	(b)	(c)	(d)
1	Revenues		1.00000	
2	Uncollectibles (1)	0.9641%	<u>0.00964</u>	
3	State Taxable Income		<u>0.99036</u>	1.00000
4	State Income Tax	7.75%	<u>0.07675</u>	<u>0.07750</u>
5	Federal Taxable Income		<u>0.91361</u>	<u>0.92250</u>
6	Federal Income Tax	35.00%	<u>0.31976</u>	<u>0.32288</u>
7	Operating Income		<u>0.59384</u>	<u>0.59963</u>
8	Gross Revenue Conversion Factor Per Company		<u>1.68394</u>	<u>1.66771</u>

Sources:

(1) Staff Ex. 7.0 Schedule 7.07 RZ III

Ameren Illinois Gas Rate Zone III - (IP)
Overall Cost of Capital
For the Test Year Ending December 31, 2016
(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 SUPPLEMENTAL DIRECT</u>						
2	Long Term Debt	\$ 2,342,601	47.426%	5.922%	2.809%	40.0375%	1.6840%
3	Short Term Debt	66,244	1.341%	2.280%	0.031%	40.0375%	0.0190%
4	Bank Facility Costs		0.000%	0.042%	0.042%	40.0375%	0.0250%
5			0.000%	0.000%	0.000%		0.0000%
6	Preferred Stock	60,918	1.233%	4.979%	0.061%		0.0610%
7	Common Stock	2,469,764	50.000%	10.250%	5.125%		5.1250%
8	Total	<u>\$ 4,939,527</u>	<u>100.000%</u>		<u>8.068%</u>		<u>6.9140%</u>
9							
10							
11	<u>PER COMPANY SURREBUTTAL</u>						
12	Long Term Debt	\$ 2,342,601	47.426%	5.790%	2.746%	40.0375%	1.6470%
13	Short Term Debt	66,244	1.341%	0.450%	0.006%	40.0375%	0.0040%
14	Bank Facility Costs		0.000%	0.042%	0.042%	40.0375%	0.0250%
15			0.000%	0.000%	0.000%		0.0000%
16	Preferred Stock	60,918	1.233%	4.979%	0.061%		0.0610%
17	Common Stock	2,469,764	50.000%	9.600%	4.800%		4.8000%
18	Total	<u>\$ 4,939,527</u>	<u>100.000%</u>		<u>7.655%</u>		<u>6.5370%</u>
19							
20							
21	<u>EFFECTIVE TAX RATE</u>						
22	State Income Tax Rate	7.7500%					
23	Federal Income Tax Rate	35.0000%					
24							
25	[State Rate + ((1- State Rate) x Federal Rate)]	<u>40.0375%</u>					
26	Source for company capital structure per testimony of Ryan Martin.						