

AmerenCILCO's, AmerenCIPS', and AmerenIP's
Response to
Illinois Office of Attorney General (AG) Data Requests
ICC Docket Nos. 07-0585 thru -0590 (Cons.)
Proposed general increase in electric and gas delivery services rates

**AG 8.04
(MLB)**

Ref: Ameren Rebuttal of Craig Nelson, Ameren Ex. 18.0, lines 86-104 (Modifications to Rider QIP) According Mr. Nelson, "In an effort to at least address some of the concerns expressed by the Staff and interveners, we are reflecting modifications or changes to Rider QIP." Please provide the following information:

- a) Provide a specimen copy of the form of "cost/benefit analysis" (line 90) that to be filed for a given project under the modified Rider QIP now being proposed and explain each element of the "cost/benefit analysis" that will be performed.
- b) State with specificity and explain each cost/benefit criteria or other financial or operational metric that will be recommended or employed by Ameren to screen projects that are proposed for Rider QIP treatment under the "system modernization" category.
- c) State with specificity and explain each cost/benefit criteria or other financial or operational metric that will be recommended or employed by Ameren to screen projects that are proposed for Rider QIP treatment under the "reliability enhancement" category.
- d) To whom would Ameren proposed to pay the "combined fee of \$100,000 for their annual filing"?
- e) How was the amount of the proposed "combined fee of \$100,000" determined? State all assumptions and provide workpapers supporting such amount.
- f) If CUB, the AG or other interveners have an interest in participating in the review of annual Rider QIP filings, would Ameren commit to fund the expenses they incur for such efforts? Why or why not?
- g) Provide a complete specimen copy of the form of "annual rate of return report" (line 98) that is proposed to be filed.
- h) State with specificity each ratemaking adjustment that would be appended to the "annual rate of return report" that is proposed to be filed and explain if/how actual incurred expenses and investment in future years would be examined and adjusted to normalize unusual transactions or events for the purpose of the "annual rate of return report" process being proposed.
- i) Is the \$100,000 combined fee (line 97) intended to compensate for ICC or other parties' resources expended to analyze and respond to the proposed "annual rate of return report" each year?
- j) What discovery procedures are proposed for ICC Staff and other

parties to analyze and respond to the proposed “annual rate of return report” each year?

- k) If the Companies’ filed “annual rate of return report” is contested by Staff or other parties, what procedures are proposed to facilitate negotiated settlement or to provide for hearings before the ICC regarding any disputed issues?

Response:

- a) A revised Rider VBA has not been drafted, however, the Ameren Illinois Utilities intend that it to be similar to that which the Commission described in its Order in the recent Peoples/ North Shore case (see my rebuttal testimony at lines 89-93).
- b) See response to a)
- c) See response to a)
- d) Ultimately, we expect the Commission to decide. Our intent was that it be paid to the Illinois Commerce Commission.
- e) The amount was viewed as sufficient to take into consideration some portion of additional Staff time and resources by which to administer Rider QIP.
- f) No. By accepting the terms of Rider QIP Rider, the Commission would be required to undertake the annual review of projects and also would have ongoing responsibilities associated with auditing and reconciliations. Other parties do not have a similar requirement imposed on them by Rider QIP.
- g) See attached annual rate of return report as filed with the ICC, identified as AG 8.04g Attach
- h) The Ameren Illinois Utilities propose using publicly reported data from Form 1 and 21.
- i) No. See f) above.
- j) None specifically have been proposed. The Ameren Illinois Utilities assume the Commission’s Rules of Practice would continue to apply.
- k) See j) above.

Prepared By: Craig D. Nelson
Title: VP-Regulatory Affairs and Financial Services
Phone: 309-677-5707
Date: April 24, 2008

AmerenCILCO's, AmerenCIPS', and AmerenIP's
 REVISED Response to
 Illinois Office of Attorney General (AG) Data Requests
 ICC Docket Nos. 07-0585 thru -0590 (Cons.)
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- k) If the Companies’ filed “annual rate of return report” is contested by Staff or other parties, what procedures are proposed to facilitate negotiated settlement or to provide for hearings before the ICC regarding any disputed issues?

**Revised
Response:**

- a) The form of the cost/benefit analysis has not yet been drafted; however, the Ameren Illinois Utilities intend that it be similar to that which the Commission described in its Order in the recent Peoples/ North Shore case (see my rebuttal testimony at lines 89-93).

Prepared By: Craig D. Nelson
Title: VP-Regulatory Affairs and Financial Services
Phone: 309-677-5707
Date: April 25, 2008

Illinois Commerce Commission

Utility Name Central Illinois Public Service
 Period Ended December 2007

Company Contact G.S. Weiss
 Telephone (314) 554-3878

	(A) Total Company	(B) Electric Utility	(C) Gas Utility	
I. <u>RATE BASE</u>				
1	Utility Plant in Service (1)	\$ 2,031,845,307	\$ 1,682,044,459	\$ 349,800,848
2	(Less) Acc. Prov. for Depr., Amort., & Depl.	1,080,961,761	902,984,307	177,977,454
3	(Plus) Materials, Supplies, & Other Inventories	66,279,596	12,648,578	53,631,018
4	(Less) Cust. Adv. for Constr.	5,324,302	4,176,202	1,148,100
5	(Less) Acc. Def. Income Tax (2)	155,003,685	119,856,364	35,147,321
6	(Less) Unamort. Pre-1971 ITC's	0	0	0
7	(CWIP Not Subject to AFUDC)	0	0	0
8	(Less) Other (3)	10,536,904	8,918,230	1,618,674
9	Estimated Net Utility Rate Base	\$ 846,298,251	\$ 658,757,934	\$ 187,540,317
10	Construction Work In Progress (CWIP)	\$ 14,829,770	\$ 12,863,523	\$ 1,966,247
II. <u>INCOME STATEMENT</u>				
OPERATING REVENUES				
1	Total Operating Revenues	\$ 1,005,266,863	\$ 775,584,464	\$ 229,682,400
OPERATING EXPENSES				
2	Operations	810,545,494	618,132,663	192,412,831
3	Maintenance	49,436,837	40,278,294	9,158,543
4	Depreciation & Amortization	65,861,746	57,347,161	8,514,584
5	Taxes Other Than Income Taxes	34,471,885	23,829,207	10,642,678
6	Income Taxes	18,017,994	15,401,679	2,616,315
7	Provision For Deferred Income Taxes - Net	(14,323,188)	(12,862,368)	(1,460,820)
8	Investment Tax Credit Adjustment - Net	0	0	0
9	Total Operating Expenses	964,010,768	742,126,636	221,884,131
10	OPERATING INCOME	\$ 41,256,095	\$ 33,457,828	\$ 7,798,269

(1) Includes Plant Held For Future Use

(2) Accounts 190, 282 and 283 excluding FAS109 amounts and below-the-line amounts.

(3) Customer Deposits

II. INCOME STATEMENT - Continued from Page 1

	(A)		
	Total Company	Utility Name	Central Illinois Public Service
		Period Ended	December 2007
OTHER INCOME AND DEDUCTIONS			
11	AFUDC - Equity	\$	(91,465)
12	Other Income and Income Deductions - Net		18,463,244
13	Less: Taxes Appl. To Other Income & Deductions		5,627,305
14	Total Other Income & Deductions		<u>12,744,474</u>
15	NET INCOME BEFORE INTEREST		<u>54,000,569</u>
INTEREST CHARGES			
16	Interest On Long Term Debt		28,867,801
17	Amort. of Debt Premium, Disc., & Expense		1,104,922
18	Other Interest Expense		7,801,752
19	Allowance for Borrowed Funds Used During Construction (Credit) - Debt		<u>(309,300)</u>
20	Total Interest Charges		<u>37,465,175</u>
21	EXTRAORDINARY ITEMS (Explain)		<u>0</u>
22	NET INCOME		16,535,394
23	PREFERRED DIVIDENDS		2,512,125
24	INCOME AVAILABLE FOR COMMON EQUITY		<u>\$ 14,023,269</u>
25	COMMON DIVIDEND	\$	40,000,000
III. <u>CAPITALIZATION</u>			
1	Common Equity	\$	465,880,355
2	Preferred Stock		50,000,000
3	Long Term Debt		463,389,183
4	Subtotal (Excluding S-T Debt)		<u>979,269,538</u>
5	Short Term Debt (1)		125,000,000
6	Total (Including S-T Debt)		<u>\$ 1,104,269,538</u>
IV. <u>RETURN</u>			
1	Return on Estimated Net Utility Rate Base (Total)	4.87%	(B) Electric
2	Return on Common Equity	3.01%	(C) Gas

(1) Includes Notes Payable to Affiliates.

Illinois Commerce Commission

Utility Name Central Illinois Light Company
 Period Ended December 2007

Company Contact G.S. Weiss
 Telephone (314) 554-3878

	(A) Total Company	(B) Electric Utility	(C) Gas Utility
I. <u>RATE BASE</u>			
1 Utility Plant in Service (1)	\$ 1,409,096,053	\$ 921,084,330	\$ 488,011,723
2 (Less) Acc. Prov. for Depr., Amort., & Depl.	883,766,199	534,784,672	348,981,527
3 (Plus) Materials, Supplies, & Other Inventories	59,299,849	5,440,155	53,859,694
4 (Less) Cust. Adv. for Constr.	10,688,657	6,563,609	4,125,048
5 (Less) Acc. Def. Income Tax (2)	27,897,346	35,799,050	(7,901,704)
6 (Less) Unamort. Pre-1971 ITC's	0	0	0
7 (CWIP Not Subject to AFUDC)	0	0	0
8 (Less) Other (3)	6,867,130	3,267,343	3,599,787
9 Estimated Net Utility Rate Base	<u>\$ 539,176,570</u>	<u>\$ 346,109,811</u>	<u>\$ 193,066,759</u>
10 Construction Work In Progress (CWIP)	\$ 21,762,837	\$ 16,133,461	\$ 5,629,376
II. <u>INCOME STATEMENT</u>			
OPERATING REVENUES			
1 Total Operating Revenues	\$ 718,226,676	\$ 387,201,634	\$ 331,025,042
OPERATING EXPENSES			
2 Operations	594,275,619	321,362,300	272,913,319
3 Maintenance	20,010,835	13,889,680	6,121,155
4 Depreciation & Amortization	54,093,195	32,851,014	21,242,180
5 Taxes Other Than Income Taxes	20,358,026	9,533,531	10,824,495
6 Income Taxes	13,240,715	2,736,703	10,504,012
7 Provision For Deferred Income Taxes - Net	(15,042,338)	(13,012,913)	(2,029,425)
8 Investment Tax Credit Adjustment - Net	0	0	0
9 Total Operating Expenses	<u>686,936,052</u>	<u>367,360,315</u>	<u>319,575,736</u>
10 OPERATING INCOME	<u>\$ 31,290,624</u>	<u>\$ 19,841,319</u>	<u>\$ 11,449,306</u>

(1) Includes Plant Held For Future Use

(2) Accounts 190, 282 and 283 excluding FAS 109 amounts and below-the-line amounts.

(3) Customer Deposits

II. INCOME STATEMENT - Continued from Page 1

	(A)		
	Total Company	Utility Name	Central Illinois Light Company
		Period Ended	December 2007
OTHER INCOME AND DEDUCTIONS			
11 AFUDC - Equity	\$ 51,767		
12 Other Income and Income Deductions - Net	(328,457)		
13 Less: Taxes Appl. To Other Income & Deductions	1,817,693		
14 Total Other Income & Deductions	<u>(2,094,383)</u>		
15 NET INCOME BEFORE INTEREST	<u>29,196,241</u>		
INTEREST CHARGES			
16 Interest On Long Term Debt	9,003,989		
17 Amort. of Debt Premium, Disc., & Expense	751,974		
18 Other Interest Expense	9,034,011		
19 Allowance for Borrowed Funds Used During Construction (Credit) - Debt	<u>(636,007)</u>		
20 Total Interest Charges	18,153,967		
21 EXTRAORDINARY ITEMS (Explain)	<u>0</u>		
22 NET INCOME	11,042,274		
23 PREFERRED DIVIDENDS	1,869,035		
24 INCOME AVAILABLE FOR COMMON EQUITY	<u>\$ 9,173,239</u>		
25 COMMON DIVIDEND	\$ -		
III. <u>CAPITALIZATION</u>			
1 Common Equity	\$ 217,858,954		
2 Preferred Stock	35,587,400		
3 Long Term Debt	140,025,330		
4 Subtotal (Excluding S-T Debt)	<u>393,471,684</u>		
5 Short Term Debt (1)	115,000,000	(B)	(C)
6 Total (Including S-T Debt)	<u>\$ 508,471,684</u>	Electric	Gas
IV. <u>RETURN</u>			
1 Return on Estimated Net Utility Rate Base (Total)	5.80%	5.73%	5.93%
2 Return on Common Equity	4.21%		

(1) Includes Notes Payable to Affiliates.

Illinois Commerce CommissionUtility Name Illinois Power Company
Period Ended: December 2007Company Contact G.S. Weiss
Telephone (314) 554-3878

	(A) Total Company	(B) Electric Utility	(C) Gas Utility
I. RATE BASE			
1 Utility Plant in Service (1)	\$ 3,471,960,829	\$ 2,601,417,015	\$ 870,543,814
2 (Less) Acc. Prov. for Depr., Amort., & Depl.	1,366,179,244	906,344,921	459,834,323
3 (Plus) Materials, Supplies, & Other Inventories	135,382,869	21,292,621	114,090,248
4 (Less) Cust. Adv. for Constr.	25,824,534	16,908,262	8,916,272
5 (Less) Acc. Def. Income Tax (2)	97,505,351	88,538,087	8,967,264
6 (Less) Unamort. Pre-1971 ITC's	0	0	0
7 (Plus) CWIP Not Subject to AFUDC	0		
8 (Less) Other (4)	13,753,251	9,648,824	4,104,427
9 Estimated Net Utility Rate Base	<u>\$ 2,104,081,318</u>	<u>\$ 1,601,269,542</u>	<u>\$ 502,811,776</u>
10 Construction Work In Progress (CWIP)	\$ 35,367,638	\$ 29,193,750	\$ 6,173,888
II. INCOME STATEMENT			
OPERATING REVENUES			
1 Total Operating Revenues	\$ 1,646,789,699	\$ 1,106,634,418	\$ 540,155,281
OPERATING EXPENSES			
2 Operations (3)	1,326,080,060	871,931,493	454,148,567
3 Maintenance	57,909,973	46,457,946	11,452,027
4 Depreciation & Amortization	97,166,063	69,218,522	27,947,541
5 Taxes Other Than Income Taxes	65,579,371	36,291,252	29,288,119
6 Income Taxes	(9,555,653)	(11,165,540)	1,609,887
7 Provision For Deferred Income Taxes - Net (3)	12,560,492	12,809,773	(249,281)
8 Investment Tax Credit Adjustment - Net	0	-	-
9 Total Operating Expenses	<u>1,549,740,306</u>	<u>1,025,543,446</u>	<u>524,196,860</u>
10 OPERATING INCOME	<u>\$ 97,049,393</u>	<u>\$ 81,090,972</u>	<u>\$ 15,958,421</u>

(1) Includes Plant Held For Future Use

(2) Accounts 190, 282 and 283 excluding FAS 109 amounts, purchase accounting amounts, and below-the-line amounts.

(3) Adjusted for elimination of purchase accounting amounts.

(4) Customer Deposits

II. INCOME STATEMENT - Continued from Page 1

	(A) Total Company
OTHER INCOME AND DEDUCTIONS	
11 AFUDC - Equity	\$ (32,015)
12 Other Income and Income Deductions - Net (1)	16,462,088

Utility Name Illinois Power Company
Period Ended: December 2007

13	Less: Taxes Appl. To Other Income & Deductions	6,467,853
14	Total Other Income & Deductions	9,962,220
15	NET INCOME BEFORE INTEREST	107,011,613

INTEREST CHARGES

16	Interest On Long Term Debt (1)	51,989,892
17	Amort. of Debt Premium, Disc., & Expense (1)	8,455,121
18	Other Interest Expense	17,095,523
19	Allowance for Borrowed Funds Used During Construction (Credit) - Debt	-
		(1,014,864)
20	Total Interest Charges	76,525,672
21	EXTRAORDINARY ITEMS (Explain)	0
22	NET INCOME	30,485,941
23	PREFERRED DIVIDENDS	2,294,132
24	INCOME AVAILABLE FOR COMMON EQUITY	\$ 28,191,809

25	COMMON DIVIDEND	\$ 61,000,000
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III. CAPITALIZATION

1	Common Equity	\$ 1,257,501,431
2	Preferred Stock	45,786,945
3	Long Term Debt	1,017,751,394
4	Subtotal (Excluding S-T Debt)	2,321,039,770
5	Short Term Debt (2)	175,000,000
6	Total (Including S-T Debt)	\$ 2,496,039,770

**(B)
Electric**

**(C)
Gas**

IV. RETURN

1	Return on Estimated Net Utility Rate Base (Total)	4.61%	5.06%	3.17%
2	Return on Common Equity	2.24%		

(1) Adjusted for elimination of purchase accounting amounts.
 (2) Includes Notes Payable to Affiliates