

REBUTTAL TESTIMONY

of

RICHARD W. BRIDAL II

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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| | |
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Attachments

| | |
|--------------|--|
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|--------------|--|

1 **Witness Identification**

2 Q. Please state your name and business address.

3 A. My name is Richard W. Bridal II. My business address is 527 East Capitol
4 Avenue, Springfield, Illinois 62701.

5

6 Q. Are you the same Richard W. Bridal II who submitted Direct Testimony in this
7 Docket?

8 A. Yes, my direct testimony is ICC Staff Exhibit 4.0.

9

10 **Purpose of Testimony**

11 Q. What is the purpose of this testimony?

12 A. The purpose of my rebuttal testimony is as follows:

- 13 1. To discuss adjustments to the Companies' rebuttal revenue requirements that
14 were proposed in my direct testimony related to Lobbying Expense, Removal
15 of Transmission Operations Plant, Industry Association Dues, Customer
16 Service & Information Expense, Homer Works HQ Sale, Demonstration &
17 Selling Expense (Economic Development), and Gas Tapping Fee;
- 18 2. To discuss adjustments to Materials and Supplies Inventory; and
- 19 3. To respond to AIU rebuttal testimony of Ronald Stafford (Ameren Exhibit 29.0
20 (Revised)), Mark Livasy (Ameren Exhibit 43.0), and Andrew Wichmann
21 (Ameren Exhibit 30.0) regarding 2007 – 2008 Plant Additions, Advertising
22 Expense, Charitable Contributions, Rate Case Expense, Social & Service
23 Club Membership Dues, Storm Expense, and Smart Grid Expense.

24

25 Q. Are you sponsoring any schedules as part of ICC Staff Exhibit 18.0?

26 A. Yes. I am sponsoring the following schedules for the Companies, which show
27 data as of, or for the test year ending December 31, 2008:

28

29 Adjustment Schedules

30 Schedule 18.01 Adjustment to Lobbying Expense
31 (CILCO-E, CIPS-E, IP-E, & IP-G)

32 Schedule 18.02 Adjustment to Remove Transmission Operations Plant
33 (IP-E & IP-G)

34 Schedule 18.03 Adjustment to Industry Association Dues Expense
35 (All utilities)

36 Schedule 18.04 Adjustment to Customer Service & Information Expense
37 (All utilities)

38 Schedule 18.05 Adjustment to Homer Works HQ Sale
39 (CILCO-E)

40 Schedule 18.06 Adjustment to Demonstrating and Selling Expense
41 (All utilities)

42 Schedule 18.07 Adjustment to Gas Tapping Fee
43 (IP-G)

44 Schedule 18.08 Adjustment to Materials and Supplies Inventory
45 (All utilities)

46

47 Q. Please explain the purpose of the letters that follow the schedule numbers.

48 A. Ameren filed for rate changes for all of its Illinois utilities, both electric and gas.

49 The letters that follow the schedule numbers identify the respective utility as

50 follows:

| | | |
|----|---------|------------------|
| 51 | CILCO-E | CILCO - Electric |
| 52 | CILCO-G | CILCO - Gas |
| 53 | CIPS-E | CIPS - Electric |
| 54 | CIPS-G | CIPS - Gas |
| 55 | IP-E | IP - Electric |
| 56 | IP-G | IP – Gas |

57

58 Thus, for example, Schedule 18.01 CILCO-E provides information for the
59 AmerenCILCO electric utility. The utility designation is a part of each schedule
60 number to ease identification of which utilities are affected by specific
61 adjustments.

62

63 **Adjustments to the Company Rebuttal Revenue Requirement**

64 Lobbying Expense

65 Q. Please describe Schedule 18.01, Adjustment to Lobbying Expense.

66 A. Schedule 18.01 reflects my adjustment for lobbying expense that was not
67 reflected in the Company's rebuttal revenue requirement. In my direct testimony,
68 ICC Staff Exhibit 4.0, Schedules 4.11 CILCO-E, CIPS-E, IP-E, and IP-G, I
69 proposed adjustments to remove lobbying expenses from the utilities' respective
70 revenue requirements. However, the AIU witnesses did not comment on this
71 adjustment in the Companies' collective rebuttal testimony, and the adjustment
72 did not appear in the Companies' respective rebuttal revenue requirements. In
73 response to Staff data request RWB 22.01, AIU witness Mr. Ronald Stafford

74 stated that the AIU did not address this adjustment in its rebuttal testimony, and
75 this was an inadvertent omission. Further, Mr. Stafford stated the AIU agree with
76 the adjustment.

77

78 Removal of Transmissions Operations Plant

79 Q. Please describe Schedule 18.02, Adjustment to Remove Transmissions
80 Operations Plant.

81 A. Schedule 18.02 reflects my adjustment for Transmission Operations Plant that
82 was not reflected in the Companies' rebuttal revenue requirement even though
83 Ameren indicates agreement with the adjustment. In my direct testimony, ICC
84 Staff Exhibit 4.0, Schedules 4.02 IP-E and IP-G, I proposed adjustments to
85 remove certain Transmission Operations Plant from the utilities' respective
86 revenue requirements. In his rebuttal testimony, Ameren Exhibit 29.0 (Revised),
87 page 38, AIU witness Mr. Ronald Stafford indicates the AIUs agree these
88 adjustments are appropriate. However, the adjustments were not incorporated
89 into either the IP electric utility revenue requirement presented by Mr. Stafford in
90 Ameren Exhibit 29.3 or the IP gas utility revenue requirement presented by AIU
91 witness Mr. Andrew Wichmann in Ameren Exhibit 30.3. In response to Staff data
92 request RWB 22.03, Mr. Stafford confirmed that the AIU agree with these
93 adjustments.

94

95 Industry Association Dues

96 Q. Please describe Schedule 18.03, Adjustment to Industry Association Dues.

97 A. Schedule 18.03 for each utility presents my adjustment to remove certain
98 Industry Association Dues attributable to lobbying activities and other non-
99 recoverable amounts.

100

101 Q. Does the adjustment proposed in Schedule 18.03 differ from that originally
102 proposed in your direct testimony, ICC Staff Exhibit 4.0, Schedule 4.05?

103 A. Yes, it does. The adjustment presented in ICC Staff Exhibit 4.0, Schedule 4.05
104 was calculated based on information in a 2007 industry dues invoice. The
105 adjustment presented in my rebuttal testimony, ICC Staff Exhibit 18.0, Schedule
106 18.03, is based on Company-supplied invoices of Industry Association Dues
107 [RWB 19.01 Attach 1_Transaction Support.pdf] for the test year ending
108 December 31, 2008, as submitted by the Companies in response to Staff data
109 request RWB 19.01. This documentation was received on October 5, 2009, after
110 my direct testimony was filed.

111

112 Q. Did the AIU take a position on your original Schedule 4.05 adjustment?

113 A. Yes. In his rebuttal testimony, Ameren Exhibit 29.0 (Revised), page 3, AIU
114 witness Mr. Ronald Stafford states this adjustment is unsupported, and should be
115 rejected. In addition, on pages 40 – 41 Mr. Stafford indicates the AIU have
116 served follow-up data requests regarding this issue, and reserves the right to
117 further address the issue pending receipt of additional information.

118

119 Q. Do you agree with Mr. Stafford's conclusion?

120 A. No. My adjustment properly removes lobbying expenses not allowable under
121 Section 9-224 of the Public Utilities Act ("PUA" or "Act") (220 ILCS 5/9-224). My
122 direct testimony indicated the adjustment was calculated using a lobbying
123 expense percentage derived from a 2007 invoice, and also indicated I was
124 awaiting responses to an additional data request which might give cause for
125 revision of the adjustment (ICC Staff Exhibit 4.0, lines 379 – 384). I am now
126 presenting the aforementioned adjustment revision in rebuttal.

127

128 Q. How did you determine the amount of your proposed rebuttal adjustment?

129 A. In determining my proposed adjustment, I reviewed each of the 45 invoices
130 submitted by the Company in response to Staff data request RWB 19.01. Some
131 of the invoices supported costs that were 1) not related to delivery service in
132 Illinois, 2) in part or in whole in support of lobbying activities, 3) in support of
133 economic development organizations, or 4) for prepaid dues in 2008 for 2009
134 dues. My adjustment is based on these findings.

135

136 Q. Please describe the Industry Association Dues disallowed in your adjustment
137 because they are not related to delivery service in Illinois.

138 A. I noted four instances where costs of Industry Association dues not related to
139 delivery service in Illinois were included in the revenue requirement. These costs
140 should be removed, as Illinois ratepayers should not bear the burden of costs

141 related to other states from which they receive no benefit. Referring to the
142 “Unique ID” numbers identified in AIU data request response “RWB 19_01 Attach
143 2_Industry Association Dues.xls,” the invoices and issues noted are:

- 144 • Invoice 2 is for company membership in the Iowa Taxpayers Association.
145 Membership in this organization is not related to delivery services in
146 Illinois. These costs should be the responsibility of Iowa ratepayers, not
147 Illinois ratepayers. Furthermore, this invoice also indicates 15% of the
148 dues amount is for lobbying activities. If the Commission should disagree
149 with my adjustment in total, at a minimum 15% of the amount should be
150 removed as lobbying expense.
- 151 • Invoice 6 is for a specific employee’s membership in the Engineers’ Club
152 of St. Louis and for Registration in the State of Missouri as a Professional
153 Engineer. These costs should be the responsibility of Missouri rate
154 payers, not Illinois rate payers.
- 155 • Invoice 27 is for an association membership for a Senior Vice President of
156 Missouri Energy Delivery. These costs should be the responsibility of
157 Missouri ratepayers, not Illinois ratepayers.
- 158 • Invoice 33 is for various employees’ memberships in the Missouri Society
159 of Engineers. These costs should be the responsibility of Missouri
160 ratepayers, not Illinois ratepayers. Furthermore, this invoice also indicates
161 25% of the dues amount is for lobbying activities. If the Commission
162 should disagree with my adjustment in total, at a minimum 25% of the
163 amount should be removed as lobbying expense.

164

165 Q. Please describe the Industry Association Dues disallowed in your adjustment
166 because they are in part or in whole in support of lobbying activities.

167 A. I noted nineteen instances where costs of Industry Association dues related to
168 lobbying activities were included in the revenue requirement. Section 9-224 of
169 the Act (220 ILCS 5/9-224) expressly states that amounts expended for political
170 activity or lobbying shall not be considered for the purpose of determining rates.
171 Consequently, Industry Association dues related to lobbying activities must be
172 removed from the revenue requirement. Referring to the “Unique ID” numbers

173 identified in AIU data request response “RWB 19_01 Attach 2_Industry
174 Association Dues.xls,” the invoices and related lobbying percentages are:

- 175 • Invoice 4 for the Edison Electric Institute (21.13% [calculated])
- 176 • Invoices 11 – 13 for the Illinois Energy Association (100%)
- 177 • Invoice 17 for Associated Industries (10.91%)
- 178 • Invoice 18 for the National Association of Manufacturers (17%)
- 179 • Invoice 20 for the Illinois Business Roundtable (6%)
- 180 • Invoice 21 for Associated Industries (10.91%)
- 181 • Invoice 23 for the Society for Human Resource Management (7.5%)
- 182 • Invoices 24 – 26 for the Illinois Energy Association (100%)
- 183 • Invoices 30 – 32 for the Illinois Energy Association (100%)
- 184 • Invoices 37 – 39 for the Illinois Energy Association (100%)
- 185 • Invoice 45 for the American Gas Association (4%)

186

187 Q. Please describe the Industry Association Dues disallowed in your adjustment
188 because they are in support of economic development organizations.

189 A. I noted three instances where costs of Industry Association dues related to
190 economic development organizations were included in the revenue requirement.

191 Referring to the “Unique ID” numbers identified in AIU data request response
192 “RWB 19_01 Attach 2_Industry Association Dues.xls,” the invoices and issues
193 noted are:

- 194 • Invoice 7 is for the St. Louis Regional Chamber of Commerce, an
195 economic development organization. Membership in this organization is
196 not necessary in providing utility service. (Please see the next question
197 for additional discussion of economic development organizations.)
198 Furthermore, this invoice also indicates 10% of the dues amount is for
199 lobbying activities. If the Commission should disagree with my adjustment
200 in total, at a minimum 10% of the amount should be removed as lobbying
201 expense.

- 202 • Invoice 28 is for the Better Business Bureau, and economic development
203 and accreditation organization. Membership in this organization is not
204 necessary in providing utility service. (Please see the next question for
205 additional discussion of economic development organizations.)
- 206 • Invoice 29 is for the US Chamber of Commerce, an economic
207 development and lobbying organization. Membership in this organization
208 is not necessary in providing utility service. (Please see the next question
209 for additional discussion of economic development organizations.)
210 Furthermore, this invoice also indicates 36% of the dues amount is for
211 lobbying activities. If the Commission should disagree with my adjustment
212 in total, at a minimum 36% of the amount should be removed as lobbying
213 expense.

214

215 Q. Why have you proposed to remove from the Companies' respective revenue
216 requirements Industry Association Dues paid to economic development
217 organizations?

218 A. As stated on ICC Staff Exhibit 4.0, page 23, regarding Social & Service Club
219 Membership dues, participation in economic development organizations may
220 promote good corporate citizenship, but it is not necessary in providing utility
221 service. The costs of participation in economic development organizations
222 should be removed from Industry Association Dues costs just as they were
223 removed from Social & Service Club Membership dues costs. Further, in his
224 rebuttal testimony, Ameren Exhibit 29.0 (Revised), page 6, AIU witness Mr.
225 Ronald Stafford indicates the Companies accept my adjustment to Social &
226 Service Club Membership Dues, thus, accepting the removal of similar costs of
227 participation in economic development organizations embedded in that
228 adjustment.

229

230 Q. Please describe the Industry Association Dues disallowed in your adjustment
231 because they are for prepaid dues amounts paid in 2008 for 2009 dues.

232 A. I noted five instances where costs of Industry Association dues related to prepaid
233 2009 dues amounts were included in the revenue requirement. These amounts
234 should be removed so the revenue requirement reflects only costs typical of the
235 2008 test year. Inclusion of 2009 dues amounts in the 2008 test year has the
236 effect of overstating 2008 expenses. Referring to the “Unique ID” numbers
237 identified in AIU data request response “RWB 19_01 Attach 2_Industry
238 Association Dues.xls,” the invoices and issues noted are:

- 239 • Invoice 35 for 2009 Membership fee due to the St. Louis Area Business
240 Health Coalition
- 241 • Invoice 40 for 2009 Membership dues to the Edison Electric Institute
- 242 • Invoice 41 for 2009 membership dues to the Heartland Healthcare
243 Coalition
- 244 • Invoice 42 for 2009 membership dues to the AEIC
- 245 • Invoice 43 for 2009 dues to the Midwest Energy Association
- 246

247 Customer Service & Information Expense

248 Q. Please describe Schedule 18.04, Adjustment to Customer Service & Information
249 Expense.

250 A. Schedule 18.04 for all utilities presents my adjustment to remove certain
251 Customer Service & Information expenses, which are promotional, goodwill, or
252 institutional in nature, from each utility’s rebuttal revenue requirement.

253

254 Q. Does the adjustment proposed in Schedule 18.04 differ from that originally
255 proposed in your direct testimony, ICC Staff Exhibit 4.0, Schedule 4.10?

256 A. Yes, it does. The Schedule 18.04 adjustments decreased for CILCO-E, CIPS-E,
257 IP-E, and CILCO-G, and increased for CIPS-G and IP-G, as compared to the
258 adjustments originally proposed in my direct testimony.

259

260 Q. Did the AIU take a position on your original Schedule 4.10 adjustment?

261 A. Yes. In his rebuttal testimony, Ameren Exhibit 29.0 (Revised), page 3, AIU
262 witness Mr. Ronald Stafford stated this adjustment is unsupported, and should be
263 rejected. In addition, on pages 40 – 41, Mr. Stafford indicated the AIU have
264 served follow-up data requests regarding this issue, and reserves the right to
265 further address the issue pending receipt of additional information.

266

267 Q. Do you agree with Mr. Stafford's conclusion?

268 A. No. My adjustment properly removes Customer Service Expenses that are of a
269 promotional, goodwill, or institutional nature, and are not allowable under Section
270 9-225 of the Act (220 ILCS 5/9-225). This was stated in my direct testimony, ICC
271 Staff Exhibit 4.0, lines 553 - 556. However, due to subsequent review of
272 information submitted by the AIU in response to Staff data requests, I am
273 amending my adjustment.

274

275 Q. Please explain the reasoning for your adjustment.

276 A. Section 9-225 of the PUA (220 ILCS 5/9-225) expressly states that advertising
277 costs of a goodwill or institutional nature shall not be considered for the purpose
278 of determining rates:

279 In any general rate increase requested by any gas or electric utility
280 company under the provisions of this Act, the Commission shall not
281 consider, for the purpose of determining any rate, charge or classification
282 of costs, any direct or indirect expenditures for promotional, political,
283 institutional or goodwill advertising, unless the Commission finds the
284 advertising to be in the best interest of the Consumer or authorized as
285 provided pursuant to subsection 3 of this Section. (220 ILCS 5/9-225(2))
286

287 Section 9-225 of the Act defines goodwill or institutional advertising as:

288
289 ... any advertising either on a local or national basis designed primarily to
290 bring the utility's name before the general public in such a way as to
291 improve the image of the utility or to promote controversial issues for the
292 utility or the industry. (220 ILCS 5/9-225(1)(d))
293

294 Therefore, I recommend disallowing Customer Service & Information expenses
295 that are of a promotional, goodwill or institutional nature. The disallowed expense
296 consists mainly of purchases of clothing, promotional merchandise, and
297 sponsorships not allowable under Section 9-225.

298

299 Q. How did you determine the amount of your proposed rebuttal adjustment?

300 A. The amount of the adjustment proposed in Schedule 18.04 was determined from
301 my review of AIU responses to Staff data requests RWB 2.01, 2.02, 4.05, and
302 21.01. In determining if a specific transaction amount was allowable, I took into
303 consideration the vendor and description identified for the transaction, and any
304 additional explanations or graphic representations of the items related to the
305 specific transaction. This led to the findings and adjustments presented in ICC
306 Staff Exhibit 18.0, Schedule 18.04.

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Q. Please summarize your findings.

A. Page three of Schedule 18.04 details my findings. The vast majority of disallowed transactions were determined to be non-recoverable because they were for promotional purposes only (AIU logo on newsletter, shirt, billboard, etc.) or in sponsorship of promotional, goodwill, institutional, or economic development activities (Chamber of Commerce dinner, municipal celebrations, athletic sponsorships, etc.). Some promotional items such as balsawood gliders, cell phone pads, gift sets, etc. are imprinted with “ActOnEnergy.net,” the Ameren energy efficiency website. However, that alone does not change the primary purpose of these items. Their primary purpose is not to encourage energy efficiency. The primary purposes are use as a glider, cell phone pad, gift set, etc. In the absence of actually providing energy efficiency or safety information, the promotional items can not be found to encourage energy efficiency or safety.

Likewise, amounts paid in sponsorship of “Weatherline” are also non-recoverable in rates. The main purpose of “Weatherline” is to provide a weather information service, not promote energy efficiency or safety. The mere presence of an energy efficiency or safety message at the end of the weather information does not change the primary purpose of the service. Similarly, the presence of “ActOnEnergy.net” on magnets used to advertise the “Weatherline” phone number does not rise to the level of providing energy efficiency or safety

329 information. The primary focus of such magnets is to promote “Weatherline,” a
330 weather information service.

331
332 In addition, amounts paid in support of “Lights for Learning,” a Midwest Energy
333 Efficiency Association fundraising program available to schools, are not
334 recoverable. “Lights for Learning,” described in the AIU data request response
335 “RWB 21.01 Attach 26_50.pdf,” offers participating groups the opportunity to sell
336 CFLs and LEDs, and receive 50% of the profit from the product sales.
337 Contributing to this program is a promotional and goodwill practice. The program
338 is marketed as a fundraiser, and this is the program’s primary purpose – not
339 education on energy efficiency.

340

341 Homer Works HQ Sale

342 Q. Please describe Schedule 18.05, Adjustment to Homer Works HQ Sale.

343 A. Schedule 18.05 reflects my adjustment for Homer Works HQ Sale that was not
344 reflected in the Company’s rebuttal revenue requirement even though Ameren
345 indicates agreement with the adjustment. In my direct testimony, ICC Staff
346 Exhibit 4.0, Schedule 4.12 CILCO-E, I proposed an adjustment to Homer Works
347 HQ Sale. In his rebuttal testimony, Ameren Exhibit 29.0 (Revised), page 6, AIU
348 witness Mr. Ronald Stafford indicates the AIUs accept the adjustment. However,
349 the adjustment is not reflected in the AmerenCILCO electric utility revenue
350 requirement presented by Mr. Stafford in Ameren Exhibit 29.1. In response to
351 Staff data request RWB 22.04, Mr. Stafford confirmed that the AIU accepted the

352 adjustment, and although the adjustment was omitted from the CILCO electric
353 rebuttal revenue requirement, it should be included.

354

355 Demonstrating & Selling Expenses

356 Q. Please describe Schedule 18.06, Adjustment to Demonstrating & Selling
357 Expense.

358 A. Schedule 18.06 presents for all utilities my adjustment to remove Demonstrating
359 & Selling expenses, account 912, from each utility's rebuttal revenue
360 requirement.

361

362 Q. Does the adjustment proposed in Schedule 18.06 differ from that originally
363 proposed in your direct testimony, ICC Staff Exhibit 4.0, Schedule 4.13?

364 A. Yes, it does. In his rebuttal testimony, Ameren Exhibit 29.0 (Revised), page 37,
365 and Ameren Exhibit 29.14, AIU witness Mr. Ronald Stafford presents
366 adjustments to the Companies' original Demonstration & Selling Expenses filed
367 in the Companies' respective Schedules C-4. The adjustment I propose in
368 Schedule 18.06 uses Mr. Stafford's adjusted amounts as a starting point, as
369 opposed to the starting point used in the Schedule 4.13 adjustment originally
370 proposed in my direct testimony. However, the reasoning for my adjustment
371 remains the same.

372

373 Q. Did the AIU take a position on your original Schedule 4.13 adjustment?

374 A. Yes. In his rebuttal testimony, Ameren Exhibit 29.0 (Revised), page 37, Mr.
375 Stafford presents an alternative to my adjustment, in which he includes in the
376 Companies' respective revenue requirements Demonstrating & Selling Expenses
377 related to "economic development." I disagree with Mr. Stafford's alternative, as
378 "economic development" costs are not appropriate for rate recovery.

379

380 Q. Please explain the reasoning for your adjustment.

381 A. Mr. Stafford has adjusted the Companies' original Demonstration & Selling
382 Expenses to reflect only what he terms "economic development labor and labor-
383 related costs" (Ameren Exhibit 29.0 (Revised), lines 856 – 856). "Economic
384 development" activities described in Ameren Exhibit 29.0 (Revised), lines 848 –
385 867, and in the AIU response to RWB 20.01 (Ameren Exhibit 29.0 (Revised),
386 Attachment B) are for promotional, institutional, and goodwill purposes, which,
387 while perhaps promoting good corporate citizenship, keeping the Companies in
388 contact with other members of the business community, and recruiting new
389 corporate customers, are not necessary in providing utility service. Such costs
390 should be the responsibility of the investors, not the ratepayers.

391

392 Q. Is your removal of these "economic development labor and labor-related costs"
393 similar to your treatment of any other costs in the Companies' respective revenue
394 requirements?

395 A. Yes. In my direct testimony, ICC Staff Exhibit 4.0, lines 452 – 473, I explain my
396 adjustment to remove social and service club membership dues. Included in

397 those costs were amounts for community and economic development
398 organizations. Also, in my direct testimony, lines 355 through 364, while
399 discussing my adjustment to remove certain charitable contributions to
400 community and economic development organizations from each Company's
401 revenue requirement, I stated:

402 "Amounts removed were for items of a promotional or business
403 membership nature that should be the responsibility of shareholders, not
404 ratepayers. Contributing to community and economic development
405 organizations is a promotional and goodwill practice. Such contributions
406 may demonstrate good corporate citizenship, but they are not necessary
407 in providing utility service. Consequently, the ratepayers should not be
408 burdened with the expense of the Company's contributions to these
409 community and economic development organizations, and the expense
410 should be removed from the Company's revenue requirement." (emphasis
411 added)
412

413 Additionally, in my rebuttal testimony regarding Industry Association Dues (see
414 above pages 5 - 10), I propose adjustments to remove costs for economic
415 development organizations. "Economic development labor and labor-related
416 costs," as presented by the AIU in Ameren Exhibit 29.0 (Revised) and 29.14, are
417 analogous to the economic development costs I have already proposed be
418 removed, and should be treated in the same manner. In effect, the AIU have
419 already agreed with my position, as they have accepted my above-referenced
420 adjustment to remove social service club membership dues (Ameren Exhibit 29.0
421 (Revised), lines 141 – 147) and even proposed a revised version of my above-
422 referenced adjustment to remove certain charitable contributions (Ameren Exhibit
423 29.0 (Revised), lines 840 – 847; Ameren Exhibit 29.13), both of which remove
424 costs directly attributable to economic development activities.

425

426 Q. Has the Commission previously excluded contributions to community and
427 economic development organizations from operating expenses?

428 A. Yes. Contributions to community and economic development organizations were
429 disallowed in the following dockets:

430 Docket No. 08-0363 Northern Illinois Gas Company

431 Docket No. 03-0403 Consumers Illinois Water Company

432 Docket No. 03-0008 Central Illinois Public Service Company

433 Docket No. 02-0690 Illinois American Water Company

434 Docket No. 90-0128 Contel of Illinois

435

436 Q. Has the Commission previously excluded social and service club membership
437 dues from operating expenses?

438 A. Yes. Social and service club membership dues were disallowed in the following
439 dockets:

440 Docket No. 08-0363 Northern Illinois Gas Company

441 Docket No. 04-0779 Northern Illinois Gas Company

442 Docket No. 03-0008 Central Illinois Public Service Company

443

444 Gas Tapping Fee

445 Q. Please describe Schedule 18.07, Adjustment to Gas Tapping Fee.

446 A. Schedule 18.07 reflects my adjustment for Gas Tapping Fee that was not
447 reflected in the Company's rebuttal revenue requirement even though Ameren
448 indicates agreement with the adjustment. In my direct testimony, ICC Staff
449 Exhibit 4.0, Schedule 4.15 IP-G, I proposed an adjustment to Gas Tapping Fee.
450 In his rebuttal testimony, Ameren Exhibit 30.0, pages 3 – 4, AIU witness Mr.
451 Andrew Wichmann agrees with this adjustment. However, the adjustment is not
452 reflected in the IP gas utility revenue requirement presented by Mr. Wichmann in
453 Ameren Exhibit 30.3. In response to Staff data request RWB 22.05, Mr.
454 Wichmann confirmed that he and the AIU agree with the adjustment.

455

456 Materials and Supplies Inventory

457 Q. Please describe Schedule 18.08, Adjustment to Materials and Supplies
458 Inventory.

459 A. Schedule 18.08 presents my adjustment for the gas utilities to reduce the
460 Companies' test year materials and supplies inventory to account for the change
461 in prices of natural gas, as discussed by Staff witness Mr. Eric Lounsberry in his
462 rebuttal testimony, ICC Staff Exhibit 25.0, and for both gas and electric utilities to
463 reduce materials and supplies inventory by the amount of accounts payable
464 associated with the purchase of materials and supplies.

465

466 Q. Did you propose an adjustment in direct testimony to reduce rate base by the
467 amount of accounts payable associated with Materials and Supplies Inventory?

468 A. No. At the time I prepared my direct testimony, based on my review of the
469 Companies' respective Part 285 Schedules B-8.1, in combination with their
470 related August 6, 2009 responses to Section 285.2010 deficiencies noted in the
471 ALJ's July 10, 2009 Deficiency Letter, I concluded, incorrectly, that the AIU had
472 reduced Materials & Supplies Inventory by the related accounts payable
473 amounts. However, while preparing Schedule 18.08 to adjust for the effect of
474 changes in natural gas prices on materials and supplies inventory, as Mr.
475 Lounsberry proposes in ICC Staff Exhibit 25.0, I discovered the Companies'
476 proposed 13-month averages of Materials and Supplies Inventory (including gas
477 in storage) had not been reduced by the associated accounts payable.

478

479 Q. Why is this adjustment appropriate?

480 A. To remain consistent with the method of calculating the 13 month average
481 balance of materials and supplies inventory (including gas in storage) adopted by
482 the Commission in Docket Nos. 07-0585 through 07-0590 (Cons.), Materials and
483 Supplies Inventory (including gas in storage) must be reduced by the associated
484 accounts payable. Ameren's shareholders have not incurred any cost when
485 materials and supplies (including gas in storage) are purchased on account with
486 a vendor. An account payable represents "vendor financing" of purchased
487 merchandise until it has been paid in full. Since the vendor is financing these
488 purchases until paid, Ameren's shareholders have no investment in the related
489 materials and supplies (including gas in storage). The Materials and Supplies
490 Inventory (including gas in storage) should be reduced by the amount of

491 accounts payable related to those inventories because the Companies should
492 not earn a return on inventory until it has been funded by the investors.

493

494 Q. How did you establish the amount of accounts payable associated with the 13-
495 month balances of Materials and Supplies Inventory (including gas in storage)?

496 A. The appropriate amount of accounts payable should be determined so that the
497 amount is representative of an entire year. The Companies provided the
498 percentage of accounts payable associated with materials and supplies on
499 Schedule B-8.1 for the gas and electric divisions of each company.

500

501 Q. Has the Commission accepted Staff's adjustment for accounts payable related to
502 materials and supplies in previous rate cases?

503 A. Yes, in prior orders, the Commission has found that a company's shareholders
504 have no investment in an inventory account until the related account payable has
505 been paid. An adjustment for accounts payable was accepted in several orders
506 by the respective company and the Commission in the following rate cases:

- 507 • The AIUs' previous general rate case, Docket Nos. 07-0585 through 07-
508 0590 (Cons.) (Order dated September 24, 2008);
- 509
- 510 • Commonwealth Edison Company, Docket No. 07-0566 (Order dated
511 September 10, 2008);
- 512
- 513 • Aqua Illinois, Inc., Docket No. 04-0442 (Order dated April 20, 2005);
- 514
- 515 • Consumers Illinois Water Company, Docket No. 03-0403 (Order dated
516 April 13, 2004);
- 517
- 518 • Central Illinois Light Company, Docket No. 02-0837 (Order dated October
519 17, 2003); and
- 520

- 521 • Illinois-American Water Company, Docket No. 02-0690 (Order dated
522 August 12, 2003).
523

524 Q. Has the Commission accepted Staff's adjustment for accounts payable related to
525 gas in storage in previous rate cases?

526 A. Yes, in prior orders, the Commission has found that a company's shareholders
527 have no investment in an inventory account until the related account payable has
528 been paid. Staff's adjustment was accepted in orders by the Commission in the
529 following rate cases:

- 530 • The AIU's previous general rate cases, Docket Nos. 07-0585 through 07-
531 0590 (Cons.) (Orders entered September 24, 2008);
532
- 533 • Dockets No. 07-0241/07-0242, Consolidated, The Peoples Gas Light and
534 Coke Company and North Shore Gas Company (Orders entered February
535 5, 2008);
536
- 537 • Dockets No. 95-0031 and 95-0032, The Peoples Gas Light and Coke
538 Company and North Shore Gas Company (Orders entered November 8,
539 1995);
540
- 541 • Docket No. 04-0779, Northern Illinois Gas Company d/b/a Nicor Gas
542 (Order entered September 20, 2005);
543
- 544 • Docket No. 93-0183, Illinois Power Company (Order entered April 6,
545 1994); and
546
- 547 • Docket No. 95-0219, Northern Illinois Gas Company (Order entered April
548 3, 1996).
549

550 **Adjustments Incorporated into the Company's Rebuttal Revenue**
551 **Requirement**

552 2007 - 2008 Plant Additions

553 Q. In your direct testimony, ICC Staff Exhibit 4.0, Schedule 4.01, you proposed
554 adjustments to the AIU's 2007 – 2008 Plant Additions. In his rebuttal testimony,
555 Ameren Exhibit 29.0 (Revised), and accompanying Exhibit 29.8, AIU witness Mr.
556 Ronald Stafford presents amended AIU versions of these same Plant Additions
557 adjustments. Please elaborate.

558
559 A. Ameren Exhibit 29.8 is based on the rebuttal testimony of Mr. Mark Livasy,
560 Ameren Exhibit 43.0. For the reasons discussed in my response to the rebuttal
561 testimony of Mr. Livasy, below, I accept the 2007 – 2008 Plant Additions
562 adjustments as presented in Ameren Exhibit 29.8.

563
564 Q. In his rebuttal testimony, Ameren Exhibit 43.0, and accompanying Exhibit 43.1,
565 Mr. Livasy discusses and presents changes to your proposed adjustments.
566 Please elaborate.

567 A. In his rebuttal testimony, Mr. Livasy presents changes to my proposed
568 adjustments based, in part, on my response to AIU-ICC 9.01. Subsequent to
569 drafting my direct testimony and accompanying adjustments, I received from the
570 AIU supplemental responses to Staff data requests which led to the elimination of
571 several findings of misstatement. Consequent to those eliminations, I anticipated
572 my rebuttal testimony would present changes to the adjustments originally

573 proposed in my direct testimony. Mr. Livasy presents those changes in his
574 testimony, and I am in agreement with those changes.

575

576 Q. Did Mr. Livasy propose other changes to the 2007 – 2008 Plant Additions
577 adjustments proposed in your direct testimony, ICC Staff Exhibit 4.0, Schedule
578 4.01?

579 A. Yes. In my initial review, I characterized as misstatements any discounts that
580 were available if payment had been made within a specified period, but for which
581 the AIU did not pay the related invoice within the period to obtain the discount. In
582 his rebuttal testimony, Ameren Exhibit 43.0, lines 107 - 117, Mr. Livasy explained
583 reasons why it may not be appropriate to take such discounts. For purposes of
584 the immediate dockets, I accept Mr. Livasy's explanation and proposed changes
585 to my adjustment.

586

587 Also, in my initial review, I characterized as a misstatement the cost of a land
588 survey which had been recorded as depreciable plant but should have been
589 recorded as non-depreciable land. In his rebuttal testimony, Ameren Exhibit
590 43.0, lines 98 - 106, Mr. Livasy explained that the land survey in question was
591 actually conducted in preparation for construction. As such, the survey costs
592 should be recorded as depreciable plant. I accept Mr. Livasy's explanation and
593 proposed change to my adjustment. Please see the above discussion (lines 553
594 - 562) of Mr. Stafford's rebuttal testimony for my acceptance of the actual
595 revenue requirement adjustments.

596

597 Advertising Expense

598 Q. In your direct testimony, ICC Staff Exhibit 4.0, Schedules 4.03 et al., you
599 proposed adjustments to Advertising Expense. In his rebuttal testimony, Ameren
600 Exhibit 29.0 (Revised), and accompanying Ameren Exhibit 29.15, AIU witness
601 Mr. Ronald Stafford presents amended AIU versions of these same Advertising
602 Expense adjustments. Please elaborate.

603 A. Mr. Stafford's Advertising Expense adjustments are based on adjustments
604 originally presented in my direct testimony, ICC Staff Exhibit 4.0, Schedule 4.03,
605 and my responses to Ameren data requests. In my direct testimony, I proposed
606 adjustments to remove certain advertising costs based on my review of
607 transactions and transaction descriptions submitted by the AIU in response to
608 Staff data request RWB 2.02. Subsequent to filing my direct testimony, I
609 continued to evaluate this issue. In particular, I considered AIU responses to
610 Staff data request RWB 19.01, and AIU supplemental responses to Staff data
611 request RWB 2.01 and 2.02. As indicated in my responses to subsequent AIU
612 data requests, I planned to amend my proposed adjustment based on this
613 additional information. The Advertising Expense adjustments presented in Mr.
614 Stafford's rebuttal testimony incorporate my planned changes. As such, I accept
615 the adjustments as presented in Ameren Exhibit 29.15.

616

617 Charitable Contributions Expense

618 Q. In your direct testimony, ICC Staff Exhibit 4.0, Schedule 4.04, you proposed
619 adjustments to Charitable Contributions Expense. In his rebuttal testimony,
620 Ameren Exhibit 29.0 (Revised), and accompanying Exhibit 29.13, AIU witness
621 Mr. Ronald Stafford presents amended AIU versions of these same Charitable
622 Contributions Expense adjustments. Please elaborate.

623 A. Mr. Stafford's Charitable Contributions Expense adjustments are based on
624 adjustments originally presented in my direct testimony, ICC Staff Exhibit 4.0,
625 Schedule 4.04, and my responses to Ameren data requests. Subsequent to filing
626 my direct testimony, I continued to evaluate this issue. As indicated in my
627 responses to subsequent AIU data requests, I later determined my original
628 adjustment proposed removal of some charitable contributions which were not in
629 the Companies' revenue requirements, but rather recorded in "below the line"
630 accounts, and planned to amend my adjustments accordingly. The Charitable
631 Contributions Expense adjustments presented in Mr. Stafford's rebuttal testimony
632 incorporate my planned changes. As such, I accept the adjustments as
633 presented in Ameren Exhibit 29.13.

634

635 Rate Case Expense

636 Q. In your direct testimony, ICC Staff Exhibit 4.0, Schedule 4.06, you proposed
637 adjustments to Rate Case Expense. In his rebuttal testimony, Ameren Exhibit
638 30.0, does AIU witness Mr. Andrew Wichmann address this adjustment?

639 A. Yes. In his rebuttal testimony, Ameren Exhibit 30.0, and accompanying Ameren
640 Exhibit 30.4, Mr. Wichmann discusses Rate Case Expense and presents his
641 revised calculation of Rate Case Expense. Mr. Wichmann accepts changes I
642 proposed to remove certain costs related to the amortization of rate case
643 expense related to the prior rate case, while updating changes I proposed for the
644 withdrawal and replacement of legal counsel to include final payments made to
645 Sonnenschein Nath & Rosenthal. In addition, Mr. Wichmann updates various
646 pre-filing costs from estimates to their actual payments or to revised estimates.

647

648 Q. Do you accept the changes proposed by Mr. Wichmann, and the adjustment
649 proposed in Ameren Exhibit 30.4?

650 A. Yes. I accept Mr. Wichmann's proposed changes, and I recommend the
651 Commission limit Rate Case Expense in this docket to the amounts identified in
652 Ameren Exhibit 30.4.

653

654 Q. Do you have any other comments regarding rate case expense?

655 A. Section 9-229 of the Act (220 ILCS 5/9-229) states:

656 Consideration of attorney and expert compensation as an expense. The
657 Commission shall specifically assess the justness and reasonableness of
658 any amount expended by a public utility to compensate attorneys or
659 technical experts to prepare and litigate a general rate case filing. This
660 issue shall be expressly addressed in the Commission's final order.
661

662 In light of the requirement for the Commission to expressly address rate case
663 expense in its final order and in order to provide a more complete record
664 regarding rate case expense, I am attaching as ICC Staff Exhibit 18.0,

665 Attachment A, the Companies' response to Staff data request RWB 13.02 that
666 provides rationale for the Commission to assess and determine that the amounts
667 proposed to be expended to compensate attorneys or technical experts to
668 prepare and litigate the instant proceeding are just and reasonable. Having
669 reviewed the Companies' responses, I recommend that the Commission
670 expressly address in its order that the proposed amounts to be expended by the
671 Companies for rate case expense in this proceeding, as adjusted by Staff, are
672 just and reasonable.

673

674 Social & Service Club Membership Dues

675 Q. In your direct testimony, ICC Staff Exhibit 4.0, Schedule 4.07, you proposed
676 adjustments to Social & Service Club Membership Dues. In his rebuttal
677 testimony, Ameren Exhibit 29.0 (Revised), does AIU witness Mr. Ronald Stafford
678 address these adjustments?

679 A. Yes. In his rebuttal testimony, Ameren Exhibit 29.0 (Revised), page 6, Mr.
680 Stafford indicates the AIUs accept these adjustments in order to minimize the
681 number of contested issues in this case. The adjustments are also reflected in
682 the Companies' respective rebuttal revenue requirements.

683

684 Storm Expense

685 Q. In your direct testimony, ICC Staff Exhibit 4.0, Schedule 4.08 for the Ameren
686 electric utilities, you proposed adjustments to normalize over a six year period

687 Storm Expense for calendar years 2003 through 2008. In his rebuttal testimony,
688 Ameren Exhibit 29.0 (Revised), and accompanying Ameren Exhibit 29.12, AIU
689 witness Mr. Ronald Stafford presents amended AIU Storm Expense adjustments.
690 Please elaborate.

691 A. Mr. Stafford's Exhibit 29.12 Storm Expense adjustments normalize over a six
692 year period Storm Expense for calendar years 2004 through 2008 plus 2009
693 expenses through September 30, 2009. For the immediate dockets only, I do not
694 object to this normalization approach, and I accept the Storm Expense
695 normalization adjustments as presented in Ameren Exhibit 29.12.

696

697 Smart Grid Costs

698 Q. In your direct testimony, ICC Staff Exhibit 4.0, Schedule 4.09 for the Ameren
699 electric utilities, you proposed adjustments to reduce Smart Grid Expense. In his
700 rebuttal testimony, Ameren Exhibit 29.0 (Revised), does AIU witness Mr. Ronald
701 Stafford address these adjustments?

702 A. Yes. In his rebuttal testimony, Ameren Exhibit 29.0 (Revised), page 6, Mr.
703 Stafford indicates the AIUs accept these adjustments in order to minimize the
704 number of contested issues in this case.

705

706 **Conclusion**

707 Q. Do you have any recommendations?

708 A. Yes. I recommend that the Commission:

709 1) Adopt the adjustments that I have presented in Schedules 18.01 through
710 18.08 and

711 2) Expressly address in its order that the proposed amounts to be expended
712 by the Companies for rate case expense in this proceeding, as adjusted
713 by Staff, are just and reasonable.

714

715 Q. Does this question end your prepared rebuttal testimony?

716 A. Yes.

**AmerenCILCO Electric
Adjustment to Lobbying Expense
For the Test Year Ending December 31, 2008
(In Thousands)**

| Line No. | Description (a) | Amount (b) | Source (c) |
|-------------|---------------------------------------|----------------------|---|
| 1 | A&G Expense Net of Lobbying per Staff | \$ 28 | Schedule 18.01 CIPS-G, Page 2, Line 3, Column (b) |
| 2 | A&G Expense per Company | <u>31</u> | Company Schedule C-1, Line 48.1, Column (G) |
| 3 | Staff Adjustment | <u>\$ (3)</u> | Line 1 - line 2 |

**AmerenCILCO Electric
Adjustment to Lobbying Expense
For the Test Year Ending December 31, 2008
(In Thousands)**

| Line No. | Description (a) | Amount (b) | Source (c) |
|-------------|---|---------------|--|
| 1 | Total A&G Expenses per Company | \$ 31 | Company Schedule C-1, Line 48.1, Column (G) |
| 2 | Lobbying Expense included in A&G | <u>3</u> | Company Response to Staff Data Request RWB 18.01 |
| 3 | A&G Expense Per Staff - Net of Lobbying Expense | <u>\$ 28</u> | Line 1 - Line 2 |

AmerenCILCO Electric
Adjustment to Industry Association Dues
For the Test Year Ending December 31, 2008
(In Thousands)

| Line No. | Description (a) | Amount (b) | Source (c) |
|-------------|---------------------------------------|-------------------------------|--|
| 1 | Industry Association Dues per Staff | \$ 24 | Page 2, Line 3 |
| 2 | Industry Association Dues per Company | <u>\$ 171</u> | Company Schedule C-6.1, Line 1, Column (H) |
| 3 | Staff Adjustment | <u><u>\$ (147)</u></u> | Line 1 - Line 2 |

AmerenCILCO Electric
Adjustment to Industry & Association Dues
For the Test Year Ending December 31, 2008
(In Thousands)

| <u>Line No.</u> | <u>Description</u> (a) | <u>Amount</u> (b) | <u>Source</u> (c) |
|-----------------|---|----------------------|--|
| 1 | Industry Association Dues per Company | \$ 171 | Company Schedule C-6.1, Line 1, Column (H) |
| 2 | Non-Recoverable Costs in Company Amount | <u>(147)</u> | Staff Workpaper 18.03 |
| 3 | Industry Association Dues per Staff | <u><u>\$ 24</u></u> | Line 1 - Line 2 |

AmerenCILCO Electric
Adjustment to Customer Service & Information Expense
For the Test Year Ending December 31, 2008
(In Thousands)

| Line No. | Description (a) | Amount (b) | Source (c) |
|-------------|---|-------------------------------|---|
| 1 | Customer Svc & Info Expense per Staff | \$ 970 | Page 2, Line 3 |
| 2 | Customer Svc & Info Expense per Company | <u>\$ 1,094</u> | Company Schedule C-1, Line 34, Column (G) |
| 3 | Staff Adjustment | <u><u>\$ (124)</u></u> | Line 1 - Line 2 |

AmerenCILCO Electric
Adjustment to Customer Service & Information Expense
For the Test Year Ending December 31, 2008
(In Thousands)

| <u>Line No.</u> | <u>Description</u> (a) | <u>Amount</u> (b) | <u>Source</u> (c) |
|-----------------|---|----------------------|---|
| 1 | Customer Svc & Info Expense per Company | \$ 1,094 | Company Schedule C-1, Line 34, Column (G) |
| 2 | Non-Recoverable Costs in Company Amount | <u>(124)</u> | Page 3, Line 32 |
| 3 | Customer Svc & Info Expense per Staff | <u>\$ 970</u> | Line 1 - Line 2 |

**AmerenCILCO Electric
Adjustment to Customer Service & Information Expense
For the Test Year Ending December 31, 2008**

| Line No. | Corporation | Utility | Major Minor | Amount | Vendor Name | Description | Reason for Disallowance |
|----------|-------------|---------|-------------|-----------|----------------------|----------------------------------|--|
| | (a) | (b) | (c) | (d) | (e) | (f) | (g) |
| 1 | CIL | 1 | 909028 | 399.00 | GREATER SPRINGFIELD | Advertising | Ad in Program Booklet for Annual Business Connections Event - Promotional/Goodwill (RWB 21.01.3) |
| 2 | CIL | 1 | 909028 | 3,300.00 | ILLINOIS VALLEY PUBL | Advertising | Support for Information Programming on WTVP - Promotional/Goodwill |
| 3 | CIL | 1 | 909028 | 145.00 | THE TELEGRAPH | Advertising | Economic Development Ad for Community Profile Edition - Promotional/Goodwill (RWB 21.01.08) |
| 4 | CIL | 1 | 908 | 11,390.41 | IMAGE ELEMENT | Ameren Logo products | Promotional items with Ameren Logo only |
| 5 | CIL | 1 | 909028 | 139.00 | ILLINOIS MUNICIPAL L | Booth Rental | Booth Rental at Illinois Municipal League Event - Promotional/Goodwill/Lobbying |
| 6 | CIL | 1 | 909028 | 92.00 | GATEWAYCDI INC | Logo shirts | Men's Oxford shirts with Ameren Logo - Promotional |
| 7 | CIL | 1 | 909028 | 754.81 | DOGWOOD PROMOTIONS I | Promotional items | Plastic Soft Loop handle Bags with AIU Logo in Red - Promotional (RWB 21.01.13) |
| 8 | CIL | 1 | 909028 | 39.00 | PROMOTIONAL CONSULTA | Promotional items | Adult Gray Knit Cap with Black Trim, Ameren Logo on Brim - No photo provided - Promotional |
| 9 | CIL | 1 | 909028 | 1,444.07 | SWIFT INCENTIVES LLC | Promotional items | Silver heart shaped tin with red Ameren Logo (no photo available); Red Lanyards with One Side Imprint (RWB 21.01.20); Blue Push-action Ballpoint Pen with Ameren Illinois Logo in White (no photo); Round Multi-Color Pencils with Ameren Illinois Logo (no photo); Silver pen with laser engraving of Ameren Logo (no photo); Green pedometer with black Ameren logo (no photo) - all deemed promotional. |
| 10 | CIL | 1 | 909028 | 573.92 | JACOBYCO LLC | Promotional items | Shoe Shine Kits (RWB 21.01.26); Tropicolor Clip with Magnet and Ameren Illinois Logo (No photo); Plastic Soft Loop handle Bags with AIU in Red (RWB 21.01.28); Green Cooler (RWB 21.01.29) - all deemed promotional |
| 11 | CIL | 1 | 909028 | 1,428.75 | MARKETING PRODUCTS G | Promotional items | XL 3000 Golf Balls (RWB 21.01.30) - promotional |
| 12 | CIL | 1 | 909028 | 2,589.00 | B & D SALES | Promotional items for cust event | Round Glitter Pencils (RWB 21.01.32); Balsawood Gliders with printed "ActOnEnergy.net" (RWB 21.01.32); 7M Frisbee Flyers with printed "ActOnEnergy.net" (RWB 21.01.34) - all promotional items whose primary purposes is fun, not information on energy efficiency. |
| 13 | CIL | 1 | 909028 | 1,531.74 | B B C PRINTING & PRO | Promotional items for cust event | Jelly Cellmates for Cars with printed "ActoOnEnergy.net" (RWB 21.01.34) - promotional as primary purpose is for cell phone, not information on energy efficiency. |
| 14 | CIL | 1 | 909028 | 6,879.58 | IMAGE ELEMENT | Promotional items for cust event | Shirts with Ameren Illinois Utilities Logo worn at PowerSwitch Expo (no photo) - Promotional, regardless of where they are worn. |
| 15 | CIL | 1 | 909028 | 2,000.00 | CITY OF EAST PEORIA | Signage | Lighted Billboard for Baseball Field Advertising (no photo) - Promotional |
| 16 | CIL | 1 | 909028 | 269.57 | SIGNATURE SIGNS & GR | Signage | AIU Banners used at community events, reportedly promoting safety and energy efficiency (RWB 21.01.43) - Promotional, as there is only the AIU logo, and no safety or energy efficiency message on the banners. |
| 17 | CIL | 1 | 910 | 11,000.00 | CENTER FOR PREVENTIO | Sponsorship | Sponsorships of events of promotional or goodwill nature not necessary in providing utility service. |
| 18 | CIL | 1 | 910 | 2,500.00 | CHILDRENS HOSPITAL O | Sponsorship | Sponsorships of events of promotional or goodwill nature not necessary in providing utility service. |
| 19 | CIL | 1 | 910 | 395.00 | GREATER SPRINGFIELD | Sponsorship | Sponsorships of events of promotional or goodwill nature not necessary in providing utility service. |

**AmerenCILCO Electric
 Adjustment to Customer Service & Information Expense
 For the Test Year Ending December 31, 2008**

| Line No. | Corporation (a) | Utility (b) | Major Minor (c) | Amount (d) | Vendor Name (e) | Description (f) | Reason for Disallowance (g) |
|----------|--------------------|----------------|--------------------|---------------------|----------------------|-----------------------------|---|
| 20 | CIL | 1 | 909028 | 3,000.00 | MIDWEST ENERGY EFFIC | Sponsorship | Support for MEEA Fundraising Program available to Schools and other groups (RWB 21.10.50) - Although it appears to include some energy efficiency information for students, main force of program is fundraising, and profit from CFL sales is split between group and MEEA. - <u>promotional/goodwill.</u> |
| 21 | CIL | 1 | 910 | 750.00 | PEORIA AREA CHAMBER | Sponsorship | Sponsorships of events of promotional or goodwill nature not necessary in <u>providing utility service.</u> |
| 22 | CIL | 1 | 909028 | 15,000.00 | PEORIA CHIEFS | Sponsorship | Support for Peoria AA Baseball team including AIU logo on score board (no photo) - <u>promotional/goodwill</u> |
| 23 | CIL | 1 | 910 | 6,250.00 | PEORIA CIVIC CENTER | Sponsorship | Sponsorships of events of promotional or goodwill nature not necessary in <u>providing utility service.</u> |
| 24 | CIL | 1 | 910 | 1,500.00 | PEORIA PUBLIC SCHOOL | Sponsorship | Sponsorships of events of promotional or goodwill nature not necessary in <u>providing utility service.</u> |
| 25 | CIL | 1 | 909028 | 15,250.00 | PEORIA RIVERMEN HOCK | Sponsorship | Support for Peoria Hockey team - <u>promotional/goodwill</u> |
| 26 | CIL | 1 | 910 | 3,120.00 | PEORIA RIVERMEN HOCK | Sponsorship | Support for Peoria Hockey team - <u>promotional/goodwill</u> |
| 27 | CIL | 1 | 909028 | 2,675.00 | WEEK TV | Sponsorship | AIU Logo displayed during weather coverage - <u>promotional only</u> |
| 28 | CIL | 1 | 910 | 1,500.00 | Y W C A OF PEORIA | Sponsorship | Sponsorships of events of promotional or goodwill nature not necessary in <u>providing utility service.</u> |
| 29 | CIL | 1 | 909028 | 2,851.00 | MISSOURI VALLEY CONF | Sponsorship and Advertising | Sponsorship and Advertising at the Missouri Valley Conference events - <u>promotional/goodwill only</u> |
| 30 | CIL | 1 | 909028 | 383.00 | MISSOURI SALES & USE | Tax on Ameren Logo shirts | Missouri taxes paid on promotional Ameren Logo shirts. |
| 31 | CIL | 1 | 909028 | 25,350.12 | WEATHERLINE INC | Weather information service | Support submitted in RWB "RWB 2_01 Attach 50 _WL-1 Scripts for on-line safety and energy tips.pdf" and "RWB 2_01 Attach 51 _WL-2 Magnets informing public of call-in numbers.pdf" indicates the main purpose of Weatherline is to give callers weather information. While the weather information is followed by safety and energy tips, callers certainly will the line for weather information, not efficiency and energy information. This is deemed a promotional sponsorship. Also, the purpose of the related magnets is to present the weatherline phone number, not to promote energy efficiency or provide energy tips. The mere presence of the "ActoOnEnergy.net" web address does not change the purpose of the magnet, which is to present the phone number for the weather information service "Weatherline". |
| 32 | I Non-Recoverable | | | <u>\$124,499.97</u> | | | |

Sources:
 Columns (a) through (f) - Staff Workpaper 18.04

**AmerenCILCO Electric
 Adjustment to Homer Works HQ Sale
 For the Test Year Ending December 31, 2008**

| <u>Line No.</u> | <u>Account</u> (a) | <u>Account Description</u> (b) | <u>Per Company</u> (c) | <u>Per Staff</u> (d) | <u>Description</u> (e) |
|-----------------|-----------------------|--------------------------------------|---------------------------|-------------------------|--|
| | | Operating Expenses | | | |
| 1 | 921 | Office supplies & expenses | \$ 2,400 | \$ 3,030 | Electric Gas |
| 2 | 921 | Office supplies & expenses | 1,200 | 10,860 | Phone |
| 3 | 921 | Office supplies & expenses | 1,200 | 394 | Water/sewer |
| 4 | 921 | Office supplies & expenses | 1,800 | 4,277 | Garbage/Dumpster |
| 5 | 921 | Office supplies & expenses | 3,600 | 3,210 | Property Taxes |
| 6 | 935 | Maintenance of general plant | 2,400 | 8,317 | Cleaning |
| 7 | 935 | Maintenance of general plant | 3,400 | 4,140 | Snow removal, mowing, building maintenance |
| 8 | | Total | <u>\$ 16,000</u> | <u>\$ 34,228</u> | Sum of Lines 1 through 7 |
| 9 | | Variance -- Staff Adjustment | | \$ (18,228) | Line 8, Column (C) - Line 8, Column (D) |
| 10 | | Staff Adjustment in Thousands | | <u><u>\$ (18)</u></u> | |

Sources: Column (c) - Company WPC-2.16
 Column (d) - Company Response RWB 6.06 Attach

AmerenCILCO Electric
Adjustment to Demonstrating & Selling Expense
For the Test Year Ending December 31, 2008
(In Thousands)

| <u>Line</u> | <u>Description</u> (a) | <u>Amount</u> (b) | <u>Source</u> (c) |
|-------------|---|-----------------------|--|
| 1 | Demonstration and Selling Expense per Staff | \$ - | |
| 2 | Demonstration and Selling Expense per Company (aka Economic Development Expense) | 88 | Ameren Exhibit 29.14 CILCO E, Line 1, Column (C) |
| 3 | Difference -- Staff Adjustment | <u><u>\$ (88)</u></u> | Line 1 less Line 2 |

**AmerenCILCO Electric
Adjustment to Materials & Supplies
For the Test Year Ending December 31, 2008
(In Thousands)**

| Line No. | Description (a) | Amount (b) | Source (c) |
|-------------|---|------------------------|---|
| 1 | Accounts Payable Percentage related to Materials & Supplies | 14.23% | Co. Schedule B-8.1, Line 4, Col. (E) |
| 2 | Materials & Supplies per Company | <u>5,928</u> | Ameren Exhibit 29.1, Page 1, Line 8, Col. (d) |
| 3 | Accounts Payable related to Materials & Supplies | 844 | Line 1 x Line 2 |
| 4 | Materials & Supplies Net of Related Accounts Payable | 5,084 | Line 2 - Line 3 |
| 5 | Materials & Supplies Inventory per Company | <u>5,928</u> | Ameren Exhibit 29.1, Page 1, Line 8, Col. (d) |
| 6 | Staff Adjustment | <u><u>\$ (844)</u></u> | Line 1 - line 2 |

AmerenCIPS Electric
Adjustment to Lobbying Expense
For the Test Year Ending December 31, 2008
(In Thousands)

| Line No. | Description (a) | Amount (b) | Source (c) |
|-------------|---------------------------------------|----------------------|---|
| 1 | A&G Expense Net of Lobbying per Staff | \$ 43 | Schedule 18.01 CIPS-G, Page 2, Line 3, Column (b) |
| 2 | A&G Expense per Company | <u>51</u> | Company Schedule C-1, Line 48, Column (G) |
| 3 | Staff Adjustment | <u>\$ (8)</u> | Line 1 - line 2 |

AmerenCIPS Electric
Adjustment to Lobbying Expense
For the Test Year Ending December 31, 2008
(In Thousands)

| Line No. | Description (a) | Amount (b) | Source (c) |
|-------------|---|---------------|--|
| 1 | Total A&G Expenses per Company | \$ 51 | Company Schedule C-1, Line 48, Column (G) |
| 2 | Lobbying Expense included in A&G | <u>8</u> | Company response to Staff data request RWB 18.01 |
| 3 | A&G Expense Per Staff - Net of Lobbying Expense | \$ 43 | Line 1 - Line 2 |

AmerenCIPS Electric
Adjustment to Industry Association Dues
For the Test Year Ending December 31, 2008
(In Thousands)

| Line No. | Description (a) | Amount (b) | Source (c) |
|-------------|---------------------------------------|-------------------------------|--|
| 1 | Industry Association Dues per Staff | \$ 98 | Page 2, Line 3 |
| 2 | Industry Association Dues per Company | <u>246</u> | Company Schedule C-6.1, Line 1, Column (H) |
| 3 | Staff Adjustment | <u><u>\$ (148)</u></u> | Line 1 - Line 2 |

AmerenCIPS Electric
Adjustment to Industry Association Dues
For the Test Year Ending December 31, 2008
(In Thousands)

| <u>Line No.</u> | <u>Description</u> (a) | <u>Amount</u> (b) | <u>Source</u> (c) |
|-----------------|---|----------------------|--|
| 1 | Industry Association Dues per Company | \$ 246 | Company Schedule C-6.1, Line 1, Column (H) |
| 2 | Non-Recoverable Costs in Company Amount | <u>(148)</u> | Staff Workpaper 18.03 |
| 3 | Industry Association Dues per Staff | <u><u>\$ 98</u></u> | Line 1 - Line 2 |

AmerenCIPS Electric
Adjustment to Customer Service & Information Expense
For the Test Year Ending December 31, 2008
(In Thousands)

| Line No. | Description (a) | Amount (b) | Source (c) |
|-------------|---|------------------------------|---|
| 1 | Customer Svc & Info Expense per Staff | \$ 1,531 | Page 2, Line 3 |
| 2 | Customer Svc & Info Expense per Company | <u>\$ 1,561</u> | Company Schedule C-1, Line 34, Column (G) |
| 3 | Staff Adjustment | <u><u>\$ (30)</u></u> | Line 1 - Line 2 |

AmerenCIPS Electric
Adjustment to Customer Service & Information Expense
For the Test Year Ending December 31, 2008
(In Thousands)

| Line No. | Description (a) | Amount (b) | Source (c) |
|-------------|---|-----------------|---|
| 1 | Customer Svc & Info Expense per Company | \$ 1,561 | Company Schedule C-1, Line 34, Column (G) |
| 2 | Non-Recoverable Costs in Company Amount | <u>(30)</u> | Page 3, Line 19 |
| 3 | Customer Svc & Info Expense per Staff | <u>\$ 1,531</u> | Line 1 - Line 2 |

**AmerenCIPS Electric
Adjustment to Customer Service & Information Expense
For the Test Year Ending December 31, 2008**

| Line No. | Corporation | Utility | Major Minor | Amount | Vendor Name | Description | Reason for Disallowance |
|----------|-------------|---------|-------------|-----------|----------------------|----------------------------------|--|
| (a) | (b) | (c) | (d) | (e) | (f) | (g) | |
| 1 | CIP | 1 | 909028 | 942.50 | THE TELEGRAPH | Advertising | Economic Development Ad for Community Profile Edition - <u>Promotional/Goodwill (RWB 21.01.08)</u> |
| 2 | CIP | 1 | 909028 | 208.50 | ILLINOIS MUNICIPAL L | Booth Rental | Booth Rental at Illinois Municipal League Event - <u>Promotional/Goodwill/Lobbying</u> |
| 3 | CIP | 1 | 909028 | 500.00 | JERSEY COUNTY BUSINE | County Chamber payment | Payment to Jersey County chamber of commerce - <u>promotional/goodwill</u> |
| 4 | CIP | 1 | 909028 | 128.00 | GATEWAYCDI INC | Logo shirts | Men's Oxford shirts with Ameren Logo - Promotional |
| 5 | CIP | 1 | 909028 | 1,367.11 | DOGWOOD PROMOTIONS I | Promotional items | Plastic Soft Loop handle Bags with AIU Logo in Red - Promotional <u>(RWB 21.01.13)</u> |
| 6 | CIP | 1 | 909028 | 55.00 | PROMOTIONAL CONSULTA | Promotional items | Adult Gray Knit Cap with Black Trim, Ameren Logo on Brim - No photo <u>provided - Promotional</u> |
| 7 | CIP | 1 | 909028 | 867.41 | SWIFT INCENTIVES LLC | Promotional items | Silver heart shaped tin with red Ameren Logo (no photo available); Red Lanyards with One Side Imprint (RWB 21.01.20); Blue Push-action Ballpoint Pen with Ameren Illinois Logo in White (no photo); Round Multi-Color Pencils with Ameren Illinois Logo (no photo); Silver pen with laser engraving of Ameren Logo (no photo); Green pedometer with black Ameren logo (no photo) - all deemed <u>promotional</u> |
| 8 | CIP | 1 | 909028 | 860.88 | JACOBYCO LLC | Promotional items | Shoe Shine Kits (RWB 21.01.26); Tropicolor Clip with Magnet and Ameren Illinois Logo (No photo); Plastic Soft Loop handle Bags with AIU in Red (RWB 21.01.28); Green Cooler (RWB 21.01.29) - all <u>deemed promotional</u> |
| 9 | CIP | 1 | 909028 | 96.00 | MARKETING PRODUCTS G | Promotional items | XL 3000 Golf Balls (RWB 21.01.30) - promotional |
| 10 | CIP | 1 | 909028 | 3,276.00 | B & D SALES | Promotional items for cust event | Round Glitter Pencils (RWB 21.01.32); Balsawood Gliders with printed "ActOnEnergy.net" (RWB 21.01.32); 7M Frisbee Flyers with printed "ActOnEnergy.net" (RWB 21.01.34) - all promotional items whose <u>primary purposes is fun, not information on energy efficiency</u> |
| 11 | CIP | 1 | 909028 | 2,297.62 | B B C PRINTING & PRO | Promotional items for cust event | Jelly Cellmates for Cars with printed "ActoOnEnergy.net" (RWB 21.01.34) - promotional as primary purpose is for cell phone, not <u>information on energy efficiency</u> |
| 12 | CIP | 1 | 909028 | 10,319.37 | IMAGE ELEMENT | Promotional items for cust event | Shirts with Ameren Illinois Utilities Logo worn at PowerSwitch Expo <u>(no photo) - Promotional, regardless of where they are worn.</u> |
| 13 | CIP | 1 | 909028 | 28.64 | SIGNATURE SIGNS & GR | Signage | AIU Banners used at community events, reportedly promoting safety and energy efficiency (RWB 21.01.43) - Promotional, as there is only the AIU logo, and no safety or energy efficiency message on the <u>banners.</u> |
| 14 | CIP | 1 | 909028 | 4,500.00 | MIDWEST ENERGY EFFIC | Sponsorship | Support for MEEA Fundraising Program available to Schools and other groups (RWB 21.10.50) - Although it appears to include some energy efficiency information for students, main force of program is fundraising, and profit from CFL sales is split between group and <u>MEEA - promotional/goodwill</u> |
| 15 | CIP | 1 | 909028 | 60.00 | PAWNEE PRAIRIE DAYS | Sponsorship | Promotional ad in program booklet |
| 16 | CIP | 1 | 909028 | 3,295.00 | MISSOURI VALLEY CONF | Sponsorship and Advertising | Sponsorship and Advertising at the Missouri Valley Conference events - <u>promotional/goodwill only</u> |
| 17 | CIP | 1 | 909028 | 675.00 | MISSOURI VALLEY CONF | Sponsorship and Advertising | Sponsorship and Advertising at the Missouri Valley Conference events - <u>promotional/goodwill only</u> |
| 18 | CIP | 1 | 909028 | 534.00 | MISSOURI SALES & USE | Tax on Ameren Logo shirts | Missouri taxes paid on promotional Ameren Logo shirts. |

AmerenCIPS Electric
Adjustment to Customer Service & Information Expense
For the Test Year Ending December 31, 2008

| Line | Corporation | Utility | Major Minor | Amount | Vendor Name | Description | Reason for Disallowance |
|------|-----------------|---------|-------------|--------------------|-------------|-------------|-------------------------|
| No. | (a) | (b) | (c) | (d) | (e) | (f) | (g) |
| 19 | Non-Recoverable | | | <u>\$30,011.03</u> | | | |

Sources:
) through (f) - Staff Workpaper 18.04

AmerenCIPS Electric
Adjustment to Demonstrating & Selling Expense
For the Test Year Ending December 31, 2008
(In Thousands)

| <u>Line</u> | <u>Description</u> (a) | <u>Amount</u> (b) | <u>Source</u> (c) |
|-------------|---|----------------------|---|
| 1 | Demonstration and Selling Expense per Staff | \$ - | |
| 2 | Demonstration and Selling Expense per Company (aka Economic Development Expense) | 144 | Ameren Exhibit 29.14 CIPS E, Line 1, Column (C) |
| 3 | Difference -- Staff Adjustment | <u>\$ (144)</u> | Line 1 less Line 2 |

AmerenCIPS Electric
Adjustment to Materials & Supplies
For the Test Year Ending December 31, 2008
(In Thousands)

| Line No. | Description (a) | Amount (b) | Source (c) |
|-------------|---|---------------------------------|--|
| 1 | Accounts Payable Percentage related to Materials & Supplies | 14.23% | Co. Schedule B-8.1, Line 2, Col. (E) |
| 2 | Materials & Supplies per Company | <u>11,155</u> | Ameren Exhibit 29.2, Page 1, Line 10, Col. (d) |
| 3 | Accounts Payable related to Materials & Supplies | 1,587 | Line 1 x Line 2 |
| 4 | Materials & Supplies Net of Related Accounts Payable | 9,568 | Line 2 - Line 3 |
| 5 | Materials & Supplies Inventory per Company | <u>11,155</u> | Ameren Exhibit 29.2, Page 1, Line 10, Col. (d) |
| 6 | Staff Adjustment | <u><u>\$ (1,587)</u></u> | Line 1 - line 2 |

**AmerenIP Electric
Adjustment to Lobbying Expense
For the Test Year Ending December 31, 2008
(In Thousands)**

| Line No. | Description (a) | Amount (b) | Source (c) |
|-------------|---------------------------------------|-----------------------|---|
| 1 | A&G Expense Net of Lobbying per Staff | \$ 78 | Schedule 18.01 CIPS-G, Page 2, Line 3, Column (b) |
| 2 | A&G Expense per Company | <u>93</u> | Company Schedule C-1, Line 53, Column (G) |
| 3 | Staff Adjustment | <u>\$ (15)</u> | Line 1 - line 2 |

**AmerenIP Electric
Adjustment to Lobbying Expense
For the Test Year Ending December 31, 2008
(In Thousands)**

| Line No. | Description (a) | Amount (b) | Source (c) |
|-------------|---|---------------------|--|
| 1 | Total A&G Expenses per Company | \$ 93 | Company Schedule C-1, Line 53, Column (G) |
| 2 | Lobbying Expense included in A&G | <u>15</u> | Company response to Staff data request RWB 18.01 |
| 3 | A&G Expense Per Staff - Net of Lobbying Expense | <u><u>\$ 78</u></u> | Line 1 - Line 2 |

AmerenIP Electric
Adjustment to Remove Transmission Operations Plant
For the Test Year Ending December 31, 2008
(In Thousands)

| Line | Description (a) | Amount (b) | Source (c) |
|------|--|-----------------------|--|
| 1 | Total for WO # 23159 | 1,476 | IP Electric Response to RWB 1.01S2R / Response GER 1.09 Attach |
| 2 | ASP General Account Allocator - Electric Distribution | <u>66.20%</u> | Company WPA-5a, Line 15, Column (D) |
| 3 | Electric Distribution Allocation -- Staff Adjustment | \$ (977) | Line 1 x Line 2 |
| 4 | Utility Plant in Service per Company | 2,418,904 | Company Schedule B-1, Line 36, Column (E) |
| 5 | Staff Adjustment to Utility Plant in Service as a % of Company Plant in Service | -0.04% | |
| 6 | Accumulated Depreciation per Company | <u>(743,285)</u> | Company Schedule B-1, Line 41, Column (F) |
| 7 | Staff Adjustment to Accum. Depreciation | <u>\$ 300</u> | Line 5 x Line 6 |
| 8 | Depreciation Expense per Company | <u>75,192</u> | Company Schedule C-1, Line 60, Column (G) |
| 9 | Staff Adjustment to Depreciation Expense | <u>\$ (30)</u> | Line 5 x Line 8 |
| 10 | Accumulated Deferred Income Tax per Company | <u>(164,577)</u> | Company Schedule B-1, Line 47, Column (F) |
| 11 | Staff Adjustment to ADIT | <u>\$ 66</u> | Line 5 x Line 10 |

AmerenIP Electric
Adjustment to Industry Association Dues
For the Test Year Ending December 31, 2008
(In Thousands)

| Line No. | Description (a) | Amount (b) | Source (c) |
|-------------|---------------------------------------|------------------------------|--|
| 1 | Industry Association Dues per Staff | \$ 360 | Page 2, Line 3 |
| 2 | Industry Association Dues per Company | <u>\$ 452</u> | Company Schedule C-6.1, Line 1, Column (H) |
| 3 | Staff Adjustment | <u><u>\$ (92)</u></u> | Line 1 - Line 2 |

AmerenIP Electric
Adjustment to Industry Association Dues
For the Test Year Ending December 31, 2008
(In Thousands)

| <u>Line No.</u> | <u>Description</u> (a) | <u>Amount</u> (b) | <u>Source</u> (c) |
|-----------------|---|----------------------|--|
| 1 | Industry Association Dues per Company | \$ 452 | Company Schedule C-6.1, Line 1, Column (H) |
| 2 | Non-Recoverable Costs in Company Amount | <u>(92)</u> | Staff Workpaper 18.03 |
| 3 | Industry Association Dues per Staff | <u><u>\$ 360</u></u> | Line 1 - Line 2 |

AmerenIP Electric
Adjustment to Customer Service & Information Expense
For the Test Year Ending December 31, 2008
(In Thousands)

| Line No. | Description (a) | Amount (b) | Source (c) |
|-------------|---|-------------------------------|---|
| 1 | Customer Svc & Info Expense per Staff | \$ 2,364 | Page 2, Line 3 |
| 2 | Customer Svc & Info Expense per Company | <u>\$ 2,493</u> | Company Schedule C-1, Line 38, Column (G) |
| 3 | Staff Adjustment | <u><u>\$ (129)</u></u> | Line 1 - Line 2 |

AmerenIP Electric
Adjustment to Customer Service & Information Expense
For the Test Year Ending December 31, 2008
(In Thousands)

| <u>Line No.</u> | <u>Description</u> (a) | <u>Amount</u> (b) | <u>Source</u> (c) |
|-----------------|---|------------------------|---|
| 1 | Customer Svc & Info Expense per Company | \$ 2,493 | Company Schedule C-1, Line 38, Column (G) |
| 2 | Non-Recoverable Costs in Company Amount | <u>(129)</u> | Page 3, Line 26 |
| 3 | Customer Svc & Info Expense per Staff | <u><u>\$ 2,364</u></u> | Line 1 - Line 2 |

**AmerenIP Electric
Adjustment to Customer Service & Information Expense
For the Test Year Ending December 31, 2008**

| Line No. | Corporation | Utility | Major Minor | Amount | Vendor Name | Description | Reason for Disallowance |
|----------|-------------|---------|-------------|-----------|----------------------|----------------------------------|--|
| | (a) | (b) | (c) | (d) | (e) | (f) | (g) |
| 1 | IPC | 1 | 909028 | 2,200.00 | CITY OF BELLEVILLE | Advertising | AIU Logo included in City Newsletter with other supporters - <u>Promotional/Goodwill (RWB 21.01.02)</u> |
| 2 | IPC | 1 | 909028 | 100.00 | JOURNAL PUBLICATIONS | Advertising | Support for Litchfield Chamber of Commerce Annual Dinner - <u>Promotional/Goodwill</u> |
| 3 | IPC | 1 | 909028 | 362.50 | THE TELEGRAPH | Advertising | Economic Development Ad for Community Profile Edition - <u>Promotional/Goodwill (RWB 21.01.08)</u> |
| 4 | IPC | 1 | 909028 | 35,000.00 | U S CELLULAR COLISEU | Advertising | Support for new facility in Bloomington Normal Community - Signage with Ameren Logo Only - <u>Promotional/Goodwill</u> |
| 5 | IPC | 1 | 909028 | 347.50 | ILLINOIS MUNICIPAL L | Booth Rental | Booth Rental at Illinois Municipal League Event - <u>Promotional/Goodwill/Lobbying</u> |
| 6 | IPC | 1 | 909028 | 229.00 | GATEWAYCDI INC | Logo shirts | Men's Oxford shirts with Ameren Logo - Promotional |
| 7 | IPC | 1 | 909028 | 2,226.33 | DOGWOOD PROMOTIONS I | Promotional items | Plastic Soft Loop handle Bags with AIU Logo in Red - Promotional (RWB 21.01.13) |
| 8 | IPC | 1 | 909028 | 97.00 | PROMOTIONAL CONSULTA | Promotional items | Adult Gray Knit Cap with Black Trim, Ameren Logo on Brim - No photo provided - Promotional |
| 9 | IPC | 1 | 909028 | 1,963.76 | SWIFT INCENTIVES LLC | Promotional items | Silver heart shaped tin with red Ameren Logo (no photo available); Red Lanyards with One Side Imprint (RWB 21.01.20); Blue Push-action Ballpoint Pen with Ameren Illinois Logo in White (no photo); Round Multi- Color Pencils with Ameren Illinois Logo (no photo); Silver pen with laser engraving of Ameren Logo (no photo); Green pedometer with black Ameren logo (no photo) - all deemed promotional. |
| 10 | IPC | 1 | 909028 | 7,470.00 | BLOOMINGTON PRAIRIE | Promotional items | Fleece Glove Give-away for Prairie Thunder hockey team (no picture) - <u>promotional</u> |
| 11 | IPC | 1 | 909028 | 1,802.01 | JACOBYCO LLC | Promotional items | Shoe Shine Kits (RWB 21.01.26); Tropicolor Clip with Magnet and Ameren Illinois Logo (No photo); Plastic Soft Loop handle Bags with AIU in Red (RWB 21.01.28); Green Cooler (RWB 21.01.29) - all deemed <u>promotional</u> |
| 12 | IPC | 1 | 909028 | 171.00 | MARKETING PRODUCTS G | Promotional items | XL 3000 Golf Balls (RWB 21.01.30) - <u>promotional</u> |
| 13 | IPC | 1 | 909028 | 5,460.00 | B & D SALES | Promotional items for cust event | Round Glitter Pencils (RWB 21.01.32); Balsawood Gliders with printed "ActOnEnergy.net" (RWB 21.01.32); 7M Frisbee Flyers with printed "ActOnEnergy.net" (RWB 21.01.34) - all promotional items whose <u>primary purposes is fun, not information on energy efficiency.</u> |
| 14 | IPC | 1 | 909028 | 3,829.36 | B B C PRINTING & PRO | Promotional items for cust event | Jelly Cellmates for Cars with printed "ActoOnEnergy.net" (RWB 21.01.34) - promotional as primary purpose is for cell phone, not information on <u>energy efficiency.</u> |
| 15 | IPC | 1 | 909028 | 3,037.03 | GORHAMS INC | Promotional items for cust event | Collapsible Can Cooler (RWB 21.01.36) - Promotional |
| 16 | IPC | 1 | 909028 | 17,198.97 | IMAGE ELEMENT | Promotional items for cust event | Shirts with Ameren Illinois Utilities Logo worn at PowerSwitch Expo (no <u>photo) - Promotional, regardless of where they are worn.</u> |
| 17 | IPC | 1 | 909028 | 4,694.31 | SIGNATURE SIGNS & GR | Signage | AIU Banners used at community events, reportedly promoting safety and energy efficiency (RWB 21.01.43) - Promotional, as there is only the AIU logo, and no safety or energy efficiency message on the banners. |
| 18 | IPC | 1 | 909028 | 10,000.00 | DECATUR CELEBRATION | Sponsorship | Support to Bring Musical Entertainment to Central Illinois - Banner with AIU displayed on Stagefront (no photo) - <u>promotional/goodwill</u> |

**AmerenIP Electric
 Adjustment to Customer Service & Information Expense
 For the Test Year Ending December 31, 2008**

| Line No. | Corporation | Utility | Major Minor | Amount | Vendor Name | Description | Reason for Disallowance |
|----------|-------------------|---------|-------------|---------------------|----------------------|-----------------------------|--|
| | (a) | (b) | (c) | (d) | (e) | (f) | (g) |
| 19 | IPC | 1 | 909028 | 2,500.00 | DECATUR PARK DISTRIC | Sponsorship | Contribution for park District Golf Event for AIU Logo displayed at Tee area (no photo) - promotional/goodwill |
| 20 | IPC | 1 | 909028 | 15,000.00 | DECATUR PARK DISTRIC | Sponsorship | Support to Bring Musical Entertainment to Central Illinois - Banner with AIU displayed on Stagefront (no photo) - promotional/goodwill |
| 21 | IPC | 1 | 909028 | 100.00 | DECATUR PUBLIC SCHOO | Sponsorship | Fundraising support for Decatur Public School District 61 - promotional/goodwill |
| 22 | IPC | 1 | 909028 | 7,500.00 | MIDWEST ENERGY EFFIC | Sponsorship | Support for MEEA Fundraising Program available to Schools and other groups (RWB 21.10.50) - Although it appears to include some energy efficiency information for students, main force of program is fundraising, and profit from CFL sales is spilt between group and MEEA. - promotional/goodwill. |
| 23 | IPC | 1 | 909028 | 144.00 | ROTARY CLUB OF GRANI | Sponsorship | Tickets to Mayor's Prayer Breakfast - promotional/goodwill |
| 24 | IPC | 1 | 909028 | 7,093.00 | MISSOURI VALLEY CONF | Sponsorship and Advertising | Sponsorship and Advertising at the Missouri Valley Conference events - promotional/goodwill only |
| 25 | IPC | 1 | 909028 | 955.00 | MISSOURI SALES & USE | Tax on Ameren Logo shirts | Missouri taxes paid on promotional Ameren Logo shirts. |
| 26 | I Non-Recoverable | | | <u>\$129,480.77</u> | | | |

Sources:

a) through (f) - Staff Workpaper 18.04

AmerenIP Electric
Adjustment to Demonstrating & Selling Expense
For the Test Year Ending December 31, 2008
(In Thousands)

| <u>Line</u> | <u>Description</u> (a) | <u>Amount</u> (b) | <u>Source</u> (c) |
|-------------|---|----------------------|---|
| 1 | Demonstration and Selling Expense per Staff | \$ - | |
| 2 | Demonstration and Selling Expense per Company (aka Economic Development Expense) | 306 | Ameren Exhibit 29.14 CIPS E, Line 1, Column (C) |
| 3 | Difference -- Staff Adjustment | <u>\$ (306)</u> | Line 1 less Line 2 |

AmerenIP Electric
Adjustment to Materials & Supplies
For the Test Year Ending December 31, 2008
(In Thousands)

| Line No. | Description (a) | Amount (b) | Source (c) |
|----------|---|--------------------------|---|
| 1 | Accounts Payable Percentage related to Materials & Supplies | 14.23% | Co. Schedule B-8.1, Line 2, Col. (E) |
| 2 | Materials & Supplies per Company | <u>17,783</u> | Ameren Exhibit 29.3, Page 1, Line 8, Col. (d) |
| 3 | Accounts Payable related to Materials & Supplies | 2,531 | Line 1 x Line 2 |
| 4 | Materials & Supplies Net of Related Accounts Payable | 15,252 | Line 2 - Line 3 |
| 5 | Materials & Supplies Inventory per Company | <u>17,783</u> | Ameren Exhibit 29.3, Page 1, Line 8, Col. (d) |
| 6 | Staff Adjustment | <u><u>\$ (2,531)</u></u> | Line 1 - line 2 |

**AmerenCILCO Gas
Adjustment to Industry Association Dues
For the Test Year Ending December 31, 2008
(In Thousands)**

| Line No. | Description (a) | Amount (b) | Source (c) |
|-------------|---------------------------------------|-----------------------------|--|
| 1 | Industry Association Dues per Staff | \$100 | Page 2, Line 3 |
| 2 | Industry Association Dues per Company | <u>176</u> | Company Schedule C-6.1, Line 1, Column (G) |
| 3 | Staff Adjustment | <u><u>(\$76)</u></u> | Line 1 - Line 2 |

**AmerenCILCO Gas
 Adjustment to Industry Association Dues
 For the Test Year Ending December 31, 2008
 (In Thousands)**

| <u>Line No.</u> | <u>Description</u> (a) | <u>Amount</u> (b) | <u>Source</u> (c) |
|-----------------|---|----------------------|--|
| 1 | Industry Association Dues per Company | \$ 176 | Company Schedule C-6.1, Line 1, Column (G) |
| 2 | Non-Recoverable Costs in Company Amount | <u>(76)</u> | Staff Workpaper 18.03 |
| 3 | Industry Association Dues per Staff | <u>\$ 100</u> | Line 1 - Line 2 |

AmerenCILCO Gas
Adjustment to Customer Service & Information Expense
For the Test Year Ending December 31, 2008
(In Thousands)

| Line No. | Description (a) | Amount (b) | Source (c) |
|-------------|---|------------------------------|--|
| 1 | Customer Svc & Info Expense per Staff | \$ 288 | Page 2, Line 3 |
| 2 | Customer Svc & Info Expense per Company | <u>\$ 323</u> | Company Schedule C-1, Line 123, Column (G) |
| 3 | Staff Adjustment | <u><u>\$ (35)</u></u> | Line 1 - Line 2 |

AmerenCILCO Gas
Adjustment to Customer Service & Information Expense
For the Test Year Ending December 31, 2008
(In Thousands)

| <u>Line No.</u> | <u>Description</u> (a) | <u>Amount</u> (b) | <u>Source</u> (c) |
|-----------------|---|----------------------|--|
| 1 | Customer Svc & Info Expense per Company | \$ 323 | Company Schedule C-1, Line 123, Column (G) |
| 2 | Non-Recoverable Costs in Company Amount | <u>(35)</u> | Page 3, Line 9 |
| 3 | Customer Svc & Info Expense per Staff | <u>\$ 288</u> | Line 1 - Line 2 |

**AmerenCILCO Gas
 Adjustment to Customer Service & Information Expense
 For the Test Year Ending December 31, 2008**

| Line No. | Corporation | Utility | Major | Minor | Amount | Vendor Name | Description | Reason for Disallowance |
|----------|-------------------|---------|--------|-------|------------------|----------------------|----------------------|--|
| | (a) | (b) | (c) | (d) | (e) | (f) | (g) | |
| 1 | CIL | 2 | 908 | | 11,390.42 | IMAGE ELEMENT | Ameren Logo products | Promotional items with Ameren Logo only |
| 2 | CIL | 2 | 910 | | 11,000.00 | CENTER FOR PREVENTIO | Sponsorship | Sponsorships of events of promotional or goodwill nature not necessary in providing utility service. |
| 3 | CIL | 2 | 910 | | 395.00 | GREATER SPRINGFIELD | Sponsorship | Sponsorships of events of promotional or goodwill nature not necessary in providing utility service. |
| 4 | CIL | 2 | 909028 | | 400.00 | MIDWEST ENERGY ASSOC | Sponsorship | Supported AIU participation in Gas Rodeo - promotional/goodwill |
| 5 | CIL | 2 | 910 | | 750.00 | PEORIA AREA CHAMBER | Sponsorship | Sponsorships of events of promotional or goodwill nature not necessary in providing utility service. |
| 6 | CIL | 2 | 910 | | 6,250.00 | PEORIA CIVIC CENTER | Sponsorship | Sponsorships of events of promotional or goodwill nature not necessary in providing utility service. |
| 7 | CIL | 2 | 910 | | 3,120.00 | PEORIA RIVERMEN HOCK | Sponsorship | Support for Peoria Hockey team - promotional/goodwill |
| 8 | CIL | 2 | 910 | | 1,500.00 | Y W C A OF PEORIA | Sponsorship | Sponsorships of events of promotional or goodwill nature not necessary in providing utility service. |
| 9 | I Non-Recoverable | | | | <u>34,805.42</u> | | | |

Sources:
 Columns (a) through (f) - Staff Workpaper 18.04

**AmerenCILCO Gas
Adjustment to Demonstrating & Selling Expense
For the Test Year Ending December 31, 2008
(In Thousands)**

| <u>Line</u> | <u>Description</u> (a) | <u>Amount</u> (b) | <u>Source</u> (c) |
|-------------|---|-----------------------|--|
| 1 | Demonstration and Selling Expense per Staff | \$ - | |
| 2 | Demonstration and Selling Expense per Company (aka Economic Development Expense) | 10 | Ameren Exhibit 29.14 CILCO G, Line 1, Column (C) |
| 3 | Difference -- Staff Adjustment | <u><u>\$ (10)</u></u> | Line 1 less Line 2 |

AmerenCILCO Gas
Adjustment to Materials & Supplies (Including Gas in Storage)
For the Test Year Ending December 31, 2008
(In Thousands)

| Line No. | Description (a) | Amount (b) | Source (c) |
|-------------|---|--------------------------|---|
| 1 | Materials & Supplies (Including Gas in Storage) per Staff | \$ 40,488 | Schedule 18.08, Page 2, Line 9, Col. (b) |
| 2 | Materials & Supplies (Including Gas in Storage) per Company | <u>48,046</u> | Ameren Exhibit 30.1, Schedule 2, page 1, Line 8, Col. (d) |
| 3 | Staff Adjustment | <u>\$ (7,558)</u> | Line 1 - line 2 |

**AmerenCILCO Gas
Adjustment to Materials & Supplies (Including Gas in Storage)
For the Test Year Ending December 31, 2008
(In Thousands)**

| Line No. | Description (a) | Amount (b) | Source (c) |
|---------------------------------------|---|----------------------|---|
| <u>General Materials and Supplies</u> | | | |
| 1 | Accounts Payable Percentage related to Materials & Supplies | 12.46% | Co. Schedule B-8.1, Line 6, Col. (E) |
| 2 | General materials & Supplies per Company | <u>2,169</u> | Ameren Exhibit 30.8 CIL G, Page 1, Line 1, Col. (b) |
| 3 | Accounts Payable related to Materials & Supplies | 270 | Line 1 x Line 2 |
| 4 | General Materials & Supplies Net of Related Accounts Payable | 1,899 | Line 2 - Line 3 |
| | | | |
| <u>Gas in Storage</u> | | | |
| 5 | Accounts Payable Percentage related to Gas in Storage | 12.46% | Co. Schedule B-8.1, Line 6, Col. (E) |
| 6 | 13-Month Average of Gas in Storage per Staff | <u>44,082</u> | Schedule 18.08, Page 3, Column (b), Line 3 |
| 7 | Accounts Payable related to Gas in Storage | 5,493 | Line 1 x Line 2 |
| 8 | Gas in Storage Net of Related Accounts Payable | 38,589 | Line 2 - Line 3 |
| 9 | Total Materials & Supplies (Including Gas in Storage) per Staff | <u><u>40,488</u></u> | Line 4 + Line 8 |

AmerenCILCO Gas
Adjustment to Materials & Supplies (Including Gas in Storage)
For the Test Year Ending December 31, 2008
(In Thousands)

| Line No. | Description (a) | Amount (b) | Source (c) |
|-------------|---|------------------|---|
| 1 | 13-month Average Balance Gas in Storage per Company | \$ 45,877 | Ameren Exhibit 30.8 CIL G, Page 1, Line 2, Col. (b) |
| 2 | Adjustment to 13-month Average Balance Gas in Storage | <u>(1,795)</u> | ICC Staff Exhibit 25.0, Schedule 25.01 CILCO-G |
| 3 | 13-month Average Balance Gas in Storage per Staff | <u>\$ 44,082</u> | Line 1 + line 2 |

AmerenCIPS Gas
Adjustment to Industry Association Dues
For the Test Year Ending December 31, 2008
(In Thousands)

| Line No. | Description (a) | Amount (b) | Source (c) |
|-------------|---------------------------------------|-----------------------------|--|
| 1 | Industry Association Dues per Staff | \$30 | Page 2, Line 3 |
| 2 | Industry Association Dues per Company | <u>126</u> | Company Schedule C-6.1, Line 1, Column (G) |
| 3 | Staff Adjustment | <u><u>(\$96)</u></u> | Line 1 - Line 2 |

AmerenCIPS Gas
Adjustment to Industry Association Dues
For the Test Year Ending December 31, 2008
(In Thousands)

| <u>Line No.</u> | <u>Description</u> (a) | <u>Amount</u> (b) | <u>Source</u> (c) |
|-----------------|---|----------------------|--|
| 1 | Industry Association Dues per Company | \$ 126 | Company Schedule C-6.1, Line 1, Column (G) |
| 2 | Non-Recoverable Costs in Company Amount | <u>(96)</u> | Staff Workpaper 18.03 |
| 3 | Industry Association Dues per Staff | <u><u>\$ 30</u></u> | Line 1 - Line 2 |

AmerenCIPS Gas
Adjustment to Customer Service & Information Expense
For the Test Year Ending December 31, 2008
(In Thousands)

| Line No. | Description (a) | Amount (b) | Source (c) |
|-------------|---|-----------------------------|--|
| 1 | Customer Svc & Info Expense per Staff | \$ 247 | Page 2, Line 3 |
| 2 | Customer Svc & Info Expense per Company | <u>\$ 248</u> | Company Schedule C-1, Line 123, Column (G) |
| 3 | Staff Adjustment | <u><u>\$ (1)</u></u> | Line 1 - Line 2 |

AmerenCIPs Gas
Adjustment to Customer Service & Information Expense
For the Test Year Ending December 31, 2008
(In Thousands)

| Line No. | Description (a) | Amount (b) | Source (c) |
|-------------|---|---------------|--|
| 1 | Customer Svc & Info Expense per Company | \$ 248 | Company Schedule C-1, Line 123, Column (G) |
| 2 | Non-Recoverable Costs in Company Amount | <u>(1)</u> | Page 3, Line 3 |
| 3 | Customer Svc & Info Expense per Staff | <u>\$ 247</u> | Line 1 - Line 2 |

**AmerenCIPS Gas
 Adjustment to Customer Service & Information Expense
 For the Test Year Ending December 31, 2008**

| Line No. | Corporation | Utility | Major Minor | Amount | Vendor Name | Description | Reason for Disallowance |
|----------|-------------------|---------|-------------|--------------------|----------------------|-------------|--|
| | (a) | (b) | (c) | (d) | (e) | (f) | (g) |
| 1 | CIP | 2 | 910 | 400.00 | GREATER SPRINGFIELD | Sponsorship | Sponsorships of events of promotional or goodwill nature not necessary in providing utility service. |
| 2 | CIP | 2 | 909028 | 600.00 | MIDWEST ENERGY ASSOC | Sponsorship | Supported AIU participation in Gas Rodeo - promotional/goodwill |
| 3 | I Non-Recoverable | | | <u>\$ 1,000.00</u> | | | |

Sources:

Columns (a) through (f) - Staff Workpaper 18.04

AmerenCIPS Gas
Adjustment to Demonstrating & Selling Expense
For the Test Year Ending December 31, 2008
(In Thousands)

| <u>Line</u> | <u>Description</u> (a) | <u>Amount</u> (b) | <u>Source</u> (c) |
|-------------|---|----------------------|---|
| 1 | Demonstration and Selling Expense per Staff | \$ - | |
| 2 | Demonstration and Selling Expense per Company (aka Economic Development Expense) | 23 | Ameren Exhibit 29.14 CIPS G, Line 1, Column (C) |
| 3 | Difference -- Staff Adjustment | <u>\$ (23)</u> | Line 1 less Line 2 |

AmerenCIPS Gas
Adjustment to Materials & Supplies (Including Gas in Storage)
For the Test Year Ending December 31, 2008
(In Thousands)

| Line No. | Description (a) | Amount (b) | Source (c) |
|-------------|---|--------------------------|---|
| 1 | Materials & Supplies (Including Gas in Storage) per Staff | \$ 26,354 | Schedule 18.08, Page 2, Line 9, Col. (b) |
| 2 | Materials & Supplies (Including Gas in Storage) per Company | <u>33,768</u> | Ameren Exhibit 30.2, Schedule 2, page 1, Line 7, Col. (d) |
| 3 | Staff Adjustment | <u>\$ (7,414)</u> | Line 1 - line 2 |

**AmerenCIPS Gas
Adjustment to Materials & Supplies (Including Gas in Storage)
For the Test Year Ending December 31, 2008
(In Thousands)**

| Line No. | Description (a) | Amount (b) | Source (c) |
|---------------------------------------|---|----------------------|---|
| <u>General Materials and Supplies</u> | | | |
| 1 | Accounts Payable Percentage related to Materials & Supplies | 12.46% | Co. Schedule B-8.1, Line 4, Col. (E) |
| 2 | General materials & Supplies per Company | <u>1,747</u> | Ameren Exhibit 30.8 CIP G, Page 2, Line 1, Col. (b) |
| 3 | Accounts Payable related to Materials & Supplies | 218 | Line 1 x Line 2 |
| 4 | General Materials & Supplies Net of Related Accounts Payable | 1,529 | Line 2 - Line 3 |
| | | | |
| <u>Gas in Storage</u> | | | |
| 5 | Accounts Payable Percentage related to Gas in Storage | 12.46% | Co. Schedule B-8.1, Line 4, Col. (E) |
| 6 | 13-Month Average of Gas in Storage per Staff | <u>28,358</u> | Schedule 18.08, Page 3, Column (b), Line 3 |
| 7 | Accounts Payable related to Gas in Storage | 3,533 | Line 1 x Line 2 |
| 8 | Gas in Storage Net of Related Accounts Payable | 24,825 | Line 2 - Line 3 |
| 9 | Total Materials & Supplies (Including Gas in Storage) per Staff | <u>26,354</u> | Line 4 + Line 8 |

AmerenCIPS Gas
Adjustment to Materials & Supplies (Including Gas in Storage)
For the Test Year Ending December 31, 2008
(In Thousands)

| Line No. | Description (a) | Amount (b) | Source (c) |
|-------------|---|-------------------------|---|
| 1 | 13-month Average Balance Gas in Storage per Company | \$ 32,021 | Ameren Exhibit 30.8 CIP G, Page 2, Line 2, Col. (b) |
| 2 | Adjustment to 13-month Average Balance Gas in Storage | <u>(3,663)</u> | ICC Staff Exhibit 25.0, Schedule 25.02 CIPS-G |
| 3 | 13-month Average Balance Gas in Storage per Staff | <u>\$ 28,358</u> | Line 1 + line 2 |

AmerenIP Gas
Adjustment for Lobbying Expense
For the Test Year Ending December 31, 2008
(In Thousands)

| Line No. | Description (a) | Amount (b) | Source (c) |
|-------------|---------------------------------------|---------------|---|
| 1 | A&G Expense Net of Lobbying per Staff | \$ 32 | Schedule 18.01 CIPS-G, Page 2, Line 3, Column (b) |
| 2 | A&G Expense per Company | <u>33</u> | Company Schedule C-1, Line 176, Column (G) |
| 3 | Staff Adjustment | <u>\$ (1)</u> | Line 1 - line 2 |

AmerenIP Gas
Adjustment for Lobbying Expense
For the Test Year Ending December 31, 2008
(In Thousands)

| Line No. | Description (a) | Amount (b) | Source (c) |
|-------------|---|---------------------|--|
| 1 | Total A&G Expenses per Company | \$ 33 | Company Schedule C-1, Line 176, Column (G) |
| 2 | Lobbying Expense included in A&G | <u>1</u> | Company response to Staff data request RWB 18.01 |
| 3 | A&G Expense Per Staff - Net of Lobbying Expense | <u><u>\$ 32</u></u> | Line 1 - Line 2 |

AmerenIP Gas
Adjustment to Remove Transmission Operations Plant
For the Test Year Ending December 31, 2008
(In Thousands)

| Line | Description (a) | Amount (b) | Source (c) |
|------|--|------------------------|--|
| 1 | Total for WO # 23159 | 1,476 | IP Electric Response to RWB 1.01S2R / Response GER 1.09 Attach |
| 2 | ASP General Account Allocator - Gas | <u>21.83%</u> | Company WPA-5a, Line 15, Column (G) |
| 3 | Gas Allocation -- Staff Adjustment | <u>\$ (322)</u> | Line 1 x Line 2 |
| 4 | Utility Plant in Service per Company | <u>1,005,634</u> | Company Schedule B-1, Line 123, Column (E) |
| 5 | Staff Adjustment to Utility Plant in Service as a % of Company Plant in Service | -0.03% | |
| 6 | Accumulated Depreciation per Company | <u>(505,266)</u> | Company Schedule B-1, Line 131, Column (E) |
| 7 | Staff Adjustment to Accum. Depreciation | <u>\$ 162</u> | Line 5 x Line 6 |
| 8 | Depreciation Expense per Company | <u>20,061</u> | Company Schedule C-1, Line 181, Column (G) |
| 9 | Staff Adjustment to Depreciation Expense | <u>\$ (6)</u> | Line 5 x Line 8 |
| 10 | Accumulated Deferred Income Tax per Company | <u>(25,289)</u> | Company Schedule B-1, Line 137, Column (E) |
| 11 | Staff Adjustment to ADIT | <u>\$ 8</u> | Line 5 x Line 10 |

AmerenIP Gas
Adjustment to Industry Association Dues
For the Test Year Ending December 31, 2008
(In Thousands)

| Line No. | Description (a) | Amount (b) | Source (c) |
|-------------|---------------------------------------|------------------------------|--|
| 1 | Industry Association Dues per Staff | \$ 165 | Page 2, Line 3 |
| 2 | Industry Association Dues per Company | <u>264</u> | Company Schedule C-6.1, Line 1, Column (G) |
| 3 | Staff Adjustment | <u><u>\$ (99)</u></u> | Line 1 x Line 4 |

AmerenIP Gas
Adjustment to Industry Association Dues
For the Test Year Ending December 31, 2008
(In Thousands)

| <u>Line No.</u> | <u>Description</u> (a) | <u>Amount</u> (b) | <u>Source</u> (c) |
|-----------------|---|----------------------|--|
| 1 | Industry Association Dues per Company | \$ 264 | Company Schedule C-6.1, Line 1, Column (G) |
| 2 | Non-Recoverable Costs in Company Amount | <u>(99)</u> | Staff Workpaper 18.03 |
| 3 | Industry Association Dues per Staff | <u>\$ 165</u> | Line 1 - Line 2 |

AmerenIP Gas
Adjustment to Customer Service & Information Expense
For the Test Year Ending December 31, 2008
(In Thousands)

| Line No. | Description (a) | Amount (b) | Source (c) |
|-------------|---|-----------------------------|--|
| 1 | Customer Svc & Info Expense per Staff | \$ 525 | Page 2, Line 3 |
| 2 | Customer Svc & Info Expense per Company | <u>\$ 526</u> | Company Schedule C-1, Line 151, Column (G) |
| 3 | Staff Adjustment | <u><u>\$ (1)</u></u> | Line 1 - Line 2 |

AmerenIP Gas
Adjustment to Customer Service & Information Expense
For the Test Year Ending December 31, 2008
(In Thousands)

| <u>Line No.</u> | <u>Description</u> (a) | <u>Amount</u> (b) | <u>Source</u> (c) |
|-----------------|---|----------------------|--|
| 1 | Customer Svc & Info Expense per Company | \$ 526 | Company Schedule C-1, Line 151, Column (G) |
| 2 | Non-Recoverable Costs in Company Amount | <u>(1)</u> | Page 3, Line 1 |
| 3 | Customer Svc & Info Expense per Staff | <u>\$ 525</u> | Line 1 - Line 2 |

AmerenIP Gas
Adjustment to Customer Service & Information Expense
For the Test Year Ending December 31, 2008

| Line No. | Corporation | Utility | Major | Minor | Amount | Vendor Name | Description | Reason for Disallowance |
|----------|-------------|---------|--------|-------|-----------|----------------------|-------------|---|
| | (a) | (b) | (c) | | (d) | (e) | (f) | (g) |
| 1 | IPC | 2 | 909028 | | \$ 600.00 | MIDWEST ENERGY ASSOC | Sponsorship | Supported AIU participation in Gas Rodeo - promotional/goodwill |

Sources:

Columns (a) through (f) - Staff Workpaper 18.04

AmerenIP Gas
Adjustment to Demonstrating & Selling Expense
For the Test Year Ending December 31, 2008
(In Thousands)

| <u>Line</u> | <u>Description</u> (a) | <u>Amount</u> (b) | <u>Source</u> (c) |
|-------------|---|----------------------|---|
| 1 | Demonstration and Selling Expense per Staff | \$ - | |
| 2 | Demonstration and Selling Expense per Company (aka Economic Development Expense) | 25 | Ameren Exhibit 29.14 IP G, Line 1, Column (C) |
| 3 | Difference -- Staff Adjustment | <u>\$ (25)</u> | Line 1 less Line 2 |

**AmerenIP Gas
 Adjustment to Gas Tapping Fee
 For the Test Year Ending December 31, 2008
 (In Thousands)**

| <u>Line No.</u> | <u>Account</u> (a) | <u>Description</u> (b) | <u>Per Staff</u> (c) | <u>Per Company</u> (d) | <u>Adjustment</u> (e) |
|-----------------|-----------------------|---|-------------------------|---------------------------|--------------------------|
| 1 | 376 & 380 | Adjustment to Utility Plant In Service | \$ 1,436 | \$ 2,130 | \$ (694) |
| 2 | 108 | Adjustment to Accumulated Depreciation | (18) | (27) | 9 |
| 3 | | Adjustment to Net Utility Plant | <u>\$ 1,418</u> | <u>\$ 2,103</u> | <u>\$ (685)</u> |
| 4 | 282 | Adjustment to Accumulated Deferred Taxes | <u>\$ (54)</u> | <u>\$ (80)</u> | <u>\$ 26</u> |
| 5 | 403 | Adjustment to Depreciation Expense | <u>\$ 18</u> | <u>\$ 27</u> | <u>\$ (9)</u> |

Sources: Column (c) - Schedule 18.07 IP-G, page 2
 Column (d) - Company Schedule B-2.2, Column C
 Column (e) = Column (c) - Column (d)

**AmerenIP Gas
 Adjustment to Gas Tapping Fee
 For the Test Year Ending December 31, 2008
 (In Thousands)**

| <u>Line No.</u> | <u>Account</u> (a) | <u>Adjustment</u> (b) | <u>Book Depr</u> <u>Rate</u> (c) | <u>Book</u> <u>Depreciation</u> (d) | <u>Tax Depr</u> <u>Rate</u> (e) | <u>Tax</u> <u>Depreciation</u> (f) | <u>Comments</u> (g) |
|-----------------|-----------------------|--------------------------|--|---|---------------------------------------|--|---------------------------|
| 1 | 376 & 380 | \$1,436,098 | 1.27% | \$18,238 | 9.50% | \$136,429 | Column (b) x Column (e) |
| 2 | | | | SIT Rate | 7.30% | \$ 9,959 | [136,429 x 7.3%] |
| 3 | | | | FIT Rate | 35.00% | <u>\$ 44,265</u> | [(136,429 - 9,959) x 35%] |
| 4 | | | | ADIT Adjustment | | <u><u>\$ 54,224</u></u> | Line 1 - Line 2 - Line 3 |

Sources: Columns (A) & (B) - Company Response RWB 6.02
 Column (C) - Company WPB2-2
 Column (D) = Column (B) x Column (C)
 Column (E) - Company WPB2-2

AmerenIP Gas
Adjustment to Materials & Supplies (Including Gas in Storage)
For the Test Year Ending December 31, 2008
(In Thousands)

| Line No. | Description (a) | Amount (b) | Source (c) |
|-------------|---|---------------------------|---|
| 1 | Materials & Supplies (Including Gas in Storage) per Staff | \$ 70,591 | Schedule 18.08, Page 2, Line 9, Col. (b) |
| 2 | Materials & Supplies (Including Gas in Storage) per Company | <u>92,893</u> | Ameren Exhibit 30.3, Schedule 2, page 1, Line 7, Col. (d) |
| 3 | Staff Adjustment | <u>\$ (22,302)</u> | Line 1 - line 2 |

AmerenIP Gas
Adjustment to Materials & Supplies (Including Gas in Storage)
For the Test Year Ending December 31, 2008
(In Thousands)

| Line No. | Description (a) | Amount (b) | Source (c) |
|---------------------------------------|---|----------------------|--|
| <u>General Materials and Supplies</u> | | | |
| 1 | Accounts Payable Percentage related to Materials & Supplies | 12.46% | Co. Schedule B-8.1, Line 4, Col. (E) |
| 2 | General materials & Supplies per Company | 4,106 | Ameren Exhibit 30.8 IP G, Page 3, Line 1, Col. (b) |
| 3 | Accounts Payable related to Materials & Supplies | 512 | Line 1 x Line 2 |
| 4 | General Materials & Supplies Net of Related Accounts Payable | 3,594 | Line 2 - Line 3 |
| | | | |
| <u>Gas in Storage</u> | | | |
| 5 | Accounts Payable Percentage related to Gas in Storage | 12.46% | Co. Schedule B-8.1, Line 4, Col. (E) |
| 6 | 13-Month Average of Gas in Storage per Staff | 76,532 | Schedule 18.08, Page 3, Column (b), Line 3 |
| 7 | Accounts Payable related to Gas in Storage | 9,536 | Line 1 x Line 2 |
| 8 | Gas in Storage Net of Related Accounts Payable | 66,996 | Line 2 - Line 3 |
| 9 | Total Materials & Supplies (Including Gas in Storage) per Staff | <u>70,591</u> | Line 4 + Line 8 |

AmerenIP Gas
Adjustment to Materials & Supplies (Including Gas in Storage)
For the Test Year Ending December 31, 2008
(In Thousands)

| Line No. | Description (a) | Amount (b) | Source (c) |
|-------------|---|-------------------------|--|
| 1 | 13-month Average Balance Gas in Storage per Company | \$ 88,787 | Ameren Exhibit 30.8 IP G, Page 3, Line 2, Col. (b) |
| 2 | Adjustment to 13-month Average Balance Gas in Storage | <u>(12,255)</u> | ICC Staff Exhibit 25.0, Schedule 25.03 IP-G |
| 3 | 13-month Average Balance Gas in Storage per Staff | <u>\$ 76,532</u> | Line 1 + line 2 |

The Ameren Illinois Utilities'
Response to ICC Staff Data Requests
Docket Nos. 09-0306 thru 09-0311 (cons.)
Proposed general increase in electric and gas delivery service rates
Response Date: 8/26/2009

RWB 13.02

Referring to Section 9-229 of the Public Utilities Act, which states: (220 ILCS 5/9-229 new) Sec. 9-229. Consideration of attorney and expert compensation as an expense. The Commission shall specifically assess the justness and reasonableness of any amount expended by a public utility to compensate attorneys or technical experts to prepare and litigate a general rate case filing. This issue shall be expressly addressed in the Commission's final order. Please answer the following:

- a) Do the AIU contend that each amount set forth in Schedule C-10 is a just and reasonable expense? If so, provide all facts, information, data, analyses and assessments supporting the contention that the amounts set forth in Schedule C-10 are just and reasonable amounts to prepare and litigate the current general rate case;
- b) For the items set forth in WPC-10, provide the amount actually incurred for each item by payee and by invoice, as of July 31, 2009; and, to the extent not otherwise provided in response to part a) of this data request, provide a specific assessment of why the Commission should find that each of the amounts actually incurred is a just and reasonable amount to prepare and litigate the current general rate case. This response should be updated to reflect additional rate case expense actually incurred each subsequent month as documentation such as invoices becomes available;
- c) Provide UNREDACTED copies of invoices supporting the costs incurred as of July 31, 2009 for the instant rate case, as presented in the Companies' response to part b) of this data request. This response should be updated to reflect additional rate case expense actually incurred each subsequent month as documentation such as invoices becomes available;
- d) To the extent that any overtime to compensate any attorney or technical expert employed or retained by AIU to prepare and litigate this general rate case is included in the test year revenue requirement proposed by the Company, identify the amounts so included and, to the extent not otherwise provided in response to parts a) and b) of this data request, provide a specific assessment of why the Commission should find that each of the amounts is a just and reasonable amount to prepare and litigate the current general rate case; and
- e) To the extent the AIU have actually incurred expenses including overtime to compensate any attorney or technical expert employed or retained by the Company to prepare and litigate this general rate case, provide the amount of overtime expenses actually incurred as of July 31, 2009, and provide a specific assessment of why the Commission should find that the amount of overtime expense actually incurred is a just and reasonable amount to prepare and litigate

the current general rate case. This response should be updated to reflect additional rate case expense actually incurred each subsequent month as documentation such as invoices becomes available. Provide all supporting calculations and workpapers. To the extent applicable, all documents and workpapers should be provided in Excel format with working formulas.

RESPONSE

Subparts a), b), c), d), e)

Prepared By: Robert Mill

Title: Director Regulatory Policy and Rates

Phone Number: 314-554-3734

Subparts b), c):

Prepared By: Ronald Stafford

Title: Managing Supervisor, Regulatory Accounting

Phone Number: 314-206-0584

- a) Yes. The Ameren Illinois Utilities (AIUs) in planning and budgeting for the preparation, filing and litigation of its 2009 delivery services rate cases, sought to incur only prudent and reasonable rate case expenses. The AIUs, in its planning and budgeting for the instant case, considered, among other factors, its proposed, approved, and actual rate case expenses from its 2008 rate cases (ICC Docket Nos. 07-0585/07-0590), the filing and direct testimony requirements under Parts 285 and 286 of the ICC's rules, including the additional information filed as a result of certain issues and directives in the prior rate case and pursuant to the prior rate case order (i.e. test year plant documentation, additional information re AMS costs, NESC cost analysis, rate design and revenue allocation requirements). The AIUs' rate case expense estimates took into account the efficiencies resulting from the simultaneous preparation of six rate filings, the internal resources available for case preparation and execution of the 2009 rate cases and contracting for outside resources where required. As to the use of outside resources, the AIUs negotiated appropriate compensation rates which were based primarily on the agreed scope of work and the level of technical expertise required. The approved compensation rates were applied to the estimated hours of work to complete the assignment being requested. In a couple of instances, a fixed price amount was negotiated to perform a defined study due to the consultant previously performing similar work for the AIU in prior rate cases. In both situations an hourly rate will apply to any work related to the studies after the initial filing. The preparation of the Part 285 filing requirements for each of the six filings and of the direct testimony required by Part 286 was a very significant, complicated project that took approximately six months to complete. The AIUs' filings each required utility specific data and resulted in utility specific revenue requirements and proposed rates. Finally, the AIUs required the testimony of 26 witnesses in its direct filing, the most witnesses ever used in an AIUs direct case filing but necessary to provide a complete justification for our request. This extensive effort to provide adequate supporting

evidence for the AIUs filing also required a more significant use of legal services to support each witness. The hiring of an outside legal support team also took into account the extensive procedures that are involved in litigating a rate case before the ICC after the case is filed. The subsequent steps include an extensive discovery process (to date the AIUs have received over 720 multi-part data requests), the analysis of Staff and intervenor direct and rebuttal testimony, the preparation of rebuttal and surrebuttal testimony, an evidentiary hearing, post-hearing briefs and reply briefs, analysis of an ALJ's proposed Order, briefs and reply briefs on exceptions, analysis of the ICC's final Order, and preparation of a compliance filing. Notably in the last rate case, an additional law firm was retained shortly near the time of the surrebuttal filing. Given the magnitude of the workload unanticipated in the last rate case, and the desire to provide a more efficient rate case, prompt and thorough discovery, this law firm was retained early in the rate case preparation process.

The AIUs' Part 285 filing consisted of nearly 1 million pages. Because of the comprehensive requirements of Part 285, the AIUs decided to draw on the assistance of Concentric Energy Advisors, a nationally recognized firm consisting of consultants that have experience in supporting the standard filing requirements for ICC rate cases (Many of the same consultants having served in a similar role for the AIUs' 2006 and 2008 DS rate cases. Concentric also performed benchmarking and lead-lag analyses for the AIUs and provide support for certain data request response preparation. The personnel at Concentric are highly experienced and, as a result, are able to provide efficient service. Further, given Concentric's knowledge of the AIUs' personnel and systems, efficiency was gained by continuing to use this firm. That is, their learning curve was significantly less than would have been required from a firm unfamiliar with the AIUs. For example, Concentric has been very helpful with regard to the plant additions issues—a newer firm would not have the benefit of the history surrounding this issue.

The AIUs contracted for the services of Foster Associates, a nationally known firm, to prepare studies, recommendations and testimony for the proposed cost of common equity during a time a great challenge in the world financial markets. The expert witness is active in the discovery process and will be filing testimony in the remaining stages of the rate cases. The personnel at Foster Associates are highly experienced and, as a result, are able to provide efficient service. Further, given Ms. McShane's knowledge of the AIUs' financial make up and operations, efficiency was gained by continuing to use her firm.

The firm of Management Applications Consulting, Inc. (MAC) provided consulting services that included individuals with experience in class cost of service and gas rate design, in support of the AIUs' gas rate case filings. The AIUs are not staffed internally to manage the work load for these matters. Additionally, a weather normalization expert (Charles D. Laderoute, Ltd.) was hired to continue to support the use of a 10-year heating degree normalization

period and to provide the Commission with an analysis of a range of weather norm periods as specified in the last AIUs' DS rate case order. Both firms are highly experienced and, as a result, are able to provide efficient service.

Towers Perrin provided expert guidance and testimony related to the AIUs' pension, OPEB costs and cost recovery. Towers Perrin is nationally recognized in this area of expertise.

Jones Day, an internationally recognized law firm, was hired to be the lead external law firm, with counsel experienced in ICC matters to provide support for the company's rate case strategy, preparation, filing and litigation. This firm's rates are negotiated every two years. The Sonnenschein, Nath and Rosenthal law firm was hired to assist in the legal support for rate case preparation and for assisting in all other phases of the rate cases, including data response reviews, subsequent rounds of testimony, hearings and briefing. Both firms are highly experienced and, as a result, are able to provide efficient service.

The amounts on the AIUs' Part 285 Schedule C-10 will reflect prudent and reasonable budget estimates for the work of the outside consultants, outside witnesses, outside legal counsel, and the costs of copying, printing and travel expenses for the rate case. The recent 2006 and 2008 rate case experiences enabled the AIUs, consultants and lawyers to prepare realistic budget estimates. The estimates reflect negotiation of rates for compensation. The rate case expense estimate also reflects additional external witnesses for the rebuttal stage of the case. Each of the consultants and technical experts' compensation is based on the actual time expended on this case and agreed to rates.

The ICC in its prior rate case Orders did not find any rate case expenses based on the work of any of the outside support that are included on the AIU Schedule C-10 to be anything other than prudent and reasonable, although the ICC sometimes has reduced rate case expenses on other grounds, most often based on decreasing the estimates of remaining work given the actual rate case expenses as of some date. In that regard, and with regard to the response to subpart b) of this data request, it should be noted that a great part of a utility's rate case expenses are incurred after the rate case is filed through the issuance of the ICC's final Order.

The AIUs have prepared a comparison of its rate case expenses proposed in the current DS rate cases to the amounts previously authorized by the Commission for ComEd, NICOR, Peoples Gas/North Shore, and for the AIU in their most recent rate cases. The comparison also includes rate case expense amounts reflected in the current Peoples Gas and North Shore rate cases. The comparison is attached hereto as RWB 13.02 Attach 1 (designated **CONFIDENTIAL**). In our judgment the comparison is favorable to the AIUs.

- b) Attached as RWB 13.02 Attach 2 (designated **CONFIDENTIAL**) is a summary of the costs actually incurred through July 31, 2009 based on invoices received

- and processed as of this date. Please refer to the response to subpart a) as to reason for why certain law firms, consultants, and expert witnesses were engaged.
- c) Attached as RWB 13.02 Attach 3 (designated **CONFIDENTIAL**) is a summary of invoices to date, as presented in response to subpart b) of this request.
 - d) There is no overtime paid to technical experts or to law firms for attorney or other professional staff (or for any other outside support) reflected in AIU Schedule C-10. The AIUs pay these professionals (and the other outside support) based on the same hourly rates no matter how many hours are worked in a day or on weekends or holidays.
 - e) The AIUs have not incurred expenses including overtime in order to compensate any attorney or technical expert employed or retained by the Company to prepare and litigate this general rate case. Overtime is ordinarily not included or part of a firm's schedule of rates.