

**The Ameren Illinois Utilities'
Response to ICC Staff Data Requests
Docket Nos. 10-0095
Petition for approval of on-bill financing program
Response Date: 2/23/2010**

DAB 1.03

Please refer to page 4 of Ameren's Program Design Document. Is it Ameren's position that loan origination fees are program costs that are recoverable under section (f) of 220 ILCS 5/16-111.7 or 220 ILCS 5/9-140 rather than a customer cost that should be included in the "costs of implementing the measures" as described in section (c)(1)(B) of 220 ILCS 5/16-111.7 or 220 ILCS 5/9-140?

RESPONSE

**Prepared By: Ken Woolcutt
Title: Managing Supervisor, IL Energy Efficiency
Phone Number: 309-677-5001**

Yes, it is our position that loan origination fees are recoverable under section (f) of 220 ILCS 5/16-111.7 or 220 ILCS 5/9-140.

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TEE 1.07

How do the AIU intend to spread the costs of the OBF program among the three Illinois utilities, CILCO, CIPS and IP? Provide workpapers to show any allocations/calculations that will be made.

RESPONSE

**Prepared By: Leonard Jones
Title: Manager – Rates & Analysis
Phone Number: (314) 206-1878**

For purposes of recovering costs from customers, Rider EDR and Rider GER operate as if each of the Ameren Illinois Utilities is a single entity. Recovery of OBF costs will operate similarly.

For accounting purposes, costs will be allocated to each of the AIUs based on the relative number of total customers at the AIUs.

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TEE 1.08

When does the AIU plan to make the additional changes to Rider GER discussed in Ameren Exhibit 2.0, p.6? Would the AIU agree to provide draft changes discussed to Staff at least 30 days prior to filing with the Commission for input?

RESPONSE

**Prepared By: Leonard Jones
Title: Manager – Rates & Analysis
Phone Number: (314) 206-1878**

Additional changes to Rider GER discussed in Ameren Exhibit 2.0, p.6 will be proposed on or before October 1, 2010. Draft changes will be shared with Staff prior to filing, as suggested.

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TEE 1.09

Do the AIU agree to maintain separate accounting records such that costs recovered pursuant to Section 19-140(f) are easily distinguishable from other costs that the Companies will recover pursuant to Section 8-104 of the Act? If no, fully explain the Companies' objection. Further, describe all proposed accounting treatments to ensure such costs are separately identifiable.

RESPONSE

**Prepared By: Michael J. Getz
Title: Controller, Ameren Illinois Utilities
Phone Number: 309-677-5111**

The AIU companies agree to maintain separate accounting for the gas on-bill financing costs from section 19-140(f) that is distinguishable from the gas energy efficiency program costs from section 8-104 of the Act. There are unique 186 deferred debit accounts used by AIU to track gas energy efficiency costs separately from gas on-bill financing program costs. Example proposed summarized entries for the gas energy efficiency and gas on-bill financing program are shown below:

Energy Efficiency

Dr 186GEE Deferred Energy Efficiency program costs	xx
Cr 131 Cash	xx
Record payment of recoverable costs	
Dr 142 Customer Accounts Receivable	xx
Cr 44x Sales Revenue	xx
Record customer billing for recoverable costs	
Dr 495 Other Gas Revenues	xx
Cr 186EED Deferred Energy Efficiency program costs	xx
Record reduction to deferred balance for billed costs	

On-bill Financing

Dr 186OBF Deferred On-Bill Financing program costs	XX
Cr 131 Cash	XX
Record payment of recoverable costs	
Dr 142 Customer Accounts Receivable	XX
Cr 44x Sales Revenue	XX
Record customer billing for recoverable costs	
Dr 495 Other Gas Revenues	XX
Cr 186OBF Deferred On-Bill Financing program costs	XX
Record reduction to deferred balance for billed costs	
Dr 143 Other Accounts Receivable	XX
Cr 253 Deferred Liabilities	XX
Record billing for financial institution loan and interest	
Dr 142 Customer Accounts Receivable	XX
Cr 143 Other Accounts Receivable	XX
Record billing to customers for financial institution loan and interest	
Dr 131 Cash	XX
Dr 142 Customer Accounts Receivable	XX
Record customer payment for financial institution loan and interest	
Dr 253 Deferred Liabilities	XX
Cr 131 Cash	XX
Record payment to financial institution for loan and interest	

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TEE 1.10

“The AIU may collaborate with other Illinois utilities to contract with the evaluator to achieve Program consistency and reduced costs.” (Ameren Ex. 1.0, p. 11, lines 284-285)
If this collaboration does occur, how does Ameren propose to share the costs associated with the evaluation process?

RESPONSE

**Prepared By: Ken Woolcutt
Title: Managing Supervisor, IL Energy Efficiency
Phone Number: 309-677-5001**

The allocation of evaluation costs per utility should commiserate with the evaluation effort for each utility program. At the time of issuing the RFP for evaluation services, a description of each utility OBF program will be provided and the bidding process will require an estimate for the evaluation of each program.

There are various factors which can be used to determine the appropriate cost allocation for the evaluation activities such as program logistics, number of participants, amount of loans, type of evaluation methodology, etc.

Therefore, AIU will seek guidance from the contractor as to how costs should be allocated amongst the utilities at the time the evaluation contractors are selected.

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TEE 1.11

“The AIU is cooperating with the other utilities to conduct a joint FI RFP process.”
(Ameren Ex. 1.0, p. 15, line 375) How are the costs associated with the RFP process
being allocated among the utilities? Is this allocation reflected in the Estimated OBF
Budget included on Ameren Exhibit 1.0, page 25?

RESPONSE

**Prepared By: Ken Woolcutt
Title: Managing Supervisor, IL Energy Efficiency
Phone Number: 309-677-5001**

Currently, costs associated with the RFP process are being allocated as follows:

AIU Electric:	20%
AIU Gas:	20%
ComEd:	20%
NICOR:	20%
Peoples:	<u>20%</u>
	100%

Yes, the allocations of costs are reflected in the Estimated OBF Budget included on
Ameren Exhibit 1.0, page 25.

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TEE 1.13

Do the AIU agree to maintain separate accounting records such that costs recovered pursuant to Section 16-111.7(f) are easily distinguishable from other costs that the Companies will recover pursuant to Section 8-103 of the Act? If no, fully explain the Company's objection. Further, describe all proposed accounting treatments to ensure such costs are separately identifiable.

RESPONSE

**Prepared By: Michael J. Getz
Title: Controller, Ameren Illinois Utilities
Phone Number: 309-677-5111**

The AIU companies agree to maintain separate accounting for the electric on-bill financing costs from section 16-111.7(f) that is distinguishable from the electric energy efficiency program costs from section 8-103 of the Act. There are unique 186 deferred debit accounts used by AIU to track electric energy efficiency costs separately from electric on-bill financing program costs. Example proposed summarized entries for the electric energy efficiency and electric on-bill financing program are shown below:

Energy Efficiency

Dr 186EED Deferred Energy Efficiency program costs	xx
Cr 131 Cash	xx
Record payment of recoverable costs	
Dr 142 Customer Accounts Receivable	xx
Cr 44x Sales Revenue	xx
Record customer billing for recoverable costs	
Dr 456 Other Electric Revenues	xx
Cr 186EED Deferred Energy Efficiency program costs	xx
Record reduction to deferred balance for billed costs	

On-bill Financing

Dr 186OBF Deferred On-Bill Financing program costs	XX
Cr 131 Cash	XX
Record payment of recoverable costs	
Dr 142 Customer Accounts Receivable	XX
Cr 44x Sales Revenue	XX
Record customer billing for recoverable costs	
Dr 456 Other Electric Revenues	XX
Cr 186OBF Deferred On-Bill Financing program costs	XX
Record reduction to deferred balance for billed costs	
Dr 143 Other Accounts Receivable	XX
Cr 253 Deferred Liabilities	XX
Record billing for financial institution loan and interest	
Dr 142 Customer Accounts Receivable	XX
Cr 143 Other Accounts Receivable	XX
Record billing to customers for financial institution loan and interest	
Dr 131 Cash	XX
Dr 142 Customer Accounts Receivable	XX
Record customer payment for financial institution loan and interest	
Dr 253 Deferred Liabilities	XX
Cr 131 Cash	XX
Record payment to financial institution for loan and interest	

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TEE 1.14

Referring to Ameren Ex. 1.0, p. 21, lines 529 - 530, please describe the accounting treatment and provide sample journal entries including ICC accounts for activities related to AIU's right to retain a security interest in the measures assuming future execution of a security interest pursuant to Section 16-111.7.

RESPONSE

**Prepared By: Ronald Stafford
Title: Managing Supervisor Regulatory Accounting
Phone Number: 314-206-0584**

To the extent the AIU obtains a security interest in equipment, any fees incurred will be debited to a unique 186 account used for on-bill financing. In the event the AIU takes action to satisfy an outstanding balance owed on such equipment, any such proceeds will be recorded as recovery of outstanding receivables or recovery of amounts written off as uncollectible. Example proposed summarized entries are shown below:

Costs to obtain a security interest

Dr 186OBF Deferred On-Bill Financing program costs	XX
Cr 131 Cash	XX
Record payment of recoverable costs	
Dr 142 Customer Accounts Receivable	XX
Cr 44x Sales Revenue	XX
Record customer billing for recoverable costs	
Dr 456 Other Electric Revenues	XX
Dr 495 Other Gas Revenues	XX
Cr 186OBF Deferred On-Bill Financing program costs	XX
Record reduction to deferred balance for billed costs	

Action to satisfy an outstanding balance owed under a security interest

Dr 131 Cash	xx
Cr 142 Customer Accounts Receivable	xx
Record security interest proceeds from sale of equipment on a current account	
Dr 131 Cash	xx
Cr 144 Provision for Uncollectible Accounts	xx
Record security interest proceeds from sale of equipment on a written off account	