

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 8.12 (MLB) **Ref: Ameren Rebuttal of Craig Nelson, Ameren Ex. 18.0, lines 309-323 (Rider VBA modification)** According Mr. Nelson, "We agree to those modifications." Please a complete redline/strikeout version of the revised tariff for Rider VBA, indicating each and every "modification" and "change" that is now being proposed, in relation to the Company's initially proposed tariff.

Response: See attached revised tariff for Rider VBA, identified as AG 8.12 Attach.

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Phone: (309) 677-5707
Date: April 24, 2008

OFFICIAL FILE

ILL. C. C. DOCKET NO. 07-0585-0590

110 Cons Exhibit No. 3

Witness _____

Date 6-9-08 Reporter CB

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APPLICABILITY

This Rider is applicable to Rates GDS-1 - Residential Gas Delivery Service (GDS-1) and GDS-2 - Small General Gas Delivery Service (GDS-2). The Volume Balancing Adjustment (VBA) is expressed on a cents per Therm basis. This Rider shall operate on a pilot basis for a four year period pursuant to ICC Order in Docket No. 07-0585 (Cons.). The initial adjustments determined under this Rider shall be filed with the ICC by December 20, 2008, and the final adjustments determined under this Rider shall be filed with the ICC by November 20, 2012, unless this Rider is implemented on a permanent basis upon ICC approval in a general rate proceeding. Absent implementation of a permanent program, this Rider shall terminate December 31, 2012, upon the conclusion of the required reports, reconciliations and audits set forth below.

PURPOSE

The purpose of this Rider is to stabilize the distribution Base Rate Revenue for Rates GDS-1 and GDS-2 approved by the Commission in the Company's most recent rate proceeding. Each month the Company shall determine adjustments under this Rider. A separate adjustment shall be calculated for each applicable Rate class.

DEFINITIONS

As used in this Rider, the following terms are defined as follows:

Actual Base Rate Revenue (ABRR)

Actual Base Rate Revenue (ABRR) means the dollar amount of monthly delivery charge revenues, excluding Customer charge revenues and revenues arising from adjustments under this Rider, which were billed for each applicable Rate for the specified period.

Actual Customers (AC)

Actual Customers (AC) means the number of Customers in each applicable Rate for the specified period.

Effective Month

Effective Month means the month for which the Effective Component in the Determination of Billing Adjustment section below is calculated, and shall be the month after the Filing Month.

Factor T (T)

Factor T (T) means the number of Therms of gas delivered to Customers by the Company, including the number of Therms of Customer-Owned or Company supplied gas delivered by the Company, for the specified period.

Date of Filing, November 2, 2007

Date Effective, December 17, 2007

Issued by S.A. Cisel, President
300 Liberty Street, Peoria, IL 61602

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Filing Month

Filing Month means the month in which an adjustment is determined by the Company and submitted to the Commission.

Fiscal Year

Fiscal Year means the Fiscal Year of the Company that ended as of the most recent December 31.

Previous Reconciliation Period

Previous Reconciliation Period means the ten-month reconciliation period that ended as of the most recent Fiscal Year.

Rate Case Customers (RCC)

Rate Case Customers (RCC) means the number of Customers that underlie the rates approved by the Commission in the Company's most recent rate proceeding for each applicable Rate.

Rate Case Base Rate Revenue (RCBR)

Rate Case Base Rate Revenue (RCBR) means the dollar amount of delivery charge revenues, excluding Customer charge revenues, approved by the Commission in the Company's most recent rate proceeding for each applicable Rate.

Reconciliation Month

Reconciliation Month means the second month prior to the Effective Month.

Upcoming Reconciliation Period

Upcoming Reconciliation Period means the ten-month period commencing on March 1 following the Fiscal Year.

DETERMINATION OF BILLING ADJUSTMENT

There shall be a separate per Therm adjustment amount determined under this Rider for each applicable Rate and such amount shall be the sum of the amounts determined pursuant to sections 1 and 2 below.

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1. Effective Component

The adjustment, determined for each Rate, to be billed for the Effective Month is represented by the following formula:

$$[(RCBR / RCC) - (ABRR / AC)] \times PFC \times RCC / T \times 100$$

Where:

- RCBR represents the Rate Case Base Rate Revenue for the Reconciliation Month.
RCC represents the number of Rate Case Customers for the Reconciliation Month.
ABRR represents the Actual Base Rate Revenue for the Reconciliation Month.
AC represents the number of Actual Customers for the Reconciliation Month.
PFC represents the percentage of the Company's costs that are fixed as determined and authorized by the ICC in the Company's most recent rate proceeding
T represents the forecast Factor T for the Effective Month.

2. Reconciliation Adjustment

The reconciliation adjustment determined for each Rate, is calculated annually, amortized over a ten-month period, and represented by the following formula:

$$[(RA_1 + RA_2 + O) \times (1 + i)] / T \times 100$$

Where:

- RA₁ = an amount due the Company (+RA₁) or an amount due the Customer (-RA₁) arising from the reconciliation of Rate Case Base Rate revenues and Actual Base Rate revenues plus revenues arising from application of the Effective Component in section 1 above.

RA₁ shall be represented by the following formula:

$$RCBR - (ABRR / AC \times RCC) \times PFC - VBAR$$

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Where:

- RCBR represents the Rate Case Base Rate Revenue for the Fiscal Year.
ABRR represents the Actual Base Rate Revenue for the Fiscal Year.
AC represents the average number of Actual Customers for the Fiscal Year.
RCC represents the average number of Rate Case Customers for the Fiscal Year.
PFC represents the percentage of the Company's costs that are fixed as determined and authorized by the ICC in the Company's most recent rate proceeding
VBAR represents the sum of the actual monthly revenues arising from the application of the Effective Component in section 1 above for the Fiscal Year.

RA_2 = an amount due the Company (+ RA_2) or an amount due the Customer (- RA_2) as a consequence of any prior RA_1 adjustment.

RA_2 shall be represented by the following formula:

$$RA - RAR$$

Where:

- RA represents RA_1 and Factor O for the Previous Reconciliation Period.
RAR represents actual revenues arising from the application of RA for each month during the Previous Reconciliation Period.
- i = the interest rate established by the Commission under 83 Ill. Adm. Code 280.70(e)(1) and in effect when each adjustment under this section is calculated, adjusted for the number of months in the Reconciliation Period.
- T = the forecast Factor T for the Upcoming Reconciliation Period.
- O = the Ordered adjustment, in dollars, ordered by the ICC that is to be refunded to or collected from Customers as a result of the reconciliation established in the Reports/Reconciliation section below.

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The Effective Component and the Reconciliation Adjustment shall each be separately determined. If an adjustment computes to 0.01¢ per Therm or more, any fraction of 0.01¢ in the computed per Therm adjustment amount shall be dropped if less than 0.005¢ or, if 0.005¢ or more, shall be rounded up to the next full 0.01¢.

If the Company determines that RA will more nearly be refunded or recovered at the end of any month up to 11 months, the amortization period may be shortened or lengthened accordingly upon the Company giving 15 days' notice to the Commission of the change in the amortization period.

REPORTS/RECONCILIATION

The Company shall file with the Commission on or before the 20th day of each Filing Month an information sheet that specifies the adjustments to be effective under this Rider for the Effective Month. The Company shall file any corrections from a timely filed information sheet on or before the last day of the Filing Month. Any other filing after that date will be accepted only if submitted as a special permission request under the provisions of Section 9-201 (a) of the Public Utilities Act [220 ILCS 5/9-201 (a)].

The Company shall file with the Commission annually, no later than February 20th, a statement of the Reconciliation Adjustment components RA₁ and RA₂ to be applicable for the Upcoming Reconciliation Period, the annual earned rate of return, and an analysis of the impact of the Rider VBA revenues collected for the period on the reported return. At this same time, the Company shall also file a petition with the ICC seeking initiation of an annual reconciliation to determine the accuracy of the statement. The reconciling amount from such proceeding (Factor O) shall be recovered in the manner determined by the Commission in the annual reconciliation proceeding.

TERMS AND CONDITIONS

Subject to the Customer Terms and Conditions, Standards and Qualifications for Gas Service, Tax Additions, and Supplemental Customer Charge Tariffs of this Schedule, as well as any other applicable Rates, Riders, taxes, adjustments, fees or charges that may be approved by the ICC from time to time and in effect.

AUDIT

~~The Company shall file annually with the Manager of the Accounting Department of the ICC's Financial Analysis Division, no later than July 1, an internal audit report that determines whether or not the Rider VBA information provided has been calculated in accordance with this Tariff.~~

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The Company shall annually conduct an internal audit of the operation of the Rider. The internal audit shall determine if: 1) the Actual Base Rate Revenue per Customer that exceeds or falls short of any previously established Rate Case Base Rate Revenue per Customer is correctly reflected in the calculations; 2) the revenues are not collected through other approved tariffs; 3) Rider VBA is being properly billed to Customers; 4) Rider VBA revenues are recorded in appropriate accounts; and 5) any Rider VBA charges or credits are being identified and recorded properly for calculating rates and reconciliation. The above list of determinations does not limit the scope of the audit.

The Company shall submit the audit report to the ICC's Manager of the Accounting Department by May 31st each year beginning in 2010. Such report shall be verified by an officer of the Company.