

**AMERENIP**  
**DOCKET NO. 09-0311 RESPONSE TO DEFICIENCIES**  
**ADMINISTRATIVE LAW JUDGE LETTER DATED 07/10/2009**

1. Section 285.315(a) requires the utility to file three copies of the most recent ILCC Form 21.

IP's ILCC Form 21 contains compressed images that are illegible. Please provide one paper copy and one electronic copy of IP's 2008 ILCC Form 21, with all images uncompressed.

Response: A paper copy and electronic copy of IP's ILCC Form 21 with all images uncompressed is provided in response this deficiency.

2. Section 285.315(c) requires the utility to provide the forecasted peak design day, the estimated amount of available peak day supply, and the reserve margin during the test year. Subsection (c) also requires each utility to list and explain all criteria it used as a basis for each of these values and provide all associated work papers.

IP does not appear to have provided the required information and is directed to provide such as required by Section 285.315(c).

Response: Attached is the information required by Section 285.315(c) for AmerenIP.

3. Section 285.2010 requires the utility to reference each rate base adjustment to the appropriate supporting schedule and Section 285.2015(a) requires each adjustment included on Schedule B-2 to have a separate schedule B-2.X showing the (1) title of the adjustment; (2) description of the adjustment; (3) summary calculations supporting the adjustment; (4) reference to supporting work paper(s); and (5) adjustment amounts by Commission account. The following deficiencies were found relating to Schedules B-2 and B-2.1, 2.2, 2.3, etc.:

- a. Schedule B-2, lines 5-7, do not reference the appropriate B-2.X schedules; rather they reference other schedules such as B-8, B-8.1 and B-13;
- b. the adjustment amount presented on Schedule B-2, line 8, does not relate to amounts presented on Schedule B-8.1;
- c. the adjustment amount presented on Schedule B-2, line 9, does not relate to amounts presented on Schedule B-13;
- d. IP did not provide a supporting schedule for cash working capital, which appears as an adjustment on B-2;
- e. IP did not provide a supporting schedule for materials and supplies, which appears as an adjustment on Schedule B-2;

- f. IP did not provide a supporting schedule for customer deposits, which appears as an adjustment on Schedule B-2; and
- g. the account numbers on Schedule B-2.6 are incorrect because they correspond to operating expense accounts rather than rate base accounts.

Please provide a corrected Schedule B-2 and supporting schedules B-2.X, which conform to the requirements set forth in Sections 285.2010 and 285.2015, include the missing supporting schedules, and reference the correct supporting schedules.

Response:

- a) A revised Schedule B-2 is attached and contains the requested information.
  - b) The adjustment amount presented on Schedule B-2, Line 8 directly relates to the calculation presented on Schedule B-2.8.
  - c) The adjustment amount presented on Schedule B-2, Line 9 directly relates to the calculation presented on Schedule B-2.9.
  - d) A supporting schedule for cash working capital has been created and is attached as Schedule B-2.10.
  - e) A supporting schedule for materials and supplies has been created and is attached as Schedule B-2.8.
  - f) A supporting schedule for customer deposits has been created and is attached as Schedule B-2.9.
  - g) A revised Schedule B-2.6 and WPB-2.6 are attached and contain the requested information.
4. Section 285.2030 requires the utility to provide an explanation for transfers.

IP's Schedule B-5 does not include an explanation for transfers as required by Section 285.2030(b)(7). Although descriptions are included in the work papers accompanying Schedule B-5, such descriptions must include more detail and appear on Schedule B-5. Please provide an explanation for any transfers on Schedule B-5.

Response: Revised Schedules B-5 and WPB-5 are attached and contain the requested information. The explanation "common plant asset transfer" is used when dollar amounts are transferred from one account to another account, from one utility to another utility, or from one company to another company.

5. Section 285.2070(b) regarding cash working capital states, "Work papers

supporting Schedule B-8 shall include the supporting documentation of the calculation. If the cash working capital request is based upon a lead-lag study, the lead-lag study shall be provided on a jurisdictional basis and included as work papers.”

Please provide the spreadsheets and any other work papers associated with the proposed adjustments to working capital and the lead-lag study in Schedule B-8.

The Schedule B-8 header also indicates that the dollar amounts reflected therein are in thousands. If the corresponding cash working capital amount reported on Schedule B-2 is correct, however, then the dollar amounts presented on Schedule B-8 are not in thousands. Please clarify or correct Schedule B-8.

Response: A copy of the lead lag study is attached and marked as WPB-8d. A revised Schedule B-8 is attached and reflects the dollar amounts in thousands.

6. Section 285.2075 concerns materials and supplies.

The amounts for materials and supplies presented on IP's Schedule B-8.1 are not consistent with the amount presented on Schedule B-2. Please correct Schedules B-8.1 and B-2 to make it possible to reconcile them.

Response: Please refer to Schedule B-2.8 for a reconciliation of the amounts presented on Schedule B-2 and Schedule B-8.1.

7. Section 285.2110 concerns customer deposits.

The amounts presented on IP's Schedule B-13 are not consistent with the amount presented on Schedule B-2. Please correct Schedules B-13 and B-2 to make it possible to reconcile them.

Response: Please refer to Schedule B-2.9 for a reconciliation of the amounts presented on Schedule B-2 and Schedule B-13.

8. Section 285.3005 requires the utility to provide a jurisdiction operating income summary.

The totals presented in IP's Schedule C-1 do not sum up. Specifically, lines 8, 9, 57, 184, and 185 do not add across and the numbers provided in column D do not equal the total for that column. Please correct the errors in Schedule C-1.

Response: A revised Schedule C-1 is attached. Formulas have been checked and corrected where necessary.

9. Section 285.3010 requires the utility to provide proposed adjustments to operating income.

The totals presented in IP's Schedule C-2 do not sum up. Specifically, the numbers in each of Columns X, AA, and AB do not equal the total for that column. Similarly, Net Utility Operating Income (BIT) at present rates on Schedule C-2, page 75, line 185, column AB does not equal Net Utility Operating Income (BIT) at present rates on Schedule C-1, page 6, line 185, column E. Please correct the errors in Schedule C-2.

Response: A revised Schedule C-2 is attached. Formulas have been checked and corrected where necessary.

10. Section 285.3015, Schedules C-2.1, 2, 3, etc. concern detailed adjustments to operating income.

IP does not appear to have provided a work paper to support the adjustment presented in Schedule C-2.3, Other Revenue Adjustments, as required by subsection (b). Please provide the missing work paper to support Schedule C-2.3.

Response: A work paper to support Schedule C-2.3 is attached.

11. Section 285.3066 requires the utility to provide account numbers for industry association dues.

IP did not provide an account number for industry association dues for Schedule C-6.1. Please provide the required account number for industry association dues for Schedule C-6.1, as required by Section 285.3066(b)(1).

Response: A revised Schedule C-6.1 is attached and contains the requested information.

12. Section 285.3070 provides that on Schedule C-7, the utility shall provide the charitable contributions for each of the three consecutive years immediately preceding the test year for the total company, the test year for the total company, and the test year jurisdictional pro forma at proposed rates reflected on Schedule C-1, including the account number.

CILCO does not appear to have provided an account number for Schedule C-7. Please amend Schedule C-7 to include the missing account number as required by Section 285.3070(b)(1).

Response: A revised Schedule C-7 is attached and contains the requested information.

13. Section 285.3085(d) states, "If amortization of previous rate case expenses are included within test year jurisdictional operating expense at proposed rates on Schedule C-1, provide the amount of amortization expense associated with each rate case by docket number."

IP does not appear to have provided the required information. Please provide the amortization expense associated with each rate case by docket number.

Response: A revised Schedule C-10 is attached and provides a calculation of the amortization of previous rate case expenses included within test year jurisdictional operating expense.

14. Section 285.3145(c) requires the utility to provide in supporting work papers the assumptions used to derive the composite depreciation rate for the test year.

Please provide in supporting work papers the assumptions used to derive the composite depreciation rate for the test year.

Response: A revised Schedule WPC-12a is attached and contains the requested information.

15. Section 285.3155(a)(1) requires the utility to provide the Commission account charged with operating leases.

IP's Schedule C-14 does not provide the Commission account charged with lease expense. Please provide the Commission account charged with lease expense in Schedule C-14, as required by Section 285.3155(a)(1).

Response: A revised Schedule C-14 is attached and contains the requested information.

16. Section 285.3400(b)(2) requires the utility to provide test year Purchased Gas Adjustment ("PGA") recoverable expenses.

Please amend CILCO's Schedule C-30 to include test year PGA recoverable expenses, as required by Section 285.3400(b)(2).

Response: A revised Schedule C-30 is attached and contains the requested information.

17. Section 285.4010(a) requires the utility to provide in Schedule D-1 a summary calculation of the weighted average cost of capital on a total company and

jurisdictional basis for each year from and including the last completed calendar or fiscal year through the capital structure measurement period.

IP did not provide Schedule D-1. Please provide a summary of IP's weighted average cost of capital as of December 31, 2008.

Response: Please see attached AmerenIP First Revised Schedule D-1.

18. Section 285.4010(b)(1) requires the utility to provide monthly common equity balances for the most recent calendar or fiscal year through the end of the capital structure measurement period.

Please provide IP's monthly common equity balances beginning January 2008 through March 2009, including purchase accounting and ratemaking adjustments that were factored into IP's adjusted common equity balance.

Response: Please see attached IP Deficiency Response 285.4010(b)(1).

19. Section 285.4020(c)(4), (5), and (6) requires the utility to provide the following information for each type of issue regarding the cost of short-term debt: the average interest rate, the interest requirement (*i.e.*, amount outstanding multiplied by the average interest rate), and the cost of short-term debt (*i.e.*, the interest requirement divided by the amount outstanding).

The interest rate and cost of short-term debt information provided in IP's Schedule D-2 does not follow the directions set forth in Section 285.4020. For example, the interest requirement appears to equal construction work in progress ("CWIP") multiplied by the average interest rate and the cost of short-term debt appears to equal the interest requirement divided by CWIP. Please correct IP's Schedule D-2 so that it conforms to the directions set forth in Section 285.4020.

Response: Please see attached AmerenIP First Revised Schedule D-2.

20. Section 285.4030(a) requires the utility to provide in Schedule D-3 the embedded cost of any long-term debt, including any notes, for each year from and including the last completed calendar or fiscal year through the capital structure measurement period.

IP did not provide Schedule D-3. Please provide in Schedule D-3 the required information for the year ending December 31, 2008.

Response: Please see attached AmerenIP First Revised Schedule D-3.

21. Section 285.4040(a) requires the utility to provide the embedded cost of any preferred stock on Schedule D-4 for each year from and including the last completed calendar or fiscal year through the capital structure measurement period.

IP did not provide Schedule D-4. Please provide the required information as of December 31, 2008 in Schedule D-4. If Schedule D-4 is identical for March 31, 2009, and December 31, 2008, IP may indicate such in lieu of providing an identical Schedule D-4.

Response: Schedule D-4 is identical for March 31, 2009 and December 31, 2008.

22. Section 285.4080(a) requires the utility to provide a history of the changes in the rating of each class of security assigned by ratings agencies engaged by the utility to rate its securities, for the last five years in Schedule D-8, including the rating and the date the rating was assigned.

Schedule D-8 appears to be missing information from 2009. Please amend Schedule D-8 to reflect rating changes that have occurred in 2009.

Response: On, January 29, 2009, Moody's Investors Services changed the outlook for the AIU's ratings to "stable" from "positive". However, Moody's did not change any of the ratings of any of the AIUs. Therefore, AmerenIP did provide all of the information required with Section 285.4080(a).

23. Section 285.4080(b) requires the utility to provide a copy of all credit rating analyses or reports on the utility and its parent, in the utility's possession, published during the last 12 months that describe security rating changes and the rationale for those changes.

If in IP's possession, please provide the January 29, 2009 Rating Action from Moody's Investors Service titled, "Moody's Changes Rating Outlook of Ameren's Illinois Utilities to Stable."

Response: See response to Section 285.4080(a) above. Notwithstanding our position, attached is the report requested (AIU Deficiency response 285.4080(b)).