

ILLINOIS COMMERCE COMMISSION

DOCKET Nos. 09-0077, 09-0078, 09-0079

DIRECT TESTIMONY

OF

LAURA M. MOORE

SUBMITTED ON BEHALF

OF

**CENTRAL ILLINOIS LIGHT COMPANY
d/b/a Ameren CILCO**

**CENTRAL ILLINOIS PUBLIC SERVICE COMPANY
d/b/a AmerenCIPS**

**AND ILLINOIS POWER COMPANY
d/b/a AmerenIP**

July 17, 2009

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AmerenCILCO, AmerenCIPS and AmerenIP

I. INTRODUCTION

A. Witness Identification

Q. Please state your name and business address.

A. My name is Laura M. Moore. My business address is 1901 Chouteau Avenue, St. Louis, Missouri 63103.

Q. By whom are you employed and in what capacity?

A. I am the Managing Supervisor of Plant Accounting for Ameren Services Company (“Ameren Services”), a service company affiliate of Central Illinois Light Company d/b/a AmerenCILCO (“AmerenCILCO”), Central Illinois Public Service Company d/b/a AmerenCIPS (“AmerenCIPS”) and Illinois Power Company d/b/a AmerenIP (“AmerenIP”), individually referred to as “Company” and collectively the “Ameren Illinois Utilities” or “AIUs”. Prior to May 1, 2009, I was the Supervisor of Fuel and Gas Accounting for Ameren Services.

Q. Please describe your current job duties and responsibilities.

22 A. I am currently transitioning to my new position. During this transition period, I
23 have continued to fulfill my responsibilities in the Fuel and Gas Accounting Department.
24 My responsibilities in the Fuel and Gas Department include direct supervision of the
25 accounting for AmerenCILCO's, AmerenCIPS' and AmerenIP's calculations necessary
26 to implement the Rider Market Value Adjustment ("MVA"), Rider Market Value of
27 Power and Energy ("MV") and Rider Hourly Supply Service ("HSS").

28 **Q. Please describe your educational background and relevant work experience.**

29 A. See my Statement of Qualifications, attached as an Appendix to this testimony.

30 **B. Purpose, Scope and Identification of Exhibits**

31 **Q. What is the purpose of your direct testimony in this proceeding?**

32 A. In its Order initiating these dockets, the Commission calls for a reconciliation of
33 the revenues collecting the costs associated with the various procurement tariffs in effect
34 during the period of January 1, 2007 through May 31, 2008. In my testimony I explain
35 the manner by which the revenues for each of the Ameren Illinois Utilities were
36 collected, how they were accounted for, any accounting adjustments made during the
37 course of the reconciliation period, and the costs attributable to the relevant procurement
38 activities.

39 **Q. Will you be sponsoring any exhibits with your direct testimony?**

40 A. Yes. I am sponsoring the following exhibits:

41 AmerenCILCO Exhibit 2.1 Rider MV reconciliation of costs and revenues for
42 the period ending December 31, 2007

43 AmerenCIPS Exhibit 2.2 Rider MV reconciliation of costs and revenues for
44 the period ending December 31, 2007

- 45 AmerenIP Exhibit 2.3 Rider MV reconciliation of costs and revenues for the
46 period ending December 31, 2007
- 47 AmerenCILCO Exhibit 2.4 Rider MVA reconciliation of costs and revenues
48 for the period ending May 31, 2008
- 49 AmerenCIPS Exhibit 2.5 Rider MVA reconciliation of costs and revenues for
50 the period ending May 31, 2008
- 51 AmerenIP Exhibit 2.6 Rider MVA reconciliation of costs and revenues for the
52 period ending May 31, 2008
- 53 AmerenCILCO Exhibit 2.7 Rider HSS (RTP-L) reconciliation of costs and
54 revenues for the period ending May 31, 2008
- 55 AmerenCIPS Exhibit 2.8 Rider HSS (RTP-L) reconciliation of costs and
56 revenues for the period ending May 31, 2008
- 57 AmerenIP Exhibit 2.9 Rider HSS (RTP-L) reconciliation of costs and
58 revenues for the period ending May 31, 2008
- 59 Ameren Exhibit 2.10 Filing Adjustments

60 **II. DISCUSSION REGARDING MONTHLY RECONCILIATIONS.**

61 **Q. Before you discuss monthly reconciliations, please generally describe the**
62 **tariffs that served the various customer groups and how they relate to the various**
63 **purchased power and energy products.**

64 A. Certainly. AIUs' witness Mr. James Blessing describes three different products
65 procured for customers that choose to take power from the AIUs: BGS-FP, BGS-LFP,
66 and BGS-LRTP. Spelled out, BGS-FP is "Basic Generation Service – Fixed Price" and
67 was available to customers with demands under 1,000 kW. The BGS-LFP product is
68 "Basic Generation Service – Large Fixed Price" and was available to customers with
69 demands equal to or greater than 1,000 kW. The BGS-LRTP product is "Basic
70 Generation Service – Large Real-Time Pricing" and was also available to customers with
71 demands equal to or greater than 1,000 kW. As AIUs' witness Ms. Nancy Gudeman

72 describes, Rider MV served as the “hub” for all of these products, where Rider MV
73 determined the appropriate pricing that was then used by other tariffs, namely Rider
74 BGS, Rider BGS-L, and Rider RTP-L. The AIUs also offered small customers (those
75 with demands under 1,000 kW) service under Rider RTP. The small RTP product was
76 supplied from contracts entered to serve the BGS-FP category of service.

77 **Q. Please describe the procedures your department follows in producing and**
78 **filing the monthly reconciliations.**

79 A. The monthly Riders MV, MVA and HSS revenues are calculated using the
80 Company’s reports for sales and estimated billed output. The “actual” revenues reported
81 in the filings are estimated based on actual rates for billed and estimated unbilled
82 volumes. Revenues are tracked for each category of service (i.e., BGS-FP, BGS-LFP,
83 and BGS-LRTP).

84 The cost components are provided by different groups in the Company. The cost
85 of power from auction suppliers is provided by the Transmission Services Business
86 Center (“TSBC”) group based on the supplier bills. The cost of power, and market
87 settlement costs from MISO are provided by the Power Accounting group based on the
88 MISO settlement statements. The cost of power provided by Qualified Facilities (“QF”)
89 is calculated from the output provided by TSBC priced at the average locational marginal
90 price (“LMP”) for the month. The ancillary services expenses for Schedules 1, 2, 3, 5, 6,
91 25 and 26 are based on MISO tariff pricing for the BGS-LRTP category. Capacity costs
92 are from invoices. The free service load (power supply provided to municipalities
93 pursuant to franchise agreements) is provided by the billing group and the company use
94 load is set in the rate case: these volumes are priced at the monthly average cost.

95 AmerenCILCO and AmerenIP had pre-existing Special Contracts with customers that
 96 extended beyond January 2, 2007. The cost of the power to supply these customers is
 97 subtracted from the total costs for the BGS-LFP product for reconciliation purposes,
 98 since the revenue for these customers is not included within the BGS-LFP category. In
 99 other words, Special Contract customers were provided service under the terms of their
 100 contracts, the AIUs supplied these customers from the BGS-LFP category of service, but
 101 the cost of serving these customers was removed from the monthly over/under
 102 reconciliation calculation in order to insulate other BGS-LFP customers from the effect
 103 of serving the Special Contract customers. Further, AmerenCILCO buys power
 104 generated by Medina Valley in excess of Caterpillar’s needs, and these costs are included
 105 in the cost of power supplied to customers and are calculated based on Medina Valley’s
 106 production costs. The revenues and costs are compared in the monthly filings and sent to
 107 the Illinois Commerce Commission (“Commission”) and its Staff.

108 **Q. Do all customer categories incur the costs described above?**

109 A. No. The list below shows the applicable cost item cross referenced to the category
 110 of service to which it applies.

	Cost Item	Category of Service
1	Auction Suppliers	BGS-FP; BGS-LFP
2	MISO Energy Costs	BGS-LRTP
3	MISO Market Settlement	BGS-LRTP
4	Rider QF Costs	BGS-LRTP
5	Medina Valley Excess Generation	BGS-LRTP (AmerenCILCO Only)

6	Ancillary Services	BGS-LRTP
7	Capacity	BGS-LRTP
8	Company Use & Free Service under Franchises	BGS-FP
9	Special Contracts	BGS-LFP

111 **Q. Please describe the procedures your department follows in producing and**
112 **filing the annual reconciliations.**

113 A. The “costs” portions of the annual reconciliation are received from the sources
114 described above. Revenues are calculated from Company reports for sales and estimated
115 billed output. Adjustments are made for cycle billing (unbilled volumes).

116 **Q. Please describe in detail the exhibits you are sponsoring.**

117 A. AmerenCILCO, AmerenCIPS and AmerenIP Exhibits 2.1, 2.2 and 2.3, as they are
118 labeled, shows the recovery of the Company’s total allowable costs over the 12-month
119 reconciliation period ending December 31, 2007 for products BGS-FP, BGS-LFP and
120 BGS-LRTP under Rider MV. AmerenCILCO, AmerenCIPS and AmerenIP Exhibits 2.4,
121 2.5 and 2.6 shows the recovery of the Company’s total allowable costs over the five-
122 month reconciliation period ending May 31, 2008 for products BGS-FP and BGS-LFP
123 under Rider MVA. AmerenCILCO, AmerenCIPS and AmerenIP Exhibits 2.7, 2.8 and
124 2.9 shows the recovery of the Company’s total allowable costs over the five-month
125 reconciliation period ending May 31, 2008 for products BGS-LRTP under Rider BGS-
126 LRTP and Rider HSS.

127 **Q. Were any accounting adjustments made, and if so, how were they calculated?**

128 Yes, there were accounting adjustments made. I will go through each adjustment
129 separately, explaining the reason for the adjustment, when it was made and how it was
130 calculated.

131 In the July 2007 filing, there were adjustments made on AmerenCILCO,
132 AmerenCIPS and AmerenIP for BGS-FP, BGS-LFP and BGS-LRTP calculations for the
133 cumulative over or under recovery balances for January and February of 2007. Due to
134 the timing of the MISO settlements, this was the first filing with actual costs and
135 revenues.

136 There was an adjustment on AmerenCILCO's BGS-LFP filing for February 2008
137 rates. This adjustment was made to adjust for two customers that have special contract
138 loads that were included in BGS-LFP amounts. The special contract customers are not
139 on Rider BGS-FP service, but are supplied under the BGS-LFP Supplier Forward
140 Contract. When the special contract customers were setup, there was a
141 miscommunication regarding how to account for their supply. This adjustment removed
142 their load and the costs associated with the two customers in the November 2007 –
143 January 2008 filings. The additional loads and costs for other months were adjusted in
144 current month filings.

145 There was an adjustment on AmerenCILCO, AmerenCIPS and AmerenIP for
146 BGS-FP, BGS-LFP and BGS-LRTP rates in the July 2008 filing related to interest rates.
147 This adjustment was done to account for a change in the interest rate that should have
148 been effective in January 2008. The adjustment represents the cumulative effect of the
149 interest rate change from 5% to 3.5% for the January – June 2008 filings.

150 In the October 2008 filing for AmerenCIPS for the BGS-LFP rates, an adjustment
151 was made for accounts that were incorrectly classified. These accounts were classified as
152 BGS-LFP customers but they were actually BGS-FP and ARES customers. BGS-LFP
153 rates were decreased by these incorrect costs. The BGS-FP adjustment was made in the
154 October filing that was filed under Rider PER so it is not included in this reconciliation.

155 In the October 2008 filing for AmerenIP for the BGS-LFP rates, there were two
156 adjustments made for accounts that were incorrectly classified. The first adjustment was
157 for accounts that were classified as BGS-LFP customers but they were actually ARES
158 customers. BGS-LFP costs were decreased to correct for the oversight, and the Market
159 Value Adjustment factor applied to customers was adjusted accordingly. The second
160 adjustment was for AmerenIP Special Contracts; these contracts are served under the
161 BGS-LFP tariff but their costs should be excluded from the Rider. There were some final
162 settlements for the Special Contracts not included in the BGS-LFP costs in the
163 calculation in prior months. When making the monthly adjustment for the Special
164 Contracts, we began with AmerenIP's total cost and then reduce the costs by the Special
165 Contracts. However, when we adjusted for these final settlements, we erroneously
166 decreased the total costs for the Special Contracts cost which had already been once
167 excluded. In October 2008, we added back the amount of the Special Contracts costs that
168 was deducted twice.

169 **Q. Please explain Ameren Exhibit 2.10.**

170 **A.** As a matter of convenience, I have prepared this exhibit to show the monetary
171 impact associated with the various adjustments by rider. This was done for each of the
172 AIUs.

173 **III. CONCLUSION**

174 **Q. Does this conclude your direct testimony?**

175 **A.** Yes, it does.

APPENDIX

STATEMENT OF QUALIFICATIONS

LAURA M. MOORE

I received a Bachelor of Science degree in Accounting from the University of Missouri at Columbia in May 1991 and a Masters of Business Administration from St. Louis University in May 1997. I passed the May 1992 Certified Public Accountant examination. From 1992-1994, I worked for Preferred Pipe Products, Inc. in St. Louis, Missouri in various capacities, including Staff Accountant in 1992 and Accounting Manager from 1992-1994. I worked with Eagleton Enterprises in St. Louis, Missouri as an Accounting Manager from 1994-1995. I worked with Merit Behavioral Care in St. Louis, Missouri as an Accountant from 1997-1999. I worked with Clark Refining and Marketing in St. Louis, Missouri as a Financial Analyst from 1997-1999. From 1999-2002, I worked at Emerson Tool Company in St. Louis, Missouri in the Financial Analysis Department, first as an Analyst and then as the Manager. I began working in June 2002, in the Plant Accounting Department as a Financial Specialist at Ameren Services Company. I worked as Supervisor, Generation and General Plant from 2003-2006. In October of 2006, I assumed the responsibilities as Fuel and Gas Accounting Supervisor. In May of 2009, I was promoted to Managing Supervisor, Plant Accounting. I am gradually transitioning into my new position and still currently work in Fuel and Gas Accounting until this transition is complete.