

REBUTTAL TESTIMONY

of

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Accountant
Accounting Department
Financial Analysis Division
Illinois Commerce Commission

Central Illinois Light Company, d/b/a AmerenCILCO,
Central Illinois Public Service Company, d/b/a AmerenCIPS

and

Illinois Power Company, d/b/a AmerenIP

Proposed General Increase in Electric Rates
and
Proposed General Increase in Gas Rates

Docket Nos. 09-0306 – 09-0311 (Cons.)

November 20, 2009

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1 **Witness Identification**

2 **Q. Please state your name and business address.**

3 A. My name is Mary H. Everson. My business address is 527 East Capitol Avenue,
4 Springfield, Illinois 62701.

5 **Q. Are you the same Mary H. Everson who previously provided direct**
6 **testimony in this proceeding?**

7 A. Yes. My direct testimony was filed as ICC Staff Exhibit 2.0.

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

9 A. The purpose of my testimony is to respond to Central Illinois Light Company's
10 ("AmerenCILCO"), Central Illinois Public Service Company's ("AmerenCIPS"),
11 and Illinois Power Company's ("AmerenIP") (collectively, "Ameren," "Ameren
12 Illinois Utilities," "AIU," or "Companies") witnesses Livasy, Getz, Pate, and
13 Stafford regarding 2002-2006 historical plant additions, pro forma plant additions
14 and the amortization of AmerenIP's regulatory asset.

15 I am also presenting the schedules to calculate the components of Staff
16 engineering witness Greg Rockrohr's (Exhibit 24) adjustments for costs to correct
17 for National Electrical Safety Code ("NESC") violations, and two substation
18 relocations.

19 **Q. Are you sponsoring any schedules with your testimony?**

20 A. Yes. I prepared the following schedules that show data as of, or for the historical
21 test year ending, December 31, 2008:

22 **Adjustment Schedules**

23 Schedules Applicable to both Gas and Electric operations:

24
25 Schedules 16.01 E & G Adjustment to Pro Forma Plant Additions

26 Schedule 16.02 IP-E & G Adjustment to Regulatory Asset Amortization

27 Schedules Applicable to Electric operations only:

28 Schedules 16.03 E Adjustment to NESC Corrections Costs

29 Schedule 16.04 CIPS-E Adjustment to Substation Relocation

30 Unless identified with a specific company or operating unit, the following
31 discussions of schedules and issues apply to all of the companies. Issues that
32 are specific to only one company for either electric or gas operations are
33 presented separately.

34 **Q. Did Ameren accept any of your adjustments in its rebuttal testimony?**

35 A. Yes. My adjustment to the 2002-2006 historical plant additions was accepted as
36 indicated by Ameren witness Mark Livasy. (Ameren 43.0 p. 3, lines 49-51)

37 **Adjustment to Pro Forma Plant Additions**

38 **Q. Please describe Schedule 16.01, Adjustment to Pro Forma Plant Additions.**

39 A. Schedule 16.01 reflects my adjustment to pro forma plant additions. I continue to
40 disallow plant additions beyond February 2010, but have accepted plant
41 additions through February 2010 as “known and measurable.”

42 **Q. Did Ameren witnesses Getz’ and Pates’ rebuttal testimony and exhibits**
43 **provide sufficient support to consider Ameren’s pro forma plant additions**
44 **through February 2010 as “known and measurable?”**

45 A. Yes. Ameren witness Getz provided additional information in his rebuttal
46 testimony regarding the status of the pro forma projects and categorized the
47 projects according to the projects’ status. The categories provided by Mr. Getz
48 are:

49 A)-Projects that are completed or are in service;

50 B)-Projects that are currently in progress;

51 C)-Projects which are not scheduled; and

52 D)-Blanket Projects, some of which are incurring charges.

53 Mr. Getz also included in Exhibit 34.3 actual amounts incurred as of September
54 30, 2009 listed by account and project. Other information was provided by project
55 regarding the estimated in-service date and scheduling of projects. Mr. Pate
56 provided details to show that the AIU were not relying solely on budgeted
57 information to support their plant additions, but that the projects had been
58 reviewed with project managers for in-service dates and costs based upon
59 available contracts, purchase orders and cost schedules. Mr. Pate also
60 discussed the type of projects that are included in the blanket work orders and
61 demonstrated that this type of work occurs consistently through out the year.

62 In addition, the Companies' supplemental response to Staff data request MHE
63 10.01 provided a revision to their pro forma plant additions which consists of
64 actual and pro forma amounts through February 2010.

65 **Q. Which of the pro forma plant additions are you recommending the**
66 **Commission approve?**

67 A. After reviewing this information with respect to the scheduling, in-service dates
68 and the progress to date of actual amounts incurred, I am revising my adjustment
69 proposed in direct testimony to allow Ameren to include in each respective rate
70 base, amounts contained in the supplemental response to Staff data request
71 MHE 10.01. These amounts include actual amounts and pro forma amounts
72 through February 2010. With the detailed information provided in Ameren's
73 rebuttal testimony and the supplemental response to Staff data request MHE
74 10.01, Ameren has satisfied me that the pro forma projects related to both
75 specific and blanket projects that will occur through February 2010 are "known
76 and measurable". The detail for the projects which consists of a combination of
77 the budgeted information and details of project scheduling, in-service dates and
78 the actual dollars incurred to date convinced me that the pro forma plant
79 additions have been adequately supported.

80 **Q. Did Ameren revise its pro forma plant additions adjustment in its rebuttal?**

81 A. Yes. Ameren revised its pro forma plant additions adjustment to include storm
82 restoration costs that were not originally included in its pro forma plant additions
83 adjustments. Ameren witness Pate discusses the event which gave rise to these
84 additional costs as an "inland hurricane" which occurred in May of 2009. There

85 are no additional budgeted or forecasted costs included in this revision, only
86 actual costs incurred. Therefore, I do not oppose the inclusion of the 2009 storm
87 restoration costs in the pro forma plant additions. This is reflected in my rebuttal
88 schedules 16.01-E.

89 **Q. You discussed in your direct testimony deficiencies in Ameren's**
90 **supporting information of its proposed level of pro forma plant additions.**
91 **Did the Company resolve your concerns regarding the inconsistencies and**
92 **contradictory information?**

93 A. Yes. I issued data requests regarding many of the inconsistencies in the
94 supporting information that the Companies had provided prior to my direct
95 testimony. The responses to those later data requests provided answers which
96 explained the reasons for the inconsistencies I had noted during my earlier
97 review. My concerns regarding the inconsistencies were resolved after reviewing
98 those responses and the exhibits provided with Ameren's rebuttal testimony.

99 **Q. Do you have a further issue to discuss regarding Ameren's pro forma plant**
100 **additions?**

101 A. Yes. It has come to my attention that in response to Staff data request DLH 2.10
102 in Docket No. 09-0449 (Petition for Approval of Future Grid Surcharge Tariff
103 {Rider FGS}), Ameren has indicated that certain project amounts requested for
104 recovery through the proposed surcharge are also being requested to be in rate
105 base in this proceeding. The specific projects and amounts are:

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<u>Company</u>	<u>Project Number & Description</u>	<u>Amount</u>
AmerenCILCO	24782-Hauk-Sectionalize	\$115,000
	24783-Chester-Sectionalize	\$206,000
	25357-Park-Repl. Fire-Damaged Swgr.	\$1,528,000
AmerenCIPS	24778-Leiston-ATO	\$302,000
AmerenIP	24726-Windsor Rd. ATO	\$56,000
	24776-Dup Sub-Auto-switching	\$233,000

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These amounts are included in the amounts I am now proposing to allow the Companies to include in rate base in this proceeding. Since these project amounts are more appropriately recovered through the normal regulatory process of rate setting, those amounts should not be considered for recovery through the Future Grid Surcharge Tariff that Ameren is proposing in Docket No. 09-0449.

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Adjustment to Regulatory Asset Amortization

Q. Describe Schedule 16.02 reflecting your adjustment to the amortization of AmerenIP’s regulatory asset.

A. Schedule 16.02 reflects my adjustment to reduce the level of IP’s regulatory asset to limit the recovery to the amount allowed by the Commission in Docket No. 04-0294, the merger of Illinois Power Company and Ameren.

Q. How did Ameren respond to your adjustment?

128 A. Ameren witness Stafford argues that my adjustment is flawed for the following
129 reasons:

- 130 1) Extends beyond the time frame allowed for pro forma
131 adjustments established by 83 Ill. Adm. Code 287.40;
- 132 2) Does not include any other changes to occur after May 2010
133 through January 2011 which would offset the amortization amount;
- 134 3) Uncertainty about the length of new rates approved in this
135 proceeding;
- 136 4) Constitutes single issue ratemaking, although he largely discusses
137 that claim in the context of AG/CUB and IIEC; and
- 138 5) AmerenIP has not fully recovered its regulatory asset as of
139 December 31, 2010.

140 **Q. Do you have any general comments about Mr. Stafford's arguments?**

141 A. Yes. Mr. Stafford deflects attention from the central issue by misapplying certain
142 ratemaking principles. The issue here is the appropriate amount of the regulatory
143 asset amortization to be reflected in rates to comply with the finding and ordering
144 paragraphs of the Order in Docket No. 04-0294. Specifically, AmerenIP should
145 reflect the appropriate level of expense to include in AmerenIP's rates that will
146 recover no more than the Order in Docket No. 04-0294 allowed during the
147 specific time period. My adjustment includes a smaller amount in the revenue
148 requirement each year since the Company's expectation is that the rates will be
149 in effect longer than one year. Mr. Stafford's inclusion of the total \$16.7 million in
150 AmerenIP's revenue requirement would enable AmerenIP to recover that amount

151 each year the rates to be determined in this case are in effect. Mr. Stafford's
152 arguments fail to address this concern adequately.

153 **Q. Please respond to Mr. Stafford's claim that this adjustment is improper**
154 **because it extends beyond the time frame allowed for pro forma**
155 **adjustments.**

156 A. First, Mr. Stafford is incorrect that this is a pro forma adjustment. Therefore,
157 Section 287.40 does not apply in the way than Mr. Stafford argues. Second, even
158 if my adjustment were a pro forma adjustment, Mr. Stafford has misapplied the
159 rule.

160 **Q. Please explain why your proposed adjustment to the regulatory asset**
161 **amortization is not a pro forma adjustment.**

162 A 83 Ill. Adm. Code 287.40, which Mr. Stafford quotes, indicates that pro forma
163 adjustments may be proposed for known and measurable changes in the
164 operating results of the test year. The amortization of the regulatory asset does
165 not arise from a change in the operating results of the test year. Therefore, it is
166 not a pro forma adjustment to reflect a change in operations the timing of which
167 must occur within the Part 287.40 time frame. Rather, the adjustment is a
168 regulatory adjustment to reflect the regulatory actions of the Commission as
169 stated in the Order in Docket No. 04-0294 that provided that AmerenIP's rates
170 could establish and recover the regulatory asset during the specified time period.
171 (Commission Order Docket No. 04-0294 at 27)

172 **Q. Please explain how Mr. Stafford’s argument would misapply Part 287.40**
173 **even if the adjustment to the regulatory asset amortization were a pro**
174 **forma adjustment.**

175 A. Mr. Stafford stated: “Proposing an adjustment to expense that extends beyond
176 the effective date of new tariffs expressly violates Part 287.40 of the
177 Commission’s rule regarding pro forma adjustments.” (Ameren Exhibit 29.0,
178 31:709-711) Using Mr. Stafford’s logic, no adjustment that would potentially affect
179 periods beyond the 12 months after filing tariffs would be appropriate. Taken to
180 its ultimate conclusion, this argument would deem all pro forma adjustments and
181 related derivative adjustments a violation of 83 Ill. Adm. Code 287.40 since these
182 adjustments might have an effect on periods beyond the 12 month “pro forma
183 period”. Again using his logic, the only type of adjustment that Mr. Stafford would
184 consider to be allowable is one that would only be in effect for a 1-year period.
185 This contradicts the Companies’ own proposal for the recovery of rate case
186 expense to be amortized over two years and, thus, would extend beyond the
187 effective date of new tariffs.

188 **Q. Please respond to Mr. Stafford’s argument that you have failed to identify**
189 **other changes to occur after May 2010 through January 2011 that may**
190 **offset all or part of the reduction to the AmerenIP regulatory amortization.**

191 A. Mr. Stafford’s argument is not relevant to the question at hand because it would
192 assess test year adjustments based upon impacts that extend well beyond the
193 test year. Using Mr. Stafford’s logic, no levels of expense could be decreased or
194 increased since we don’t know what other changes will occur in 2010 and

195 beyond that might offset any of the reductions or increases to expenses in this
196 case. Once again, this argument does not address the central issue regarding
197 the regulatory asset amortization.

198 **Q. Please respond to Mr. Stafford's argument that your adjustment is**
199 **inappropriate because the length of the new rates to be approved in this**
200 **proceeding is not known with certainty.**

201 A. As I explained above, Mr. Stafford misapplies the known and measurable
202 standard to an adjustment that is not a pro forma adjustment. Furthermore, Mr.
203 Stafford applies this argument in a selective way that contradicts the Companies'
204 position on other issues. For example, the Companies have chosen to amortize
205 rate case expense over two years even though the length of the new rates to be
206 approved in this proceeding is not known with certainty.

207 **Q. Please respond to Mr. Stafford's argument that AmerenIP hasn't fully**
208 **recovered the amortization of the IP regulatory asset.**

209 A. Essentially, Mr. Stafford argues that the amounts the Commission approved in
210 Docket Nos. 06-0070/06-0071-06-0072 (Cons), 04-0476, and 07-0585-07-0590
211 (Cons) were insufficient. (Ameren Exhibit 29.0, 34:787-36:827) Ameren's
212 disagreement with the amount the Commission allowed in the prior rate case is
213 not a sufficient reason for the Commission to allow Ameren to recover more in
214 this rate case by failing to adjust the test year amortization amount appropriately.
215 Mr. Stafford's argument is inconsistent with the prospective nature of the rate
216 setting process.

217 Mr. Stafford also notes that while Ameren expects to incur more than \$450
218 million of merger-related costs to accomplish the reorganization, the AIUs were
219 authorized recovery of only \$67 million through the regulatory asset. (Ameren
220 Exhibit 29.0, 34:788-792) To the extent this implies my proposed adjustment
221 should be rejected because AmerenIP will not recover all of its estimated \$450
222 million of merger related costs, it should be noted that the \$67 million regulatory
223 asset was AmerenIP's own proposal. The Order states Ameren's position as
224 follows: "Rather, Ameren proposes to reflect \$67 million of these costs on
225 AmerenIP's books, as a regulatory asset, to be amortized ratably over the period
226 2007-2010." (Commission Order Docket No. 04-0294 at 25) Thus, Ameren
227 chose the amount and the time period for amortization. If Ameren wanted to
228 achieve full recovery, it could have proposed a different time frame, or proposed
229 an alternative amortization period to be effective if the regulatory asset was not
230 fully recovered at the end of 2010. Instead, Ameren did not propose a different
231 time frame, or an alternative amortization period in Docket No. 04-0294. Thus,
232 whether Ameren has recovered the entire \$67 million by the end of the
233 amortization period it chose is irrelevant to the issue in this case.

234 **Adjustment to NESC Corrections Costs**

235 **Q. Please describe Schedules 16.03 E, Adjustment to NESC Corrections**
236 **Costs.**

237 A. Schedules 16.03 E present my calculation of the revenue requirement impacts of
238 Staff witness Greg Rockrohr's rebuttal adjustment to NESC corrections costs. I
239 have allocated Mr. Rockrohr's adjustment between capital and operating costs

240 consistent with Ameren's allocation of NESC costs on Ameren Ex. 29.11 and
241 calculated the derivative impacts on depreciation expense, accumulated
242 depreciation and accumulated deferred income taxes. Mr. Rockrohr sponsors
243 the adjustment and provides the rationale for the adjustment in Staff Ex. 24.0.

244 **Adjustment to Substation Relocation**

245 **Q. Please describe Schedule 16.04 CIPS-E, Adjustment to Substation**
246 **Relocation.**

247 A. Schedule 16.04 CIPS-E presents my calculation of the revenue requirement
248 impacts of Staff witness Greg Rockrohr's adjustment to two substation relocation
249 projects. I have calculated the derivative impacts on depreciation expense,
250 accumulated depreciation and accumulated deferred income taxes. Mr.
251 Rockrohr sponsors the adjustment and provides the rationale for the adjustment
252 in Staff Ex. 24.0.

253 **Conclusion**

254 **Q. Does this question end your prepared rebuttal testimony?**

255 A. Yes.

AmerenCILCO
 Electric
 For the test Year Ended December 31, 2008
 Adjustment to Pro Forma Plant Additions
 In Thousands

Line No.	Description (a)	Amount (b)	Source (c)
1	Pro Forma Plant Additions per Staff	\$ 27,566	Ameren response to MHE 10.01S
2	Pro Forma Plant Additions per Company	<u>32,642</u>	Ameren Exhibit 29.6
3	Difference-Staff Adjustment	<u>\$ (5,076)</u>	Line 1 - line 2
<u>Accumulated Depreciation</u>			
4	Accumulated Depreciation per Staff	\$ (7,700)	Ameren response to MHE 10.01S
5	Accumulated Depreciation per Company	<u>(8,609)</u>	Ameren Exhibit 29.6
6	Difference-Staff Adjustment	<u>\$ 909</u>	Line 4 - line 5
<u>Accumulated Deferred Income Taxes</u>			
7	Accumulated Deferred Income Taxes per Staff	\$ (4,563)	Ameren response to MHE 10.01S
8	Accumulated Deferred Income Taxes per Company	<u>(4,683)</u>	Ameren Exhibit 29.6
9	Difference-Staff Adjustment	<u>\$ 120</u>	Line 7 - line 8
<u>Depreciation Expense</u>			
10	Depreciation Expense per Staff	\$ 778	Ameren response to MHE 10.01S
11	Depreciation Expense per Company	<u>923</u>	Ameren Exhibit 29.6
12	Difference-Staff Adjustment	<u>\$ (145)</u>	Line 10 - line 11

**AmerenCILCO
 Electric
 For the test Year Ended December 31, 2008
 Adjustment to NESC Corrections Costs
 In Thousands**

Line No.	Description (a)	Amount (b)	Source (c)
1	Plant Additions-NESC per Staff	\$ (627)	Page 2, col. (b), line 3
2	Plant Additions-NESC per Company	<u>(413)</u>	AmerenCILCO Exhibit 29.11 WP
3	Difference-Staff Adjustment	<u>\$ (215)</u>	Line 1 -line 2
<u>Accumulated Depreciation</u>			
4	Accumulated Depreciation-NESC per Staff	\$ (16)	Page 2, col.(b), line 11
5	Accumulated Depreciation-NESC per Company	<u>(10)</u>	AmerenCILCO Exhibit 29.11 WP
6	Difference-Staff Adjustment	<u>\$ 5</u>	Line 4 - line 5
<u>Accumulated Deferred Income Taxes</u>			
7	Accumulated Deferred Income Taxes-NESC per Staff	\$ (113)	Page 3 col. (b), line 14
8	Accumulated Deferred Income Taxes-NESC per Company	<u>(68)</u>	AmerenCILCO Exhibit 29.11 WP
9	Difference-Staff Adjustment	<u>\$ 45</u>	Line 7 - line 8
<u>Operating Expense</u>			
10	Operating & Maintenance Expense-NESC per Staff	\$ (449)	Page 2, col.(b), line 5
11	Operating & Maintenance Expense-NESC per Company	<u>(295)</u>	AmerenCILCO Exhibit 29.11 WP
12	Difference-Staff Adjustment	<u>\$ (154)</u>	Line 10 - line 11
<u>Depreciation Expense</u>			
13	Depreciation Expense-NESC per Staff	\$ (17)	Page 2, col.(b), line 8
14	Depreciation Expense-NESC per Company	<u>(11)</u>	AmerenCILCO Exhibit 29.11 WP
15	Difference-Staff Adjustment	<u>\$ (6)</u>	Line 13 - line 14

**AmerenCILCO
 Electric
 For the test Year Ended December 31, 2008
 Adjustment to NESC Corrections Costs**

Line No.	Description (a)	Amount (b)	Source (c)
1	Total NESC Projects Disallowed	\$ 1,109,673	Staff Ex. 24.0
	<u>Allocation to Plant Additions</u>		
2	Plant Additions %	56.53%	Ratio of plant additions to NESC costs per Co. WPB 29.11
3	NESC Plant Additions Disallowed	<u>\$ 627,331</u>	Line 1 x line 2
	<u>Allocation to Operating Expense</u>		
4	Operating and Maintenance Expense %	40.50%	Ratio of oper. and maint. exp. to total NESC costs per Co. WPB 29.11
5	NESC Operating & Maintenance Expense Disallowed	<u>\$ 449,383</u>	Line 1 x line 4
	<u>Calculation of Depreciation Expense</u>		
6	Total NESC Plant Additions Disallowed	\$ 627,331	Line 3
7	Depreciation Rate	<u>2.72%</u>	AmerenCILCO Exhibit 29.11 WP
8	Depreciation on Disallowed NESC Projects	<u>\$ 17,063</u>	Line 6 x line 7
	<u>Accumulated Depreciation</u>		
9	Depreciation on Disallowed NESC Projects	\$ 17,063	Line 8
10	Removals	<u>(32,960)</u>	AmerenCILCO Exhibit 29.11 WP
11	Accumulated Depreciation	<u>\$ (15,897)</u>	Line 9 + line 10

**AmerenCILCO
 Electric
 For the test Year Ended December 31, 2008
 Adjustment to NESC Corrections Costs**

Line No.	Description (a)	Amount (b)	Source (c)
1	NESC Rework-Plant Disallowed	\$ 627,331	Page 2, col. (b), line 3
2	Book Depreciation Rate	<u>2.72%</u>	AmerenCILCO Exhibit 29.11 WP
3	Book Depreciation	\$ 17,063	Line 1 x line 2
4	State Tax Depreciation Rate	<u>7.22%</u>	AmerenCILCO Exhibit 29.11 WP
5	State Tax Depreciation	\$ 45,287	Line 1 x line 4
6	State Book-Tax Depreciation Difference	\$ 28,224	Line 5 - line 3
7	State Tax Rate	<u>7.30%</u>	AmerenCILCO Sch. C-1
8	State ADIT	\$ 2,060	Line 6 x line 7
9	Federal Tax Depreciation Rate	<u>53.61%</u>	AmerenCILCO Exhibit 29.11 WP
10	Federal Tax Depreciation	\$ 336,309	Line 1 x line 9
11	Federal Book-Tax Depreciation Difference	\$ 319,245	Line 10 - line 3
12	Federal Tax Rate	<u>35%</u>	AmerenCILCO Sch. C-1
13	Federal ADIT	\$ 111,015	(Line 11- line 8) x line 12
14	Total ADIT-NESC	<u>\$ 113,075</u>	Line 8 + line 13

**AmerenCILCO
 Gas
 For the test Year Ended December 31, 2008
 Adjustment to Pro Forma Plant Additions
 In Thousands**

Line No.	Description (a)	Amount (b)	Source (c)
1	Pro Forma Plant Additions per Staff	\$ 16,467	Ameren response to MHE 10.01S
2	Pro Forma Plant Additions per Company	<u>18,609</u>	Ameren Exhibit 29.6
3	Difference-Staff Adjustment	<u>\$ (2,142)</u>	Line 1 - line 2
<u>Accumulated Depreciation</u>			
4	Accumulated Depreciation per Staff	\$ (2,501)	Ameren response to MHE 10.01S
5	Accumulated Depreciation per Company	<u>(3,002)</u>	Ameren Exhibit 29.6
6	Difference-Staff Adjustment	<u>\$ 501</u>	Line 4 - line 5
<u>Accumulated Deferred Income Taxes</u>			
7	Accumulated Deferred Income Taxes per Staff	\$ (5,207)	Ameren response to MHE 10.01S
8	Accumulated Deferred Income Taxes per Company	<u>(5,352)</u>	Ameren Exhibit 29.6
9	Difference-Staff Adjustment	<u>\$ 145</u>	Line 7 - line 8
<u>Depreciation Expense</u>			
10	Depreciation Expense per Staff	\$ 327	Ameren response to MHE 10.01S
11	Depreciation Expense per Company	<u>361</u>	Ameren Exhibit 29.6
12	Difference-Staff Adjustment	<u>\$ (34)</u>	Line 10 - line 11

AmerenCIPS
Electric
For the test Year Ended December 31, 2008
Adjustment to Pro Forma Plant Additions
In Thousands

Line No.	Description (a)	Amount (b)	Source (c)
1	Pro Forma Plant Additions per Staff	\$ 56,516	Ameren response to MHE 10.01S
2	Pro Forma Plant Additions per Company	<u>63,922</u>	Ameren Exhibit 29.6
3	Difference-Staff Adjustment	<u>\$ (7,406)</u>	Line 1 - line 2
<u>Accumulated Depreciation</u>			
4	Accumulated Depreciation per Staff	\$ (12,219)	Ameren response to MHE 10.01S
5	Accumulated Depreciation per Company	<u>(13,828)</u>	Ameren Exhibit 29.6
6	Difference-Staff Adjustment	<u>\$ 1,609</u>	Line 4 - line 5
<u>Accumulated Deferred Income Taxes</u>			
7	Accumulated Deferred Income Taxes per Staff	\$ (9,349)	Ameren response to MHE 10.01S
8	Accumulated Deferred Income Taxes per Company	<u>(9,559)</u>	Ameren Exhibit 29.6
9	Difference-Staff Adjustment	<u>\$ 210</u>	Line 7 - line 8
<u>Depreciation Expense</u>			
10	Depreciation Expense per Staff	\$ 2,124	Ameren response to MHE 10.01S
11	Depreciation Expense per Company	<u>2,426</u>	Ameren Exhibit 29.6
12	Difference-Staff Adjustment	<u>\$ (302)</u>	Line 10 - line 11

AmerenCIPS
 Electric
 For the test Year Ended December 31, 2008
 Adjustment to NESC Corrections Costs

Line No.	Description (a)	Amount (b)	Source (c)
1	Plant Additions-NESC per Staff	\$ (919)	Page 2, col. (b), line 3
2	Plant Additions-NESC per Company	<u>(718)</u>	AmerenCIPS Exhibit 29.11 WP
3	Difference-Staff Adjustment	<u>\$ (202)</u>	Line 1 -line 2
<u>Accumulated Depreciation</u>			
4	Accumulated Depreciation-NESC per Staff	\$ (10)	Page 2, col.(b), line 11
5	Accumulated Depreciation-NESC per Company	<u>(8)</u>	AmerenCIPS Exhibit 29.11 WP
6	Difference-Staff Adjustment	<u>\$ 2</u>	Line 4 - line 5
<u>Accumulated Deferred Income Taxes</u>			
7	Accumulated Deferred Income Taxes-NESC per Staff	\$ (160)	Page 3 col. (b), line 14
8	Accumulated Deferred Income Taxes-NESC per Company	<u>(118)</u>	AmerenCIPS Exhibit 29.11 WP
9	Difference-Staff Adjustment	<u>\$ 42</u>	Line 7 - line 8
<u>Operating Expense</u>			
10	Operating & Maintenance Expense-NESC per Staff	\$ (2,161)	Page 2, col.(b), line 5
11	Operating & Maintenance Expense-NESC per Company	<u>(1,687)</u>	AmerenCIPS Exhibit 29.11 WP
12	Difference-Staff Adjustment	<u>\$ (474)</u>	Line 10 - line 11
<u>Depreciation Expense</u>			
13	Depreciation Expense-NESC per Staff	\$ (40)	Page 2, col.(b), line 8
14	Depreciation Expense-NESC per Company	<u>(31)</u>	AmerenCIPS Exhibit 29.11 WP
15	Difference-Staff Adjustment	<u>\$ (9)</u>	Line 13 - line 14

**AmerenCIPS
 Electric
 For the test Year Ended December 31, 2008
 Adjustment to NESC Corrections Costs**

Line No.	Description (a)	Amount (b)	Source (c)
1	Total NESC Projects Disallowed	\$ 3,129,791	Staff Ex. 24.0
	<u>Allocation to Plant Additions</u>		
2	Plant Additions %	29.37%	Ratio of plant additions to NESC costs per Co. WPB 29.11
3	NESC Plant Additions Disallowed	<u>\$ 919,267</u>	Line 1 x line 2
	<u>Allocation to Operating Expense</u>		
4	Operating and Maintenance Expense %	69.03%	Ratio of oper. and maint. exp. to total NESC costs per Co. WPB 29.11
5	NESC Operating & Maintenance Expense Disallowed	<u>\$ 2,160,550</u>	Line 1 x line 4
	<u>Calculation of Depreciation Expense</u>		
6	Total NESC Plant Additions Disallowed	\$ 919,267	Line 3
7	Depreciation Rate	<u>4.31%</u>	AmerenCIPS Exhibit 29.11 WP
8	Depreciation on Disallowed NESC Projects	<u>\$ 39,620</u>	Line 6 x line 7
	<u>Accumulated Depreciation</u>		
9	Depreciation on Disallowed NESC Projects	\$ 39,620	Line 8
10	Removals	<u>(49,975)</u>	AmerenCIPS Exhibit 29.11 WP
11	Accumulated Depreciation	<u>\$ (10,354)</u>	Line 9 + line 10

**AmerenCIPS
 Electric
 For the test Year Ended December 31, 2008
 Adjustment to NESC Corrections Costs**

No.	Description (a)	Amount (b)	Source (c)
1	NESC Rework-Plant Disallowed	\$ 919,267	Page 2, col. (b), line 3
2	Book Depreciation Rate	<u>4.31%</u>	AmerenCIPS Exhibit 29.11 WP
3	Book Depreciation	\$ 39,620	Line 1 x line 2
4	State Tax Depreciation Rate	<u>7.22%</u>	AmerenCIPS Exhibit 29.11 WP
5	State Tax Depreciation	\$ 66,362	Line 1 x line 4
6	State Book-Tax Depreciation Difference	\$ 26,741	Line 5 - line 3
7	State Tax Rate	<u>7.30%</u>	AmerenCIPS Sch. C-1
8	State ADIT	\$ 1,952	Line 6 x line 7
9	Federal Tax Depreciation Rate	<u>53.61%</u>	AmerenCIPS Exhibit 29.11 WP
10	Federal Tax Depreciation	\$ 492,814	Line 1 x line 9
11	Federal Book-Tax Depreciation Difference	\$ 453,194	Line 10 - line 3
12	Federal Tax Rate	<u>35%</u>	AmerenCIPS Sch. C-1
13	Federal ADIT	\$ 157,935	(Line 11- line 8) x line 12
14	Total ADIT-NESC	<u>\$ 159,887</u>	Line 8 + line 13

AmerenCIPS
 Electric
 For the test Year Ended December 31, 2008
 Adjustment to Substation Relocation
 In Thousands

Line No.	Description (a)	Amount (b)	Source (c)
1	Substation Relocation per Staff	\$ -	ICC Staff Ex. 24.0
2	Substation Relocation per Company	<u>2,000</u>	Page 2, col. (b), line 3
3	Difference-Staff Adjustment	<u>\$ (2,000)</u>	Line 1 -line 2
<u>Accumulated Depreciation</u>			
6	Accumulated Depreciation per Staff	\$ (745,817)	Page 2, col.(b), line 8
7	Accumulated Depreciation per Company	<u>(746,880)</u>	Page 2, col.(b), line 6
8	Difference-Staff Adjustment	<u>\$ 1,063</u>	Line 6 - line 7
<u>Accumulated Deferred Income Taxes</u>			
7	Accumulated Deferred Income Taxes per Staff	\$ (113,094)	Page 2, col.(b), line 11
8	Accumulated Deferred Income Taxes per Company	<u>(113,255)</u>	Page 3 col. (b), line 9
9	Difference-Staff Adjustment	<u>\$ 161</u>	Line 7 - line 8
<u>Depreciation Expense</u>			
10	Depreciation Expense per Staff	\$ 52,957	Page 2, col.(b), line 14
11	Depreciation Expense Company	<u>53,033</u>	Page 2, col.(b), line 12
12	Difference-Staff Adjustment	<u>\$ (76)</u>	Line 10 - line 11

**AmerenCIPS
 Electric
 For the test Year Ended December 31, 2008
 Adjustment to Substation Relocation
 In Thousands**

Line No.	Description (a)	Amount (b)	Source (c)
1	Substation Relocation WO # 16922	\$ 1,468	ICC Staff Ex. 24.0
2	Related Distribution Facility Relocations WO # 17954	532	ICC Staff Ex. 24.0
3	Total Substation Relocation Allocated to Electric Distribution	\$ 2,000	Line 1 + line 2
4	Total Electric Plant in Service per Company	\$ 1,404,840	AmerenCIPS Exhibit 29.2
5	Ratio of Substation Relocation to Electric Dist. Plant	0.0014238	Line 3/ line 4
<u>Accumulated Depreciation</u>			
6	Accumulated Depreciation per Company	\$ 746,880	AmerenCIPS Exhibit 29.2
7	Accumulated Depreciation on Electric Substation Relocation	1,063	Line 5 x line 7
8	Accumulated Depreciation per Staff	\$ 745,817	Line 6 - line 7
<u>Accumulated Deferred Income Taxes</u>			
9	Accumulated Deferred Income Taxes per Company	\$ (113,255)	AmerenCIPS Exhibit 29.2
10	Accumulated Deferred Income Taxes on Electric Substation Relocation	(161)	Line 5 x line 9
11	Accumulated Deferred Income Taxes per Staff	\$ (113,094)	Line 9 - line 10
<u>Depreciation Expense</u>			
12	Depreciation Expense per Company	\$ 53,033	AmerenCIPS Exhibit 29.2
13	Depreciation Expense on Electric Substation Relocation	76	Line 12 x line 5
14	Depreciation Expense per Staff	\$ 52,957	Line 12 - line 13

**AmerenCIPS
 Gas
 For the test Year Ended December 31, 2008
 Adjustment to Pro Forma Plant Additions
 In Thousands**

Line No.	Description (a)	Amount (b)	Source (c)
1	Pro Forma Plant Additions per Staff	\$ 13,926	Ameren response to MHE 10.01S
2	Pro Forma Plant Additions per Company	<u>15,243</u>	Ameren Exhibit 29.6
3	Difference-Staff Adjustment	<u>\$ (1,317)</u>	Line 1 - line 2
<u>Accumulated Depreciation</u>			
4	Accumulated Depreciation per Staff	\$ (139)	Ameren response to MHE 10.01S
5	Accumulated Depreciation per Company	<u>(123)</u>	Ameren Exhibit 29.6
6	Difference-Staff Adjustment	<u>\$ (16)</u>	Line 4 - line 5
<u>Accumulated Deferred Income Taxes</u>			
7	Accumulated Deferred Income Taxes per Staff	\$ (2,548)	Ameren response to MHE 10.01S
8	Accumulated Deferred Income Taxes per Company	<u>(2,649)</u>	Ameren Exhibit 29.6
9	Difference-Staff Adjustment	<u>\$ 101</u>	Line 7 - line 8
<u>Depreciation Expense</u>			
10	Depreciation Expense per Staff	\$ 330	Ameren response to MHE 10.01S
11	Depreciation Expense per Company	<u>381</u>	Ameren Exhibit 29.6
12	Difference-Staff Adjustment	<u>\$ (51)</u>	Line 10 - line 11

**AmerenIP
 Electric
 For the test Year Ended December 31, 2008
 Adjustment to Pro Forma Plant Additions
 In Thousands**

Line No.	Description (a)	Amount (b)	Source (c)
1	Pro Forma Plant Additions per Staff	\$ 93,713	Ameren response to MHE 10.01S
2	Pro Forma Plant Additions per Company	<u>108,951</u>	Ameren Exhibit 29.6
3	Difference-Staff Adjustment	<u>\$ (15,238)</u>	Line 1 - line 2
<u>Accumulated Depreciation</u>			
4	Accumulated Depreciation per Staff	\$ (11,194)	Ameren response to MHE 10.01S
5	Accumulated Depreciation per Company	<u>(12,960)</u>	Ameren Exhibit 29.6
6	Difference-Staff Adjustment	<u>\$ 1,766</u>	Line 4 - line 5
<u>Accumulated Deferred Income Taxes</u>			
7	Accumulated Deferred Income Taxes per Staff	\$ (14,929)	Ameren response to MHE 10.01S
8	Accumulated Deferred Income Taxes per Company	<u>(15,401)</u>	Ameren Exhibit 29.6
9	Difference-Staff Adjustment	<u>\$ 472</u>	Line 7 - line 8
<u>Depreciation Expense</u>			
10	Depreciation Expense per Staff	\$ 2,768	Ameren response to MHE 10.01S
11	Depreciation Expense per Company	<u>3,235</u>	Ameren Exhibit 29.6
12	Difference-Staff Adjustment	<u>\$ (467)</u>	Line 10 - line 11

AmerenIP
 Electric
 For the test Year Ended December 31, 2008
 Adjustment to NESC Corrections Costs
 In Thousands

Line No.	Description (a)	Amount (b)	Source (c)
1	Plant Additions-NESC per Staff	\$ (2,679)	Page 2, col. (b), line 3
2	Plant Additions-NESC per Company	<u>(1,986)</u>	AmerenIP Exhibit 29.11 WP
3	Difference-Staff Adjustment	<u>\$ (693)</u>	Line 1 -line 2
<u>Accumulated Depreciation</u>			
4	Accumulated Depreciation-NESC per Staff	\$ 83	Page 2, col.(b), line 11
5	Accumulated Depreciation-NESC per Company	<u>61</u>	AmerenIP Exhibit 29.11 WP
6	Difference-Staff Adjustment	<u>\$ 21</u>	Line 4 - line 5
<u>Accumulated Deferred Income Taxes</u>			
7	Accumulated Deferred Income Taxes-NESC per Staff	\$ 479	Page 3 col. (b), line 14
8	Accumulated Deferred Income Taxes-NESC per Company	<u>328</u>	AmerenIP Exhibit 29.11 WP
9	Difference-Staff Adjustment	<u>\$ 150</u>	Line 7 - line 8
<u>Operating Expense</u>			
10	Operating & Maintenance Expense-NESC per Staff	\$ (4,620)	Page 2, col.(b), line 5
11	Operating & Maintenance Expense-NESC per Company	<u>(3,424)</u>	AmerenIP Exhibit 29.11 WP
12	Difference-Staff Adjustment	<u>\$ (1,195)</u>	Line 10 - line 11
<u>Depreciation Expense</u>			
13	Depreciation Expense-NESC per Staff	\$ (84)	Page 2, col.(b), line 8
14	Depreciation Expense-NESC per Company	<u>(62)</u>	AmerenIP Exhibit 29.11 WP
15	Difference-Staff Adjustment	<u>(22)</u>	Line 13 - line 14

**AmerenIP
 Electric
 For the test Year Ended December 31, 2008
 Adjustment to NESC Corrections Costs**

Line No.	Description (a)	Amount (b)	Source (c)
1	Total NESC Projects Disallowed	\$ 7,464,720	Staff Ex. 24.0
	<u>Allocation to Plant Additions</u>		
2	Plant Additions %	35.89%	Ratio of plant additions to NESC costs per Co. WPB 29.11
3	NESC Plant Additions Disallowed	<u>\$ 2,678,902</u>	Line 1 x line 2
	<u>Allocation to Operating Expense</u>		
4	Operating and Maintenance Expense %	61.89%	Ratio of oper. and maint. exp. to total NESC costs per Co. WPB 29.11
5	NESC Operating & Maintenance Expense Disallowed	<u>\$ 4,619,559</u>	Line 1 x line 4
	<u>Calculation of Depreciation Expense</u>		
6	Total NESC Plant Additions Disallowed	\$ 2,678,902	Line 3
7	Depreciation Rate	<u>3.12%</u>	AmerenIP Exhibit 29.11 WP
8	Depreciation on Disallowed NESC Projects	<u>\$ 83,582</u>	Line 6 x line 7
	<u>Accumulated Depreciation</u>		
9	Depreciation on Disallowed NESC Projects	\$ 83,582	Line 8
10	Removals	<u>(166,261)</u>	AmerenIP Exhibit 29.11 WPB
11	Accumulated Depreciation	<u>\$ (82,680)</u>	Line 9 + line 10

**AmerenIP
 Electric
 For the test Year Ended December 31, 2008
 Adjustment to NESC Corrections Costs**

No.	Description (a)	Amount (b)	Source (c)
1	NESC Rework-Plant Disallowed	\$ 2,678,902	Page 2, col. (b), line 3
2	Book Depreciation Rate	<u>3.12%</u>	AmerenIP Exhibit 29.11 WP
3	Book Depreciation	\$ 83,582	Line 1 x line 2
4	State Tax Depreciation Rate	<u>7.22%</u>	AmerenIP Exhibit 29.11 WP
5	State Tax Depreciation	\$ 193,390	Line 1 x line 4
6	State Book-Tax Depreciation Difference	\$ 109,808	Line 5 - line 3
7	State Tax Rate	<u>7.30%</u>	AmerenIP Sch. C-1
8	State ADIT	\$ 8,016	Line 6 x line 7
9	Federal Tax Depreciation Rate	<u>53.61%</u>	AmerenIP Exhibit 29.11 WP
10	Federal Tax Depreciation	\$ 1,436,146	Line 1 x line 9
11	Federal Book-Tax Depreciation Difference	\$ 1,352,564	Line 10 - line 3
12	Federal Tax Rate	<u>35%</u>	AmerenIP Sch. C-1
13	Federal ADIT	\$ 470,592	(Line 11- line 8) x line 12
14	Total ADIT-NESC	<u>\$ 478,608</u>	Line 8 + line 13

**AmerenIP
Electric
For the test Year Ended December 31, 2008
Adjustment to Regulatory Asset Amortization
In Thousands**

Line No.	Description (a)	Amount (b)	Source (c)
1	Amortization of Regulatory Asset per Staff	\$ 2,962	Page 2, col. (b), line 11
2	Amortization of Regulatory Asset per Company	<u>11,849</u>	Co. WPC 2.25
3	Difference-Staff Adjustment	<u><u>\$ (8,887)</u></u>	Line 1 - line 2

**AmerenIP
 Electric
 For the test Year Ended December 31, 2008
 Adjustment to Regulatory Asset Amortization
 In Thousands**

Line No.	Description (a)	Amount (b)	Source (c)
1	Annual Amortization	\$ 16,750	Docket No. 04-0294
2	Monthly Amortization	1,396	Line 1 / 12
3	Number of months in 2010 Docket No. 09-0306 (Cons.) rates to be in effect	<u>6</u>	June 2010-December 2010
4	Amount to be Amortized in 2010	\$ 8,375	Line 2 x line 3
5	Number of Years Docket No. 09-0306 (Cons.) rates expected to be in effect	<u>2</u>	Co. WPC-10
6	Amortization Amount	\$ 4,188	Line 4 / line 5
<u>Allocation by Rate Base</u>			
7	Electric Rate Base-Docket No. 07-0585	\$ 1,254	Co. WPC-2.25
8	Gas rate Base- Docket No. 07-0585	<u>519</u>	Co. WPC-2.25
9	Combined Rate Base 07-0585	\$ 1,773	Line 7 + Line 8
10	Electric Rate Base Percentage	70.74%	Line 7 / line 9
11	Electric Amortization Amount	<u><u>\$ 2,962</u></u>	Line 6 x line 10

**AmerenIP
 Gas
 For the test Year Ended December 31, 2008
 Adjustment to Pro Forma Plant Additions
 In Thousands**

Line No.	Description (a)	Amount (b)	Source (c)
1	Pro Forma Plant Additions per Staff	\$ 25,442	Ameren response to MHE 10.01S
2	Pro Forma Plant Additions per Company	<u>29,629</u>	Ameren Exhibit 29.6
3	Difference-Staff Adjustment	<u>\$ (4,187)</u>	Line 1 - line 2
<u>Accumulated Depreciation</u>			
4	Accumulated Depreciation per Staff	\$ (9,660)	Ameren response to MHE 10.01S
5	Accumulated Depreciation per Company	<u>(11,366)</u>	Ameren Exhibit 29.6
6	Difference-Staff Adjustment	<u>\$ 1,706</u>	Line 4 - line 5
<u>Accumulated Deferred Income Taxes</u>			
7	Accumulated Deferred Income Taxes per Staff	\$ (4,351)	Ameren response to MHE 10.01S
8	Accumulated Deferred Income Taxes per Company	<u>(4,567)</u>	Ameren Exhibit 29.6
9	Difference-Staff Adjustment	<u>\$ 216</u>	Line 7 - line 8
<u>Depreciation Expense</u>			
10	Depreciation Expense per Staff	\$ 643	Ameren response to MHE 10.01S
11	Depreciation Expense per Company	<u>749</u>	Ameren Exhibit 29.6
12	Difference-Staff Adjustment	<u>\$ (106)</u>	Line 10 - line 11

AmerenIP
Gas
For the test Year Ended December 31, 2008
Adjustment to Regulatory Asset Amortization
In Thousands

No.	Description (a)	Amount (b)	Source (c)
1	Amortization of Regulatory Asset per Staff	\$ 1,225	Page 2, col. (b), line 11
2	Amortization of Regulatory Asset per Company	<u>4,901</u>	Co. WPC 2.22
3	Difference-Staff Adjustment	<u><u>\$ (3,676)</u></u>	Line 1 - line 2

**AmerenIP
 Gas
 For the test Year Ended December 31, 2008
 Adjustment to Regulatory Asset Amortization
 In Thousands**

Line No.	Description (a)	Amount (b)	Source (c)
1	Annual Amortization	\$ 16,750	Docket No. 04-0294
2	Monthly Amortization	1,396	Line 1 / 12
3	Number of months in 2010 Docket No. 09-0306 (Cons.) rates to be in effect	<u>6</u>	June 2010-December 2010
4	Amount to be Amortized in 2010	\$ 8,375	Line 2 x line 3
5	Number of Years Docket No. 09-0306 (Cons.) expected to be in effect	2	AmerenIP WPC-10
6	Amortization Amount	\$ 4,188	Line 4 / line 5
<u>Allocation by Rate Base</u>			
7	Electric Rate Base-Docket No. 07-0585	\$ 1,254	AmerenIP WPC-2.22
8	Gas rate Base- Docket No. 07-0585	<u>519</u>	AmerenIP WPC-2.22
9	Combined Rate Base 07-0585	\$ 1,773	Line 7 + line 8
10	Gas Rate Base Percentage	29.26%	Line 8 / line 9
11	Gas Amortization Amount	<u>\$ 1,225</u>	Line 6 x line 10