

STATE OF ILLINOIS

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	:	09-0399
AmerenIP	:	
	:	
	:	
Petition for Approval of Uncollectibles	:	
Riders.	:	

ORDER

By the Commission:

I. INTRODUCTION

On July 10, 2009, various revisions to the Public Utilities Act ("Act"), 220 ILCS 5/1-101 et seq., the Illinois Power Agency Act, 20 ILCS 3855/1-1 et seq., and the Energy Assistance Act, 305 ILCS 20/1 et seq., set forth in Public Act 96-0033 became effective. Among the revisions to the Act is the addition of Section 16-111.8 concerning electric utilities and Section 19-145 concerning gas utilities. These sections of the Act are substantively identical and provide electric and gas utilities with the opportunity to establish an automatic adjustment clause tariff for the collection of "uncollectibles." "Uncollectibles" in Illinois utility parlance are those amounts billed by a utility to customers that remain unpaid and are eventually deemed by the utility to be uncollectible.

Traditionally, an annual average of uncollectibles have been included in utilities' base rates as such are determined in rate cases before the Illinois Commerce Commission ("Commission"). Under the traditional methods, recovery of a utility's exact amount of uncollectibles in any given year is unlikely, but is nevertheless consistent with general rate making principles. Under the recently enacted statutory provisions, a utility is permitted, at its election, to recover through an automatic adjustment clause tariff the incremental difference between its actual uncollectible amount as set forth in Account 904 in the utility's most recent annual FERC Form 1 for electric utilities and Form 21 ILCC for gas utilities and the uncollectible amount included in the utility's rates for the period reported in such annual FERC Form 1 for electric utilities and Form 21 ILCC for gas utilities. So long as the provisions of Sections 16-111.8 and 19-145 are satisfied, the Act obligates the Commission to approve a utility's uncollectibles tariff.

On August 31, 2009, 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 (collectively "Ameren Illinois Utilities" or "AIU") filed a joint petition with the Commission under Sections 16-111.8 and 19-145 seeking approval of Rider EUA-

Electric Uncollectible Adjustment ("Rider EUA") and Rider GUA-Gas Uncollectible Adjustment ("Rider GUA"). The AIU filing represents the first such filing under these new provisions of the Act.

Pursuant to due notice, hearings were held in this matter before duly authorized Administrative Law Judges of the Commission at its offices in Springfield, Illinois on September 30 and December 1, 2009. The Citizens Utility Board ("CUB") and Dominion Retail Inc. ("Dominion") each filed a petition to intervene, which were granted. Commission Staff ("Staff") participated as well. Appearances were entered by counsel on behalf of AIU, Staff, CUB, and Dominion. AIU offered the testimony of Robert Mill, the Director of AmerenCILCO's Regulatory Policy and Rates Department, and Craig Nelson, Vice President of Regulatory Affairs and Financial Services for each of the AIU companies. Staff offered the testimony of Theresa Ebrey, an Accountant in the Accounting Department of the Financial Analysis Division of the Commission's Bureau of Public Utilities, Steven Knepler, a Supervisor in the Accounting Department, and Gene Beyer, Bureau Chief of the Bureau of Public Utilities. No witness testified on behalf of either CUB or Dominion.

On November 30, 2009, AIU and Staff entered into a Stipulation resolving the contested issues between them. The Stipulation incorporates by reference a Revised Attachment A and an Attachment B attached thereto.¹ Neither CUB nor Dominion objects to the Stipulation. The record was marked "Heard and Taken" on December 3, 2009. In light of the settlement of the issues, no briefs were filed; nor was a proposed order served on the parties.

II. APPLICABLE STATUTORY AUTHORITY

AIU seeks approval of Rider EUA pursuant to Section 16-111.8, which provides, in part, as follows:

(a) An electric utility shall be permitted, at its election, to recover through an automatic adjustment clause tariff the incremental difference between its actual uncollectible amount as set forth in Account 904 in the utility's most recent annual FERC Form 1 and the uncollectible amount included in the utility's rates for the period reported in such annual FERC Form 1.

....

(c) The approved tariff shall provide that the utility shall file a petition with the Commission annually, no later than August 31st, seeking initiation of an annual review to reconcile all amounts collected with the actual uncollectible amount in the prior period.

¹ The Stipulation and attachments were filed on November 30, 2009. A Revised Attachment A, however, reflecting a non-substantive correction was filed on December 1, 2009. The Stipulation, Revised Attachment A, and Attachment B were filed together with a draft order on January 7, 2010.

AIU seeks approval of Rider GUA pursuant to Section 19-145. With the exception of replacing FERC Form 1 with Form 21 ILCC, Section 19-145 is substantively identical to Section 16-111.8.

III. AIU POSITION

Notwithstanding the testimony and exhibits of its witnesses, AIU entered into the aforementioned Stipulation with Staff. According to AIU, the Stipulation contains the complete resolution of the issues between it and Staff raised in this proceeding. AIU agrees that if the Commission adopts the totality of the agreements contained in the Stipulation, there would be no remaining issues in this proceeding that would require resolution by the Commission. The Stipulation provides in pertinent part as follows:

1. For purposes of Rider EUA, the determination of the uncollectible amounts included in rates for the period January 1, 2008 until the date new rates take effect (pursuant to Docket Nos. 09-0306--09-0311 (Cons.)) shall be determined for each relevant customer rate class as defined in Rider EUA as follows:
 - a. For Delivery Service ("DS") tariffs, the uncollectible amounts included in rates for each AIU shall equal the amounts as set forth [in Table 1 below].
 - b. For Basic Generation Service ("BGS") and other supply tariffs, an uncollectible factor shall be applied pursuant to the provisions of Rider PER - Purchased Electricity Recovery ("Rider PER").
2. For purposes of Rider EUA, the determination of the uncollectible amounts included in rates for the periods on and after the date new rates take effect (pursuant to Docket Nos. 09-0306 et al (Cons.)) shall be determined for each relevant customer rate class as defined in Rider EUA as follows:
 - a. For DS, the uncollectible amounts included in rates shall be the amount equal to the DS uncollectible component as stated in the compliance DS tariff sheets as a dollar amount per customer, per month multiplied by the number of customers. The DS uncollectible component would be included within the stated DS monthly customer charge and not appear on customer bills as a separate line item.
 - b. For electric power supply tariffs, no change from 1.b., above.
3. For purposes of Rider GUA, the determination of the uncollectible amounts included in rates for the period January 1, 2008 until the date new rates take effect (pursuant to Docket Nos. 09-0306 et al (Cons.)) shall

be determined for each relevant customer rate class as defined in Rider GUA as follows:

a. For gas DS and gas under Rider PGA - Purchased Gas Adjustment ("Rider PGA"), the uncollectible amounts included in rates for each AIU shall equal the amounts as set forth [in Table 1 below].

4. For purposes of Rider GUA, the determination of the uncollectible amounts included in rates for the periods on and after the date new rates take effect (pursuant to Docket Nos. 09-0306 et al (Cons.)) shall be determined for each relevant customer rate class as defined in Rider GUA as follows:

a. For gas DS, the uncollectible amounts included in rates shall be the amount equal to the number of customers in the applicable period multiplied by the DS uncollectible component as stated in the DS tariff sheets as a dollar amount per customer, per month. The DS uncollectible component would be included within the stated DS monthly customer charge and not appear on customer bills as a separate line item.

b. For gas supply tariffs, an uncollectible factor shall be applied to the PGA cost components calculated pursuant to the provisions of Rider PGA. The uncollectible factor to be applied will be based on bad debt expense for each eligible rate class as established by the Commission as part of a gas DS rate case. The Adjustment Factors shall be revised after each subsequent gas DS rate case. The PGA uncollectible component will be billed pursuant to Rider S under consideration by the Commission in the current rate cases (Docket Nos. 09-0306 et al (Cons.)).

Table 1: Amount To Be Included in Delivery Service Rates*			
	2008	2009	Jan - Apr 2010
Electric DS	\$ 3,701,704	\$ 4,128,408	\$ 1,376,136
Gas DS	\$ 2,362,282	\$ 3,760,244	\$ 1,253,415
Gas Supply	\$ 6,089,381	\$ 9,085,373	\$ 3,028,458
Total	\$ 12,153,367	\$ 16,974,025	\$ 5,658,008

*The values above are all-inclusive of the amounts included in rates to be used in the Riders EUA and GUA calculations to compare with Account 904 for the periods stated. For these periods, uncollectibles for Rider GER - Gas Energy Efficiency Cost Recovery and Rider EDR - Energy Efficiency and Demand Response Cost Recovery are already considered above and no further adjustment is necessary. These amounts are for AIU on a combined basis. The tariffs for each utility will specify the actual amount, in aggregate not to exceed the amounts stated above.

As made evident from above, the Stipulation quantifies the uncollectible amount included in rates for the period of January 1, 2008 until the change in rates pursuant to

the Commission's final order in Docket Nos. 09-0306 et al (Cons.). In addition, the Stipulation also provides for the method by which uncollectibles included in rates will be quantified as a result of the Commission's final order in the pending rate dockets.

IV. STAFF POSITION

Staff and AIU proposed different methodologies for determining the uncollectible amount included in rates under the new provisions of the Act for certain services. With respect to electric DS, gas DS, and gas supply services, AIU proposed using the test year uncollectible amount included in the revenue requirement approved by the Commission in AIU's most recent rate cases. Staff proposed using an as billed amount (calculated by applying an uncollectible factor to actual revenues) to reflect changes in customers and usage from test year assumptions. Notwithstanding these differences in methodology for determining the uncollectible amount included in rates for electric DS, gas DS, and gas supply services, the resulting amounts calculated under each methodology for 2008 and 2009 were similar. With respect to electric BGS and other electric supply services, both Staff and AIU proposed using an uncollectible factor applied pursuant to the provisions of Rider PER to actual supply charges.

With respect to the period of time until new rates are established in Docket Nos. 09-0306 et al (Cons.), the Stipulation between Staff and AIU establishes the specific uncollectible amount included in rates for each relevant period. Since the amounts determined under Staff's methodology and AIU's methodology were similar, Staff finds these amounts to be reasonable and supported by the record. On a going forward basis for electric DS, gas DS, and gas supply services, Staff and AIU have agreed in the Stipulation to new methods (described above) for both reflecting uncollectible amounts in rates and determining the uncollectible amount included in rates on an as billed basis. Similarly, as noted above, the Stipulation incorporates Staff's and AIU's existing agreement on the determination of the uncollectible amount included in rates for electric BGS and other electric supply services. Staff agrees that the Stipulation contains the complete resolution of the issues raised in this proceeding between it and AIU. Staff further agrees that if the Commission adopts the totality of the agreements contained in the Stipulation, there would be no remaining issues in this proceeding that would require resolution by the Commission.

V. OTHER TARIFF PROVISIONS

Staff proposed certain language changes to other tariff provisions as follows:

1. Uniform terminology across the uncollectibles riders for all Illinois utilities,
2. Specific language for audit tests to be performed during the annual internal audit, and
3. Language revisions for Miscellaneous General Provisions related to the impacts on Account 904 from the Utility Consolidated Billing/Purchase of Receivables Programs.

AIU accepts these tariff revisions as proposed by Staff.

VI. COMMISSION CONCLUSIONS

As AIU, Staff, CUB, and Dominion have agreed, the record contains sufficient evidence from which the Commission can conclude that the provisions of Sections 16-111.8 and 19-145 are satisfied. As further agreed to by AIU, Staff, CUB, and Dominion, the adoption of the totality of the agreements contained in the Stipulation completely resolve the issues raised in this proceeding. In light of the forgoing, and in consideration of the record, Riders EUA and GUA, as proposed by AIU and amended by the Stipulation, should be approved under the Act.

VII. FINDINGS AND ORDERING PARAGRAPHS

The Commission, having considered the record herein, is of the opinion and finds that:

- (1) the Ameren Illinois Utilities are Illinois corporations engaged in the transmission, distribution, and sale of electricity to the public in Illinois and as public utilities as defined in Section 3-105 of the Act; the Commission has jurisdiction over the parties and the subject matter herein;
- (2) the recitals of fact and conclusions of law reached in the prefatory portion of this Order are supported by the evidence of record, and are hereby adopted as findings of fact and conclusions of law;
- (3) the provisions of Sections 16-111.8 and 19-145 have been satisfied by the record, which includes the terms and agreements reflected in the Stipulation; and
- (4) AIU should file revised Riders EUA and GUA, consistent with the Stipulation and as proposed by Staff and agreed to by AIU.

IT IS THEREFORE ORDERED by the Illinois Commerce Commission that the Petition for Approval of Uncollectibles Riders filed by 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 is approved.

IT IS FURTHER ORDERED that Riders EUA and GUA, as amended by the agreements set forth in the Stipulation and as proposed by Staff and agreed to by 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, are approved and a final copy of each shall be filed as a Compliance Filing in this docket within 30 days of the entry of this Order.

IT IS FURTHER ORDERED that the final copy of Riders EUA and GUA filed with the Commission shall provide that 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 shall file an annual petition with the Commission, no later than August 31st of each year, seeking initiation of an annual review to reconcile all uncollectible amounts included in rates, plus amounts accrued pursuant to the riders with the actual uncollectible amount for the reporting year.

IT IS FURTHER ORDERED that subject to the provisions of Section 10-113 of the Act and 83 Ill. Adm. Code 200.880, this Order is final; it is not subject to the Administrative Review Law.

By order of the Commission this 2nd day of February, 2010.

(SIGNED) MANUEL FLORES

Chairman