REBUTTAL TESTIMONY

of

ROCHELLE PHIPPS

Finance Department

Financial Analysis Division

Illinois Commerce Commission

Ameren Illinois Company d/b/a Ameren Illinois
Proposed General Increase in Electric and Natural Gas Rates

Docket Nos. 11-0279 and 11-0282 (Cons.)

August 23, 2011

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Schedules and Attachments

Introduction

Q1. Please state your name and business address.

A1. My name is Rochelle Phipps. I am employed by the Illinois Commerce Commission ("Commission"), 527 East Capitol Avenue, Springfield, Illinois 62701.

Q2. Are you the same Rochelle Phipps that previously submitted direct testimony in this proceeding?

A2. Yes, I am.

Q3. What is the purpose of your testimony in this proceeding?

A3. I will respond to the rebuttal testimony of Mr. Ronald Stafford (Ameren Ex. 22.0), who testified on behalf of Ameren Illinois Company ("AIC" or "Company") regarding the goodwill adjustment to AIC's common equity balance, and Mr. Ryan Martin (Ameren Ex. 24.0), who testified on behalf of AIC regarding the cost of debt and bank commitment fees.

Q4. Please summarize your conclusions and recommendations.

A4. AIC provided no compelling arguments that caused me to reconsider my goodwill adjustment to the Company's common equity balance, the cost of short-term debt, the interest rate for AIC's expected October 2012 long-term debt issuance, or bank commitment fees. However, I revised the coupon rate for the 8.875% bonds that AmerenCILCO ("CILCO") issued during December 2008 and I updated the Company's common equity balance to reflect Staff's latest rate base recommendations. Schedule 24.01 presents my updated overall rate of return recommendations for AIC's electric and gas delivery services, including the rate of return on equity that Staff witness Janis Freetly recommends.

Capital Structure Updates and Adjustments

Q5. Please describe your update to AIC's common equity balance.

A5. Schedule 24.03 presents AIC's common equity balance, which reflects Staff's recommended rate increase for AIC based on the rate base recommendations for AIC's electric and gas delivery services presented in ICC Staff Ex. 19.0, Schedules 19.03 AIC-E and 19.03 AIC-G.

Q6. Did you make any other adjustments to the Company's capital structure?

A6. Yes. Schedule 24.01 presents my recommended capital structure for the Company, as adjusted to remove the remaining Construction Work in Progress ("CWIP") accruing an Allowance for Funds Used During Construction ("AFUDC").[1,2] The Company does not oppose this adjustment.[3]

Response to Company witness Mr. Ronald D. Stafford

Q7. Is subtracting goodwill from AIC's common equity balance at odds with Staff recommendations or the Commission's Order in Docket No. 04-0294?

A7. No. The Commission's Order in Docket No. 04-0294 approved the purchase accounting adjustments the Company presented in Applicants' Ex. 5.1 and

[1] 46.36% of $90,522,710 (or $41,969,281) was subtracted from the long-term debt balance; 1.72% of $90,522,710 (or $1,560,004) was subtracted from the preferred stock balance; and 51.91% of $90,522,710 (or $46,993,425) was subtracted from the common equity balance.

[2] The remaining CWIP accruing AFUDC adjustment that I presented in ICC Staff Ex. 7.0 contained errors. Specifically, the corrected adjustments to the long-term debt and common equity balances should have been 46.37% and 51.90%, respectively, instead of 46.28% and 51.81%. Correcting those errors has no material effect on my overall rate of return recommendations for AIC.

[3] Ameren Ex. 24.0, lines 27-31.

required Illinois Power to collapse the purchase accounting adjustments into Account 114, plant acquisition adjustments, pursuant to Staff's recommendation.[4] Although the Company relies upon Docket No. 04-0294 to support its position regarding netting purchase accounting against goodwill,[5] the Company's proposed purchase accounting adjustments reflect the amortization of account 219, Accumulated Other Comprehensive Income, which is unrelated to purchase accounting.[6]

Further, push down accounting entries must be finalized within one year of the closing date of reorganization.[7] Once finalized, purchase accounting adjustments should decrease ratably until the end of the applicable amortization period. Nevertheless, AIC expects the purchase accounting adjustment to increase from 2010 to 2011, then decrease from 2011 to 2012. In contrast, the Company expects its goodwill balance will remain constant in 2011 and 2012.

Q8. Is the Company correct when it claims that subtracting goodwill from the common equity balance results in the "inclusion of all purchase accounting adjustments" in the Company's capital structure?

A8. No. The Company's claim is misleading. According to the Company, purchase accounting is reflected in the common equity component of the capital structure in the amount equal to the difference between the goodwill balance of $411

[4] Order, Docket No. 04-0294 (9/22/04), pp. 33-34, Applicants' Ex. 5.0, lines 55-59 and Applicants' Ex. 5.1.
[5] Ameren Ex. 22.0, lines 743-745, 750-751, 795-796 and 822-900.
[6] Company responses to ICC Staff data requests ("DRs") RMP-12.09 and RMP-12.10.
[7] Docket No. 04-0294, Applicants' Ex. 5.0, lines 98-99.

million and AIC's current account 114 balance of $344.6 million.[8] However, goodwill is a direct result of purchase accounting. Consequently, its presence on AIC's balance sheet inflates the balance of common equity by an equal amount. In other words, if AIC's $411 million in goodwill were written off today, AIC's balance of common equity would be reduced by the same amount.

Response to Company witness Mr. Ryan J. Martin

<u>Company's Proposed Short-Term and Long-Term Debt Rates</u>

Q9. Please describe the problems with the Company's proposed short-term and long-term debt rates.

A9. The overarching problem with AIC's proposed short- and long-term debt rates is that the Company relies upon forecasted interest rates instead of current, observable interest rates. Specifically, AIC states:

> The forecasted cost of short-term debt proposed in my direct testimony of 3.85% is based on a forecasted average 2012 LIBOR rate of 1.8%. This estimate was based on our review of the *Blue Chip Financial Forecasts* (December 1, 2010)…[9]

Similarly, the basis for AIC's proposed coupon rate for $150 million bonds that it expects to issue in October 2012 is a forecasted 10-year U.S. Treasury bond yield that equals the average 2012 and 2013 consensus forecasts for 10-year U.S. Treasury bonds (3.8% and 4.5%, respectively).[10]

[8] Company response to ICC Staff DR RMP-12.02.
[9] Ameren Ex. 24.0, lines 61-63.
[10] Company response to ICC Staff DR RMP-11.17.

Regarding both short- and long-term estimates, the Company argues, “It is reasonable to rely on interest rate forecasts, which are based on expert analysis, for forward test year purposes.”[11] However, accurately forecasting interest rates is problematic. Moreover, the accuracy of a forecast diminishes as the time horizon lengthens. Those difficulties are illustrated in the table below, which shows that the March 2007 Blue Chip Economic Indicators projections for the annual average for 10-year U.S. Treasury bonds for years 2009 and 2010 over estimated the actual annual average 10-year U.S. Treasury bond yield by 1.9 percentage points.[12]

Table One: Projected Versus Actual 10-Year U.S. Treasury Bond Yields

	Projected	Actual
2009	5.2%	3.3%
2010	5.1%	3.2%

Second, AIC acknowledges that short-term borrowings are typically made on a 30-day basis, in which case the 30-day LIBOR rate applies.[13] Nevertheless, AIC’s short-term debt rate calculation uses the projected 3-month LIBOR rate to estimate the cost of 30-day bank loans, which will likely overstate its actual cost of short-term debt because interest rates typically rise as the time horizon for the investment lengthens. For example, on June 3, 2011, the 3-month LIBOR rate

[11] Ameren Ex. 24.0, lines 69-70 and 345-346.

[12] Blue Chip Economic Indicators, Vol. 32, No. 3, March 10, 2007, p. 15; Board of Governors of the Federal Reserve System, Selected Interest Rates H.15.Bulletin.

[13] Ameren Ex. 24.0, lines 52-53.

was 0.25%, versus the 0.19% the 30-day LIBOR rate I used to estimate AIC's cost of short-term debt.[14]

Finally, the Company's proposed coupon rate for the expected bond issuance in October 2012 improperly combines a current interest rate spread to an average forecasted U.S. Treasury bond yield, which further increases the amount of measurement error in the Company's proposed long-term debt rate.[15]

CILCO's December 2008 Bond Issuance

Q10. Please explain why you revised your recommended coupon rate for the secured, 5-year bonds that CILCO issued during December 2008.

A10. The Company asserts that I evaluated CILCO's ratings from Moody's by combining Moody's 2005 and 2009 rating methodologies and that they were not designed to be used in concert.[16] To be clear, the 2005 Moody's rating methodology was appropriate for evaluating the effect of adjusting CILCO's business risk profile given that CILCO's December 2008 debt issuance preceded Moody's revision to its methodology on August 12, 2009. The only distinguishable difference between Moody's 2005 and 2009 methodologies are: (1) the 2005 methodology provided separate financial benchmarks for "Medium" and "Low" business risk profiles; and (2) the 2009 methodology discloses the weights that Moody's assigns each of the credit metrics. Moody's has not published any documentation indicating that the weights it assigns those credit

[14] http://online.wsj.com.

[15] The Company's coupon rate calculation adds 125 basis points, which is the estimated spread over 10-year U.S. Treasuries on February 2, 2011, to the forecasted 2012 and 2013 10-year U.S. Treasury bond yields. Company response to ICC Staff DR RMP-11.17.

[16] Ameren Ex. 24.0, lines 242-244.

metrics in the 2009 methodology changed from the 2005 methodology. Nevertheless, I re-evaluated the effect that changing CILCO's business risk profile from "Medium" to "Low" would have on CILCO's credit metrics without using those weights provided in the 2009 methodology, as summarized below:

Table Two: CILCO's Credit Metrics

In Comparison to Moody's Financial Benchmarks

	Moody's Rating Implied by Benchmarks				
	3-Year Average[17]	"Medium" Business Risk Level		"Low" Business Risk Level	
		Rating	Value[18]	Rating	Value
CFO pre-W/C to Interest	6.4X	Aa2	3	Aa2	3
CFO pre-W/C to Debt	28%	A2	6	Aa2	3
CFO pre-W/C – Dividends to Debt	23%	A2	6	Aa2	3
Total Debt to Book Capitalization	43%	A2	6	Aa2	3
Implied Moody's Credit Rating		**A1**	**5**	**Aa2**	**3**

As shown in the table above, adjusting CILCO's business risk profile to "Low" increases CILCO's implied credit rating by two notches versus the financial benchmarks for "Medium" business risk, from A1 to Aa2. Given CILCO's actual Moody's senior secured debt rating was Baa2 in December 2008, I concluded that under Moody's 2005 methodology, CILCO's secured debt rating would have been two notches higher, or A3, if CILCO's non-utility affiliates had not increased

[17] I used the 3-year average financial metrics for CILCO for years 2006-2008, as provided in Moody's Investors Service, "Credit Opinion: Central Illinois Light Company," August 14, 2009.

[18] To determine the implied rating, Moody's assigns the following values to each of the Moody's credit ratings: Aaa=1; Aa1=2; Aa2=3; Aa3=4; A1=5; A2=6; A3=7; Baa1=8; Baa2=9; and Baa3=10.

its business risk profile.[19] In the last rate case, I recommended a 6.24% coupon rate for CILCO's 8.875% bonds, which was based on the average yield for all A-rated, secured, 5-year electric utility bond issuances that occurred between September 25, 2008 and December 31, 2008. In light of my revised analysis of Moody's implied rating for CILCO, I have revised my recommended coupon rate to 6.76%, which is the average yield for A3/A- rated bonds during the same measurement period.

Table Three: Yields for Secured, 5-Year Electric Utility Bonds [20]

A1/A+, A2/A and A3/A- Rated		A3/A- Rated	
5.54%	A1/A+		
5.66%	A2/A		
5.86%	A2/A		
5.80%	A2/A		
6.46%	A3/A-	6.46%	A3/A-
7.14%	A3/A-	7.14%	A3/A-
7.10%	A3/A-	7.10%	A3/A-
6.34%	A3/A-	6.34%	A3/A-
6.24%	Average	6.76%	Average

Revising the cost of CILCO's December 2008 bonds to 6.76% (from 6.24%) raises the Company's average 2012 embedded cost of long-term debt to 7.44% (from 7.39%), as shown in Schedule 24.02.

[19] Note that this adjustment is relative to CILCO's actual senior secured credit rating in December 2008. A relative adjustment assumes the qualitative factors in a credit rating are unaffected. An absolute adjustment based on a direct application of CILCO's financial ratios to the Moody's "Low" business risk benchmarks would conclude that CILCO's senior secured credit rating would have been Aa2.

[20] Citi, "Global Power Financing: Annual Review for 2008 and Prospects for 2009," February 2009, pp. 56-58.

Q11. Does your direct testimony discuss a new fact that supports reconsideration of the Commission's decision in the Company's last rate case to adjust the coupon rate on CILCO's 8.875% bonds, as the Company alleges?[21]

A11. No. To the contrary, my direct testimony discusses reasons the recent downgrade to CILCO's credit rating does not warrant revisiting the interest rate adjustment for the bonds that CILCO issued during December 2008.

Q12. Should the Commission reconsider its decision to adjust the coupon rate on the 8.875% bonds that CILCO issued during December 2008?

A12. No. Since the cost of fixed-rate debt is established at the time of issuance and does not adjust in response to changes in the market yield spreads or in the creditworthiness of the issuer, the coupon rate adjustment should be based on the facts at the time of the bond issuance. The adjustment should not be based on subsequent events.[22] Nevertheless, AIC argues:

> After a review of a Fitch release [Ameren Ex. 24.6] that unequivocally indicates that removal of AERG from AmerenCILCO in 2010 actually increased rather than decreased the Company's credit risk, in this case Staff now asserts that one factor among many cannot form the basis to assess the incremental credit risk associated with AmerenCILCO's previous ownership of AERG. If one factor among many cannot form such a basis, then it follows that Staff should not have relied on that same single factor to reach the …conclusion in the last rate case that, but for its

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[21] Ameren Ex. 24.0, lines 156-157. The Company is referring, in part, to my summary of the Company testimony. Company response to ICC Staff DR RMP-11.10 references ICC Staff Ex. 7.0, lines 251-256 and 268-279 as the portion(s) of Ms. Phipps' testimony that they refer to as "a new fact…that supports reconsideration" of Staff's adjustment to the coupon rate for CILCO's 2008 debt issuance.

[22] Order, Docket Nos. 09-0306 et al. (Cons.), April 29, 2010, pp. 150-151.

> ownership of AERG, AmerenCILCO would be an A-rated utility affording it the luxury of a reduction in long-term debt cost of over 250 basis points.[23]

AIC's allegation that Staff concluded that absent a single credit factor (*i.e.*, CILCO's ownership of AERG), CILCO's credit ratings would have been higher (and its cost of debt would have been lower) is wrong.[24] To the contrary, Staff determined that CILCO's affiliation with <u>both</u> CILCORP and AERG had adversely affected CILCO's cost of capital based on rating agencies' reports that indicated CILCO's business risk profile reflected its affiliation with AERG and CILCORP.[25] Thus, it was necessary to remove the incremental effect of those non-utility affiliates from CILCO's authorized rate of return in accordance with Section 9-230 of the Public Utilities Act ("Act").[26] Towards that end, the Commission's Order in the last rate case recognized that the authorized rate of return for CILCO would not comply with Section 9-230 of the Act unless the Commission removed that incremental risk from the cost of capital. Specifically, the Commission's Order states:

> …there has been an increased cost to AmerenCILCO for long-term debt due to the presence of its unregulated affiliates CILCORP and AERG…Therefore, the Commission will adopt Staff's proposed cost of long-term debt rate…, as to do otherwise would penalize ratepayers for the presence of AmerenCILCO's unregulated affiliates, contrary to the provisions of Section 9-230 of the Act.[27]

[23] Ameren Ex. 24.0, lines 289-296.

[24] See Ameren Ex. 24.0, lines 157-160, 170-173, 175-176, 179-182, 185-188, 276-278, 293-296, 302-304 and 320-322.

[25] Docket Nos. 09-0306 et al. (Cons.), ICC Staff Exhibit 19.0R, p. 3, which states, "Each of the rating agencies notes that CILCO's rating is affected by its non-utility affiliates (*e.g.*, AERG's riskier generation operations and CILCORP's direct indebtedness)."

[26] Order, Docket Nos. 09-0306 et al. (Cons.), April 29, 2010, pp. 148.

[27] Order, Docket Nos. 09-0306 et al. (Cons.), April 29, 2010, pp. 150-151.

Q13. Please respond to the Company's claim that your evaluation of CILCO incorrectly used historical metrics that included AERG's cash flows.[28]

A13. The Company states, "...Ms. Phipps considered historical metrics that were not adjusted to exclude AERG's meaningful cash flows… Note that AERG accounted for 88% of consolidated AmerenCILCO's net income in 2007 and 76% of consolidated AmerenCILCO's net income in 2008."[29] The Company's characterization of AERG cash flows as "meaningful cash flow contributions" that provided "a significant positive impact on AmerenCILCO's creditworthiness"[30] is based on an incomplete picture of AERG's effect on CILCO.

Table Four, below, provides CILCO's net income by segment for years 2005-2008. In 2005, AERG's $5 million net loss had a negative effect on CILCO's consolidated net income and in 2006, AERG's net income was slightly less than the contribution by CILCO's regulated Illinois segment. Furthermore, CILCO's credit rating was constrained by $210 million of long-term debt at its intermediate parent company CILCORP, which had significantly lower financial metrics on a consolidated basis than CILCO.[31] CILCORP paid approximately $31 million interest expense annually from 2005-2008 in connection with its outstanding indebtedness.[32] Finally, the table below also shows that AERG cash flows were volatile in comparison to CILCORP's interest requirements. In other words,

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[28] Ameren Ex. 24.0, lines 203-204.

[29] Ameren Ex. 24.0, lines 203-204 and 206-208.

[30] Ameren Ex. 24.0, lines 204 and 212-213.

[31] Moody's Investors Service, "Credit Opinion: Central Illinois Light Company," August 14, 2009; and Moody's Investors Service, "Credit Opinion: Central Illinois Light Company," January 30, 2009.

[32] Company response to ICC Staff DR RMP-11.13.

CILCO was squeezed between AERG's higher operating risk and additional financial risk from CILCORP. In summary, much of AERG's cash flows merely replaced the cash needed to service CILCORP's debt.

Table Four: CILCO Net Income (Loss) and CILCORP Interest Expense[33]
(In millions)

Year	Illinois Regulated Net Income	AERG Net Income	CILCORP Interest Expense
2008	$16	$52	$31
2007	$9	$65	$31
2006	$25	$23	$31
2005	$30	($5)	$37

Q14. The Company notes that AIC (excluding AERG) has an "Excellent" business risk profile and a "BBB-" issuer rating from Standard and Poor's ("S&P").[34] Does this suggest the adjustment to CILCO's debt rate is unwarranted?

A14. No. Currently, AIC has the least risky business profile available from S&P. In contrast, the adjustment to CILCO's debt rate was necessary because in December 2008, when CILCO issued the 8.875% bonds, S&P had assigned CILCO a riskier business risk profile than its utility affiliates, AmerenIP and AmerenCIPS.

33 Company responses to ICC Staff DRs RMP-11.12 and 11.13; Ameren Corporation Annual Reports for 2008 and 2006.

34 Ameren Ex. 24.0, lines 238-239.

Bank Commitment Fees

Q15. Did you miscalculate bank commitment fees in connection with the Ameren Illinois Facility (referred to by the Company as the 2010 IL Credit Facility), as the Company claims?[35]

A15. No. The Company alleges that I misinterpreted data provided by the Company in response to Staff DR RMP 1.04 (provided as Attachment 1 to this testimony), which states:

> Upfront fees were paid as a percentage of each bank's credit commitment. Banks that committed $200 million or greater received a fee equal to 87.5 basis points of their commitment, banks that committed $175 million but less that $200 million received 75 basis points, banks that committed $125 million but less than $150 million received 62.5 basis points, banks that committed $75 million but less than $125 million received 37.5 basis points, and banks that committed less than $75 million received 25 basis points.[36]

As shown in Ameren Ex. 24.1, the highest commitment by a single lender under the Illinois Facility was $47.62 million. As described in the Company's response to DR RMP-1.04, an upfront fee of 25 basis points applies to commitments below $75 million. Therefore, I calculated upfront fees associated with AIC's available borrowings under the Ameren Illinois Facility as follows:

$$\$800{,}000{,}000 \times 0.0025 = \$2{,}000{,}000; \text{ and}$$

$$\$2{,}000{,}000 \times 62.5\% = \$1{,}250{,}000.$$

Q16. Does the Company offer compelling evidence that the Ameren Illinois Facility fees were separately negotiated?

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[35] Ameren Ex. 24.0, lines 78-82.

[36] Company response to ICC Staff DR RMP-1.04 (emphasis added).

A16. No. The Company argues:

> The exhibit accompanying [Company response to ICC Staff DR RMP-1.04] presented bank commitment fees on a total Ameren summary basis, such that the exhibit included total bank commitment fees paid to banks in exchange for total commitments by each bank to Ameren's three separate credit facilities. However, each bank made distinct commitments to each individual facility, and the bank commitment fee paid to each bank for its commitment to each facility was separately negotiated, as illustrated in…Ameren Exhibit 24.3, and separately billed, as illustrated in…Ameren Exhibit 24.2. As such, no recalculation or allocation of 2010 IL Credit Facility bank commitment fees is warranted.[37]

To the contrary, I have not seen any evidence that Ameren Illinois separately negotiated the upfront fees for the Ameren Illinois Facility. (See Attachments 1 through 3, which are Company data request responses regarding bank commitment fees.) First, the three credit facilities were entered into in September 2010 and the Ameren Illinois Facility term sheet includes the other two credit facilities in the description of transactions contemplated by the term sheet.[38]

Second, as shown in Attachment 3, the Company refers to "total allocated commitments" by banks to the three credit facilities.[39] The amount of upfront fees for the $800 million Ameren Illinois Facility equals the amounts of upfront fees for the $800 million Missouri Facility and the amount of upfront fees for the $500 million Genco Facility is proportionately smaller, which is consistent with allocating upfront fees rather than separately negotiating upfront fees for the Ameren Illinois Facility. Specifically, the amount of the Genco Facility, $500

[37] Ameren Ex. 24.0, lines 82-90.
[38] Company response to ICC Staff DR RMP-13.02 Attach.
[39] Company response to ICC Staff DR RMP-13.01.

million, is 62.5% of the $800 million Ameren Illinois Facility, and Genco upfront fees equal $3,325,892.86, which is 62.5% of the $5,321,428.57 Ameren Illinois upfront fees. (See Ameren Ex. 24.2.)

In summary, nothing the Company has provided suggests the Illinois Facility fees were negotiated separately from the other two Ameren credit facilities.

Q17. Do you agree with the Company's claim that AIC's affiliation with Genco does not result in any increases in Ameren Illinois Facility commitment fees?[40]

A17. No. Under the terms of the Ameren Illinois Facility, the upfront fee rates increase as commitment amounts increase.[41] As such, aggregating commitments under the Illinois, Missouri and Genco credit facilities results in higher upfront fees than would result from calculating upfront fees based on the commitments under each individual credit facility.

Q18. Were any of the Company's other arguments regarding bank commitment fees compelling?

A18. No. The Company claims that banks are willing to accept a lower commitment fee rate for a larger combined transaction and economies of scale would have resulted in lower bank commitment fees.[42] To the contrary, there is no evidence to support either of the Company's claims.[43] There are no economies of scale

[40] Ameren Ex. 24.0, lines 118-119.
[41] Company response to ICC Staff DR RMP-1.04(E)(a).
[42] Ameren Ex. 24.0, lines 124-125 and Company response to ICC Staff DR RMP-11.06.
[43] Company responses to ICC Staff DRs RMP-11.08 and RMP-11.09. The Company provided no supporting documentation for either of these claims.

associated with a larger credit facility given that, under the terms of the Ameren Illinois Facility, upfront fee rates increase as commitment amounts increase.[44]

The Company contends:

> As shown in Ameren Ex. 24.5, the Ameren Illinois commitment fee rate was consistent with the rates paid by other utilities that executed credit facilities during the first nine months of 2010. As such, the company concluded that bank commitment fees paid in connection with the 2010 IL Credit Facility were reasonable and prudent.[45]

The Company also argues that if it had offered a fee of only 25 basis points for commitments, it would have received no credit from key lenders.[46] The Company's argument implies the data for credit facilities provided in Ameren Ex. 24.5 are similar to the Ameren Illinois Facility. However, the closing dates for the credit facilities listed in Ameren Ex. 24.5 are different from the closing date for the Illinois Facility and neither the lenders' names nor the amounts committed by each lender under each of the facilities is specified. In fact, Ameren Ex. 24.5 does not reveal the fee rate for bank commitments of similar magnitude to those in the Ameren Illinois Facility (*i.e.*, $50 million or lower).

The Company's arguments regarding the commitment fee adjustment miss the point of the adjustment, which is necessary because the portion of the aggregate commitment fees that were allocated to AIC is based on a progressive (*i.e.*, escalating) fee rate schedule, which is applied to aggregate commitments under

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[44] Company response to ICC Staff DR RMP-1.04.

[45] Ameren Ex. 24.0, lines 108-112.

[46] Ameren Ex. 24.0, lines 115-116. The Company identified "key lenders" as the twelve banks that contributed at least $48.31 million to the Illinois Facility, which are named on Ameren Ex. 24.1. Company response to ICC Staff DR RMP-11.04.

the Illinois, Missouri and Genco Facilities. In contrast, I calculated upfront fees due based on the lenders' commitments for the Ameren Illinois Facility on a standalone basis. Absent that adjustment, the upfront fees would reflect the higher cost associated with commitments to AIC affiliates. This would be improper under Section 9-230 of the Act, which prohibits the Commission from including in a utility's rates any incremental cost that is due to an Illinois utility's affiliation with non-utility and unregulated companies.

Conclusion

Q19. Does this conclude your prepared rebuttal testimony?

A19. Yes, it does.

Ameren Illinois Company
Cost of Capital Summary
Average 2012

AIC Electric Delivery Services

Capital Component	Balance	Percent of Total Capital	Cost	Weighted Cost
Short-Term Debt	$ 6,473,198	0.188%	2.24%	0.004%
Long-Term Debt	1,591,564,788	46.276%	7.44%	3.443%
Preferred Stock	59,158,692	1.720%	4.98%	0.086%
Common Equity	1,782,091,061	51.816%	9.72%	5.037%
Bank Facility Fees				0.080%
Total	$ 3,439,287,739	100.000%		8.650%

AIC Gas Delivery Services

Capital Component	Balance	Percent of Total Capital	Cost	Weighted Cost
Short-Term Debt	$ 6,473,198	0.188%	2.24%	0.004%
Long-Term Debt	1,591,564,788	46.276%	7.44%	3.443%
Preferred Stock	59,158,692	1.720%	4.98%	0.086%
Common Equity	1,782,091,061	51.816%	8.90%	4.612%
Bank Facility Fees				0.080%
Total	$ 3,439,287,739	100.000%		8.225%

Ameren Illinois Company
Embedded Cost of Long-Term Debt
Average 2012

Debt Issue Type, Coupon Rate (A)		Date Issued (B)	Maturity Date (C)	Principal Amount (D)	Face Amount Outstanding (E)	Unamortized Debt Discount or (Premium) (F)	Unamortized Debt Expense (G)	Carrying Value (H)	Coupon Interest Expense (I)	Amortization of Debt Discount or (Premium) (J)	Amortization of Debt Expense (K)	Annual Interest Expense (L)
First Mortgage Bonds												
AIC												
4.400%	New Issue	10/15/12	10/15/22	31,250,000	31,250,000	244,510	262,747	30,742,743	1,375,000	24,719	26,563	1,426,281
CIPS												
6.125%	Series AA	12/15/98	12/15/28	60,000,000	60,000,000	222,310	316,122	59,461,568	3,675,000	13,473	19,159	3,707,632
6.700%	Series CC	06/14/06	06/15/36	61,500,000	61,500,000	271,008	492,192	60,736,800	4,120,500	11,292	20,508	4,152,300
CILCO												
6.200%	Senior Secured Notes	06/14/06	06/15/16	54,000,000	54,000,000	76,224	235,152	53,688,624	3,348,000	19,288	59,505	3,426,793
6.700%	Senior Secured Notes	06/14/06	06/15/36	42,000,000	42,000,000	184,981	463,104	41,351,915	2,814,000	7,708	19,296	2,841,004
6.760%	Series CC	12/09/08	12/15/13	150,000,000	150,000,000	1,350	387,918	149,610,732	10,140,000	941	270,367	10,411,308
IP												
6.250%	Senior Sec Notes	06/14/06	06/15/16	75,000,000	75,000,000	57,264	420,140	74,522,596	4,687,500	14,491	106,316	4,808,306
6.125%	Senior Sec Notes	11/20/07	11/15/17	250,000,000	250,000,000	148,915	1,353,235	248,497,850	15,312,500	27,492	249,828	15,589,820
6.250%	Senior Sec Notes	04/08/08	04/01/18	337,000,000	337,000,000	451,398	1,412,430	335,136,172	21,062,500	78,504	245,640	21,386,644
9.750%	Senior Sec Notes	10/23/08	11/15/18	350,000,000	350,000,000	3,516,369	2,206,801	344,276,831	34,125,000	548,006	343,917	35,016,923
7.390%	Senior Sec Notes	10/23/08	11/15/18	50,000,000	50,000,000	-	-	50,000,000	3,695,000	-	-	3,695,000
Pollution Control Bonds												
CIPS												
5.500%	Series 2000A	03/09/00	03/01/14	51,100,000	51,100,000	-	116,880	50,983,120	2,810,500	-	70,128	2,880,628
5.950%	Series C1	08/15/93	08/15/26	35,000,000	35,000,000	-	443,200	34,556,800	2,082,500	-	31,285	2,113,785
5.700%	Series C2	08/15/93	08/15/26	25,000,000	7,500,000	-	40,800	7,459,200	427,500	-	2,880	430,380
CILCO												
6.200%	PCB Series G	08/01/92	11/01/12	833,333	833,333	100	1,350	831,883	43,056	240	3,240	46,536
5.900%	PCB Series H	08/01/93	08/01/23	32,000,000	32,000,000	-	148,029	31,851,971	1,888,000	-	13,356	1,901,356
IP												
5.700%	PCB Series 1994 A	02/01/94	02/01/24	35,615,000	35,615,000	2,576,782	706,676	32,331,542	2,030,055	222,456	61,008	2,313,519
5.400%	PCB Series 1998 A	03/06/98	03/01/28	18,700,000	18,700,000	-	305,500	18,394,500	1,009,800	-	19,500	1,029,300
5.400%	PCB Series 1998 B	03/06/98	03/01/28	33,755,000	33,755,000	-	308,696	33,446,304	1,822,770	-	19,704	1,842,474
	Total Mortgage and Pollution Control Bonds			$ 1,692,753,333	$ 1,675,253,333	$ 7,751,210	$ 9,620,971	$ 1,657,881,152	$ 116,469,181	$ 968,609	$ 1,582,199	$ 119,019,988

Ameren Illinois Company
Embedded Cost of Long-Term Debt
Average 2012

Coupon Rate (A)	Debt Issue Type (A)	Date Issued (B)	Maturity Date (C)	Principal Amount (D)	Face Amount Outstanding (E)	Unamortized Debt Discount or (Premium) (F)	Unamortized Debt Expense (G)	Carrying Value (H)	Coupon Interest Expense (I)	Amortization of Debt Discount or (Premium) (J)	Amortization of Debt Expense (K)	Annual Interest Expense (L)
Net (Gain)/Loss on Reacquired Debt												
Central Illinois Public Service Company Legacy Reacquired Debt:												
7.610%	Series 97-2	9/15/10	6/1/17	-	-	-	$ 543,095	$ (543,095)	-	-	$ 110,460	$ 110,460
Variable	2004 Series	4/17/08	7/1/25	-	-	-	700,752	(700,752)	-	-	53,904	53,904
13.625%	FMB Series U	3/31/86	1/1/16	-	-	-	204,576	(204,576)	-	-	58,450	58,450
9.000%	FMB Series D	3/31/90	2/1/14	-	-	-	33,719	(33,719)	-	-	21,296	21,296
Variable	FMB Series A	3/31/90	4/1/13	-	-	-	5,843	(5,843)	-	-	7,790	7,790
9.125%	FMB Series T	5/31/92	5/1/22	-	-	-	616,210	(616,210)	-	-	62,665	62,665
8.500%	FMB Series W	12/15/98	4/1/21	-	-	-	915,317	(915,317)	-	-	104,608	104,608
6.375%	PCB Series B	1/1/93	5/1/28	-	-	-	201,605	(201,605)	-	-	12,733	12,733
6.750%	PCB Series C	6/1/93	6/1/28	-	-	-	88,856	(88,856)	-	-	5,583	5,583
5.850%	PCB Series A	8/1/93	8/1/26	-	-	-	69,491	(69,491)	-	-	4,934	4,934
6.375%	PCB Series 1993A	12/22/04	6/1/25	-	-	-	299,788	(299,788)	-	-	23,209	23,209
5.900%	PCB Series B-2	12/20/04	5/1/28	-	-	-	279,879	(279,879)	-	-	17,677	17,677
5.700%	PCB Series C-2	12/20/04	8/1/26	-	-	-	209,661	(209,661)	-	-	14,887	14,887
Central Illinois Light Company Legacy Reacquired Debt:												
Variable	PCB Series 2004	4/17/08	10/1/39	-	-	-	$ 322,422	$ (322,422)	-	-	$ 11,832	$ 11,832
Variable	PCB Series 2004	4/17/08	10/1/26	-	-	-	91,314	(91,314)	-	-	6,408	6,408
7.730%	FMB	7/17/06	6/1/16	-	-	-	205,400	(205,400)	-	-	52,443	52,443
7.730%	FMB	7/17/06	6/1/36	-	-	-	319,614	(319,614)	-	-	13,364	13,364
9.625%	FMB	2/20/92	1/1/22	-	-	-	256,158	(256,158)	-	-	26,964	26,964
9.250%	FMB	3/2/92	1/1/22	-	-	-	247,836	(247,836)	-	-	26,088	26,088
9.250%	FMB	2/20/92	1/1/22	-	-	-	167,466	(167,466)	-	-	17,628	17,628
11.375%	PCB Series C	9/1/92	2/1/18	-	-	-	111,756	(111,756)	-	-	20,016	20,016
10.800%	PCB Series D	11/2/92	11/1/12	-	-	-	913	(913)	-	-	1,314	1,314
6.125%	PCB Series B	9/12/93	8/1/23	-	-	-	44,023	(44,023)	-	-	3,972	3,972
6.200%	PCB Series A	10/1/93	8/1/23	-	-	-	38,038	(38,038)	-	-	3,432	3,432
8.200%	FMB	4/30/03	1/1/22	-	-	-	1,327,479	(1,327,479)	-	-	139,735	139,735
7.800%	FMB	4/30/03	2/1/23	-	-	-	247,312	(247,312)	-	-	23,368	23,368
6.500%	PCB Series E	12/22/04	10/1/39	-	-	-	230,208	(230,208)	-	-	8,448	8,448
6.500%	PCB Series F	12/22/04	10/1/26	-	-	-	24,282	(24,282)	-	-	1,704	1,704

Ameren Illinois Company
Embedded Cost of Long-Term Debt
Average 2012

Debt Issue Type, Coupon Rate (A)		Date Issued (B)	Maturity Date (C)	Principal Amount (D)	Face Amount Outstanding (E)	Unamortized Debt Discount or (Premium) (F)	Unamortized Debt Expense (G)	Carrying Value (H)	Coupon Interest Expense (I)	Amortization of Debt Discount or (Premium) (J)	Amortization of Debt Expense (K)	Annual Interest Expense (L)
Illinois Power Company Legacy Reacquired Debt:												
Refunded by 6.25% Senior Secured Notes												
	Series 1997 A,B,C	5/28/08	3/1/18		-	-	1,682,964	(1,682,964)	-	-	296,994	296,994
	Series 2001 Non-AMT	5/20/08	3/1/18		-	-	1,620,915	(1,620,915)	-	-	286,044	286,044
	Series 2001 AMT	5/20/08	3/1/18		-	-	656,745	(656,745)	-	-	115,896	115,896
Refunded by 5.4% PCB Series A												
6.000%	PCB B due 5/2007	3/6/98	3/1/28		-	-	99,862	(99,862)	-	-	6,374	6,374
Refunded by 5.4% PCB Series B												
8.300%	PCB I due 4/2017	3/6/98	3/1/28		-	-	180,258	(180,258)	-	-	11,506	11,506
Refunded by variable rate Series P,Q & R PCB due 4/2032												
7.625%	PCB F,G & H due 2016	6/2/97	4/1/32		-	-	1,367,016	(1,367,016)	-	-	69,216	69,216
Refunded by 9.875% MB due 7/1/2016												
9.875%	MB due 2004	7/1/86	7/1/16		-	-	54	(54)	-	-	13	13
12.625%	MB due 2010	8/4/86	7/1/16		-	-	23,427	(23,427)	-	-	5,857	5,857
9.875%	MB due 2016	11/25/90	7/1/16		-	-	416	(416)	-	-	104	104
9.875%	MB due 2016	11/26/90	7/1/16		-	-	2,647	(2,647)	-	-	662	662
Refunded by 9.375% Series MB due 9/1/2016												
14.500%	IPF Deb due 1989	9/8/86	9/1/16		-	-	34,320	(34,320)	-	-	8,237	8,237
12.000%	MB due 2012	9/12/86	9/1/16		-	-	539,040	(539,040)	-	-	129,370	129,370
14.500%	MB due 1990	9/12/86	9/1/16		-	-	352,240	(352,240)	-	-	84,538	84,538
Refunded by Series I PCB due 4/1/2017												
8.300%	PCB E due 3/1/2015	7/29/87	4/1/17		-	-	379,392	(379,392)	-	-	79,872	79,872
12.000%	MB due 11/15/2012	1/4/88	11/15/12		-	-	4,084	(4,084)	-	-	4,860	4,860
Refunded by $200 million 7.5% NMB due 7/15/2025												
8.250%	MB due 2007	8/16/93	7/1/25		-	-	264,368	(264,368)	-	-	20,336	20,336
10.000%	MB due 1998	8/16/93	7/1/25		-	-	106,692	(106,692)	-	-	8,207	8,207
7.500%	MB due 2025	4/1/96	7/1/25		-	-	(172,692)	172,692	-	-	(13,284)	(13,284)
Refunded by $111,770,000 Variable PCB Series A,B & C due 11/1/2028												
10.750%	PCB C due 2013	12/15/93	11/1/28		-	-	1,209,908	(1,209,908)	-	-	74,076	74,076

Ameren Illinois Company
Embedded Cost of Long-Term Debt
Average 2012

Debt Issue Type, Coupon Rate (A)	Date Issued (B)	Maturity Date (C)	Principal Amount (D)	Face Amount Outstanding (E)	Unamortized Debt Discount or (Premium) (F)	Unamortized Debt Expense (G)	Carrying Value (H)	Coupon Interest Expense (I)	Amortization of Debt Discount or (Premium) (J)	Amortization of Debt Expense (K)	Annual Interest Expense (L)
Refunded by $235 million 8% NMB due 2/15/2023											
9.375% MB due 2016	3/22/93	2/1/23		-	-	1,423,642	(1,423,642)	-	-	134,517	134,517
8.875% MB due 2008	3/22/93	2/1/23		-	-	717,767	(717,767)	-	-	67,821	67,821
Refunded by $35,615,000 5.7% FMB due 2/1/2024											
11.625% FMB due 2014	5/1/94	2/1/24		-	-	293,568	(293,568)	-	-	25,344	25,344
Refunded by $84,150,000 7.4% FMB due 12/1/2024											
10.750% FMB due 2015	3/1/95	12/1/24		-	-	500,491	(500,491)	-	-	40,308	40,308
Refunded by $111,770,000 Variable PCB Series Non-AMT 2001 due 11/1/2028											
Variable FMB due 2028	5/1/01	11/1/28		-	-	836,724	(836,724)	-	-	51,228	51,228
Refunded by $75 million Variable PCB Series due 3/1/2017											
Variable PCB due 2017	5/1/01	3/1/17		-	-	161,448	(161,448)	-	-	34,596	34,596
IP Capital MIPS	5/30/00	12/1/43		-	-	2,070,484	(2,070,484)	-	-	65,904	65,904
IP Financing I TOPRS	9/30/01	1/1/45		-	-	2,188,290	(2,188,290)	-	-	67,332	67,332
Total Net (Gain)/Loss on Reacquired Debt				$ -	$ -	$ 24,347,083	$ (24,347,083)	$ -	$ -	$ 2,530,838	$ 2,530,838
Total Long-Term Debt			$ 1,692,753,333	$ 1,675,253,333	$ 7,751,210	$ 33,968,054	$ 1,633,534,069	$ 116,469,181	$ 968,609	$ 4,113,037	$ 121,550,827
Embedded Cost of Long-Term Debt											7.44%

Notes: Column (H) = Columns (E) + (F) + (G)
Column (L) = Columns (I) + (J) + (K)
Embedded Cost of Long-Term Debt = Column (L) ÷ (H)

Ameren Illinois Company
Common Equity Balance (in thousands)
Average 2012

	Dec-11	Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12
Common Stock	306,943	306,943	306,943	306,943	306,943	306,943	306,943	306,943	306,943	306,943	306,943	306,943	306,943
Paid In Capital	1,712,697	1,712,697	1,712,697	1,712,697	1,712,697	1,712,697	1,712,697	1,712,697	1,712,697	1,712,697	1,712,697	1,712,697	1,712,697
Retained Earnings	311,829	324,546	236,885	240,870	169,217	172,828	187,984	217,728	174,176	189,480	152,793	160,074	171,964
Effects of Rate Increase	-	2,456	4,913	7,369	9,825	12,282	14,738	17,194	19,651	22,107	24,563	27,020	29,476
Goodwill	(411,000)	(411,000)	(411,000)	(411,000)	(411,000)	(411,000)	(411,000)	(411,000)	(411,000)	(411,000)	(411,000)	(411,000)	(411,000)
Total Common Equity	1,920,469	1,935,642	1,850,438	1,856,879	1,787,682	1,793,750	1,811,362	1,843,562	1,802,467	1,820,227	1,785,996	1,795,734	1,810,080
Monthly Averages		1,928,056	1,893,040	1,853,658	1,822,281	1,790,716	1,802,556	1,827,462	1,823,015	1,811,347	1,803,112	1,790,865	1,802,907

Average Balance = **1,829,084**

Ameren Illinois Company d/b/a Ameren Illinois
Successor to the Ameren Illinois Utilities
Response to ICC Staff Data Requests
Docket No. 11-xxx
Proposed general increase in electric and gas delivery service rates.
Response Date: 3/14/2011

RMP 1.04

Please provide the following supporting documentation for WPD-1 – Electric and Gas (Part 5) regarding the IL Facility, the MO Facility and the Genco Facility (together, the "Facilities"): A). Copies of the IL Facility, the MO Facility and the Genco Facility; B). Copies of any analyses performed to assess the appropriate total amount of the borrowing capacity sub-limits under the Illinois Facility; C). Supporting documentation for one-time arrangement, upfront and miscellaneous fees for the Facilities; D). Supporting documentation for annual administrative agent and facility fees for the Facilities; E). The formula that describes the relationship between the size of the IL Facility and the: a). One-time arrangement, upfront and miscellaneous fees; b). Ongoing administrative agent and facility fees; and F) A comparison of the fees associated with the IL Facility and the fees associated with the MO Facility and the Genco Facility.

RESPONSE

Prepared By: Ryan J. Martin
Title: Assistant Treasurer and Manager, Corporate Finance
Phone Number: 314-554-4140

A) Copies of the IL Facility, the MO Facility, and the Genco Facility are attached.

B) The size of the 2010 IL Facility is equal to the size of the facility that it replaced. Management believes that the $800 million of credit capacity provided by the facility is adequate, but not excessive, and provides reasonable assurance that AIC will be able to manage expected and unexpected short-term cash flow volatility and meet its financial obligations under all reasonably foreseeable circumstances and conditions. Management also considered S&P's published guidance regarding liquidity in determining the requisite size of the credit facility. S&P cites liquidity as an important component of its financial risk assessment and acknowledges that a lack of liquidity could precipitate the default of an otherwise healthy entity. S&P views a liquidity rating of "adequate" as rating neutral at most levels and expects all investment grade issuers to possess adequate or stronger liquidity. S&P evaluates a number of qualitative and quantitative factors in its assessment of an issuer's liquidity, but a key quantitative measure is the ratio of liquidity sources to liquidity uses. S&P expects such ratio to be 1.2x or greater. To ensure a liquidity assessment of at least "adequate", management targeted a credit facility size that would assure, under all reasonably foreseeable circumstances, a liquidity sources to uses ratio of at least 1.5x. A copy of the analysis, reflecting the projected ratio for 2011 and 2012, is attached. Also attached is S&P's report outlining its approach to liquidity assessment. Note that that in its December 15, 2010, credit opinion, S&P characterized the liquidity profile of Ameren and its rated subsidiaries as "adequate".

C) Supporting documentation for the arrangement, upfront, and miscellaneous fees are attached.

D) Per the pricing schedule in the IL Facility, a copy of which is attached, the annual facility fee for Level IV borrowers (as defined) is 45 basis points. Ameren and AIC are both Level IV borrowers, and, thus, the facility fee for the $800 million facility is $3.6 million ($800 million x 0.45%). The annual administrative fee is reflected on the attached invoice from JPMorgan.

E) Arrangement, upfront, miscellaneous, administrative, and facility fees were determined as follows:

   a. Arrangement fees were negotiated with the four banks who led the facility syndication. Upfront fees were paid as a percentage of each bank's credit commitment. Banks that committed $200 million or greater received a fee equal to 87.5 basis points of their commitment, banks that committed $175 million but less than $200 million received 75 basis points, banks that committed $125 million but less than $150 million received 62.5 basis points, banks that committed $75 million but less than $125 million received 37.5 basis points, and banks that committed less than $75 million received 25 basis points. The reasonableness of the arrangement and upfront fees paid were affirmed based on review and consideration of other recent comparable market transactions. Note that the arrangement and upfront fees paid in connection with the 2010 IL Facility were significantly less than the arrangement and upfront fees paid in connection with the facility that it replaced due largely to improved market conditions and increased bank lending capacity. Miscellaneous fees are attributable primarily to actual attorneys fees of $335,000 incurred by lenders' counsel in connection with the negotiation and drafting of the credit agreements and other documentation. Other miscellaneous expenses include actual out of pocket fees incurred by JPMorgan of $18,000 and electronic database management fees of $25,000. All miscellaneous fees were deemed to be reasonable based on prior experience with similar transactions.

b. The $25,000 administrative fee is a fixed, negotiated fee. The facility fee is based on the facility size and the attached negotiated pricing schedule. Note that the facility fee may vary based on the credit ratings of the borrowers. The reasonableness of the negotiated admin and facility fees were affirmed based on review and consideration of other comparable market transactions. Note that the facility fee pricing within the 2010 IL Facility is significantly less than the facility fee pricing per the facility that it replaced due largely to improved market conditions and increased bank lending capacity.

F) A comparison of the fees associated with the IL Facility, the MO Facility, and the Genco Facility is attached. Note that the arrangement fees, upfront fees, miscellaneous fees, and admin agent fees are the same for the equally-sized $800 million IL Facility and the $800 million MO Facility. The $400,000 difference in the facility fee is attributable to the credit rating difference between Ameren Missouri and Ameren Illinois. The fees related to the $500 million Genco Facility are less than the fees related to the IL Facility and MO Facility due to the smaller facility size.

2010 Credit Facility Fees

		Total	MO Facility	Genco Facility	IL Facility	IL Utilities Portion
One-Time Fees:						
Arrangement Fees						
$350k per active JLA/BR	3	$ 1,050,000	$ 400,000	$ 250,000	$ 400,000	$ 250,000
$250k per passive JLA/BR	1	$ 250,000	$ 95,238	$ 59,524	$ 95,238	$ 59,524
		$ 1,300,000	$ 495,238	$ 309,524	$ 495,238	$ 309,524
Upfront Fees						
$200,000,000	0.875%	$ 4,375,000				
$175,000,000	0.750%	$ 6,900,000				
$125,000,000	0.625%	$ 1,187,500				
$75,000,000	0.375%	$ 843,750				
$75,000,000 and below	0.250%	$ 662,500				
		$ 13,968,750	$ 5,321,429	$ 3,325,893	$ 5,321,429	$ 3,325,893
Misc. Fees		$ 377,562	$ 143,833	$ 89,896	$ 143,833	$ 89,896
Total One-Time Fees:		$ 15,646,312	$ 5,960,500	$ 3,725,312	$ 5,960,500	$ 3,725,312
Total One-Time Fees - Annualized:		$ 5,215,437	$ 1,986,833	$ 1,241,771	$ 1,986,833	$ 1,241,771
Annual Fees:						
Administrative Agent Fees (a)		$ 75,000	$ 25,000	$ 25,000	$ 25,000	$ 15,625
Facility Fees						
	0.35%	$ 1,400,000	$ 1,400,000	$ -	$ -	$ -
	0.45%	$ 7,650,000	$ 1,800,000	$ 2,250,000	$ 3,600,000	2,250,000
		$ 9,050,000	$ 3,200,000	$ 2,250,000	$ 3,600,000	$ 2,250,000
Total Annual Fees:		$ 9,125,000	$ 3,225,000	$ 2,275,000	$ 3,625,000	$ 2,265,625
Total Bank Fees - Annualized:		$ 14,340,437	$ 5,211,833	$ 3,516,771	$ 5,611,833	$ 3,507,396

MO Facility ($MM)				
Facility Size:	$ 800	38.1%		
Ameren Sublimit			$ 500	50%
UE Sublimit			$ 500	50%
			$ 1,000	
IL Facility ($MM)				
Facility Size:	$ 800	38.1%		
Ameren Sublimit			$ 300	37.5%
AIC Sublimit			$ 800	62.5%
			$ 1,100	
Genco Facility ($MM)				
Facility Size:	$ 500	23.8%		
Ameren Sublimit			$ 500	50%
Genco Sublimit			$ 500	50%
			$ 1,000	
	$ 2,100	100.0%		

(a) $25,000 per facility per year.

Ameren Illinois Company
Credit Facility Costs Analysis

One-Time Costs	IL CF
Arrangement Fees	$495,238
Upfront Fees to Syndicate	$5,321,429
Misc. Fees	$143,833
Total One-Time Costs - IL Facility	$5,960,500
Non-Ameren (AIC) % of IL facility (a)	**62.50%**
Non-Ameren (AIC) portion of arrangement fees	$309,524
Non-Ameren (AIC) portion of upfront fees to syndicate	$3,325,893
Non-Ameren (AIC) portion of misc. fees to syndicate	$89,896
Total AIC portion of one-time costs for $800MM CF	$3,725,312

Annual Costs	IL CF
Facility Fees	$3,600,000
Administrative Agent Fees	$25,000
Total Annual Costs - IL Facility	$3,625,000
Non-Ameren (AIC) % of IL facility (a)	62.50%
Non-Ameren (AIC) portion of Facility Fees	$2,250,000
Non-Ameren (AIC) portion of Administrative Agent Fees	$15,625
Total AIC portion of annual costs for $800MM CF	$2,265,625

Total Annual Facility Fees and One-Time Costs

	Annualized One-time Costs (b)	Annual Costs	Total Annualized One-time Costs and Annual Facility Fees	2012 Total Capitalization	Weighted Cost of Credit Facility Costs
Ameren Illinois Company	$1,241,771	$2,265,625	$3,507,396	$3,613,156,926	**0.10%**

(a) Total facility size of $800mm less Ameren's sublimit of $300mm.

(b) Based on three year life of facility.

AMEREN ILLINOIS UTILITIES

LIQUIDITY ASSESSMENT

BASE CASE

	2011	2012
Liquidity Sources		
Cash	$ 15,517	$ 0
FFO	232,971	259,054
Available credit	800,000	800,000
Total sources	1,048,488	1,059,054
Liquidity Uses		
Cap ex	(281,541)	(328,886)
Working capital needs	(38,459)	(39,565)
Debt maturities	(150,000)	(1,000)
Expected facility borrowings	(0)	(114,850)
Dividends	(165,788)	(213,770)
Total uses	(635,788)	(698,071)
Ratio of Sources to Uses	1.65	1.52
Required by S&P for "Adequate" rating	1.20	1.20

FFO 15% BELOW PROJECTIONS

	2011	2012
Liquidity Sources		
Cash	$ 15,517	$ 0
FFO	198,025	220,196
Available credit	800,000	800,000
Total sources	1,013,542	1,020,196
Liquidity Uses		
Cap ex	(281,541)	(328,886)
Working capital needs	(38,459)	(39,565)
Debt maturities	(150,000)	(1,000)
Expected facility borrowings	(0)	(114,850)
Dividends	(165,788)	(213,770)
Total uses	(635,788)	(698,071)
Ratio of Sources to Uses	1.59	1.46
Required by S&P for "Adequate" rating	1.20	1.20

Ameren Illinois Company
d/b/a Ameren Illinois
Response to ICC Staff Data Requests
Docket Nos. 11-0279 and 11-0282 (Cons.)
Proposed General Increase in Electric and Gas Delivery Service Rates
Data Request Response Date: 5/20/2011

RMP 2.01

Please provide the following information regarding the credit facilities that Ameren Corporation and its subsidiaries entered into on September 10, 2010:

a) A copy of each of the fee letters dated June 29, 2010, between J.P. Morgan Chase Bank N.A. as the Administrative agent and Ameren Corporation, and referenced in the Company's response to ICC Staff data request RMP 1.04, Attach 3;
b) Please specify all lenders under the Genco, Illinois and Missouri credit facilities and provide the following information for each lender, individually:
    a. Name of lender;
    b. Aggregate commitments under the Genco, Illinois and Missouri credit facilities; and
    c. Total Commitments under the Illinois credit facility.

RESPONSE

Prepared By: Ryan J. Martin
Title: Assistant Treasurer and Manager, Corporate Finance
Phone Number: (314) 554-4140

a) See RMP 2.01 Attach 1 and 2 for copies of the fee letters. Note that the letters are dated July 29. 2010, rather than the June 29, 2010 date mistakenly referenced by J.P. Morgan Chase Bank N.A. in its closing fee invoice (see AIC's response to Staff data request RMP 1.04, Attach 3 [dated March 14]). The arrangement fees are referenced in the Arrangers Fee Letters, and the admin fees are referenced in the Administrative Agent Fee Letters.
b) See RMP 2.01 Attach 3, for the 2010 Credit Facility Syndication Summary.

AMEREN CORPORATION
2010 CREDIT FACILITY SYNDICATION SUMMARY
(In millions)

		Commitment By Facility		
	Total Commitment	$800 Million MO Facility	$800 Million IL Facility	$500 Million GENCO Facility
JP Morgan	$ 125.00	$ 47.62	$ 47.62	$ 29.76
Barclays	$ 125.00	$ 47.62	$ 47.62	$ 29.76
Bank of America	$ 125.00	$ 47.62	$ 47.62	$ 29.76
BOTM	$ 125.00	$ 47.62	$ 47.62	$ 29.76
BNP Paribas	$ 115.00	$ 43.81	$ 43.81	$ 27.38
Credit Suisse	$ 115.00	$ 43.81	$ 43.81	$ 27.38
Deutsche Bank	$ 115.00	$ 43.81	$ 43.81	$ 27.38
BNY Mellon	$ 115.00	$ 43.81	$ 43.81	$ 27.38
Bank of Nova Scotia	$ 115.00	$ 43.81	$ 43.81	$ 27.38
RBS	$ 115.00	$ 43.81	$ 43.81	$ 27.38
UBS	$ 115.00	$ 43.81	$ 43.81	$ 27.38
US Bank	$ 115.00	$ 43.81	$ 43.81	$ 27.38
Fifth Third Bank	$ 95.00	$ 36.19	$ 36.19	$ 22.62
KeyBank	$ 95.00	$ 36.19	$ 36.19	$ 22.62
CIBC	$ 75.00	$ 28.57	$ 28.57	$ 17.86
Morgan Stanley	$ 75.00	$ 28.57	$ 28.57	$ 17.86
PNC Bank	$ 75.00	$ 28.57	$ 28.57	$ 17.86
Co Bank	$ 50.00	$ 19.05	$ 19.05	$ 11.90
Regions Bank	$ 50.00	$ 19.05	$ 19.05	$ 11.90
Northern Trust	$ 40.00	$ 15.24	$ 15.24	$ 9.52
Comerica Bank	$ 30.00	$ 11.43	$ 11.43	$ 7.14
Commerce Bank	$ 30.00	$ 11.43	$ 11.43	$ 7.14
UMB Bank	$ 25.00	$ 9.52	$ 9.52	$ 5.95
Bank of East Asia	$ 25.00	$ 9.52	$ 9.52	$ 5.95
Hua Nan Bank	$ 15.00	$ 5.71	$ 5.71	$ 3.57
	$ 2,100.00	$ 800.00	$ 800.00	$ 500.00

Ameren Illinois Company
d/b/a Ameren Illinois
Response to ICC Staff Data Requests
Docket Nos. 11-0279 and 11-0282 (Cons.)
Proposed General Increase in Electric and Gas Delivery Service Rates
Data Request Response Date: 8/17/2011

RMP 13.01

The Company's response to ICC Staff DR RMP-2.01 (see RMP 2_01 Attach 3_2010 Credit Facility Syndication Summary.xls) summarizes each lender's aggregate commitments for the credit facilities that Ameren Corp. and its subsidiaries entered into during 2010 as follows:

- 4 lenders committed $125 million, individually (totaling $500 million);
- 8 lenders committed $115 million, individually (totaling $920 million);
- 2 lenders committed $95 million, individually (totaling $190 million);
- 3 lenders committed $75 million, individually (totaling $225 million); and
- 8 lenders committed less than $75 million, individually (totaling $265 million).

The Company's response to ICC Staff data request ("DR") RMP-1.04(E)(a) states:

Upfront fees were paid as a percentage of each bank's credit commitment. Banks that committed $200 million or greater received a fee equal to 87.5 basis points of their commitment, banks that committed $175 million but less than $200 million received 75 basis points, banks that committed $125 million but less than $150 million received 62.5 basis points, banks that committed $75 million but less than $125 million received 37.5 basis points, and banks that committed less than $75 million received 25 basis points.

The "worksheet" tab of the Company's response RMP 1_04 Attach 1_2010 Credit Facility Cost Analysis.xls summarizes upfront fees paid in connection with the credit facilities that Ameren Corp. and its subsidiaries entered into during 2010 as follows:

- 87.5 basis points for $500 million commitments (totaling $4,375,000)
- 75 basis points for $920 million commitments (totaling $6,900,000);
- 62.5 basis points for $190 million commitments (totaling $1,187,500);
- 37.5 basis points for $225 million commitments (totaling $843,750); and
- 25 basis points for $265 million commitments (totaling $662,500).

Based on the summary provided in RMP-2.01, upfront fees paid for total commitments above $75 million shown in the worksheet tab of RMP-1.04 exceed the upfront fee rates provided in RMP-1.04(E)(a). Please clarify and reconcile the worksheet tab of RMP-1.04 Attach 1 against RMP 1.04(E)(a) and RMP-2.01 with respect to the upfront fees paid on the total commitments under the 2010 credit facilities.

RESPONSE

Prepared By: Ryan J. Martin
Title: Assistant Treasurer and Manager, Corporate Finance
Phone Number: (314) 554-4140

To clarify, and as noted in my response to ICC data request RMP 11.02, Ameren Exhibit 24.1 summarized actual bank commitment fees paid to banks for their respective allocated commitments to the 2010 IL Credit Facility. As reflected in the exhibit, banks that committed $47.62 million received a commitment fee equal to 87.5 basis points of their commitment, banks that committed $43.81 million received a commitment fee equal to 75.0 basis points of their commitments, banks that committed $36.19 million received a commitment fee equal to 62.5 basis points of their commitments, banks that committed $28.57 million received a commitment fee equal to 37.5 basis points of their commitments, and banks that committed $19.05 million or less received a commitment fee equal to 25.0 basis points of their commitments.

Note that this bank fee commitment fee scale is consistent with language in the applicable arrangers fee letter (Ameren Exhibit 24.3) that reads, "It is currently contemplated that the upfront fees payable to each Lender will be between 0.25% and 0.875% of the amount of their allocated commitments to the Illinois facility."

The bank commitment fee paid to each bank for its commitment to the 2010 IL Credit Facility was separately negotiated, as illustrated in Ameren Exhibit 24.3, and separately billed, as illustrated in Ameren Exhibit 24.2. Note that the billed commitment fee for the 2010 IL Credit Facility of $5.32 million reflected in Ameren Exhibit 24.2 is the same value as the total 2010 IL Credit Facility commitment fee reflected in Ameren Exhibit 24.1.

With respect to my other testimony referred to above in RMP 13.01:

- The commitment values noted in my response to ICC Staff DR RMP-2.01 represent combined ***total allocated commitments*** by bank to the three credit facilities that Ameren Corp. and its subsidiaries entered into in September 2010.

- The commitment values noted in my response to ICC Staff data request ("DR") RMP-1.04(E)(a) relate to ***total credit committed or offered*** by bank to the three credit facilities that Ameren Corp. and its subsidiaries entered into in September 2010. For example, the four lead banks that arranged the facilities each committed or offered combined total credit of $200 million to the three facilities but were each ultimately allocated only $125 million of the combined total facility size of $2.1 billion. Each such bank was paid commitment fees equal to 87.5 basis points of its allocated commitments to each of the three facilities.

- The "worksheet" tab of my response to RMP 1_04 Attach 1_2010 Credit Facility Cost Analysis.xls summarizes total upfront fees paid to each bank for its combined ***total allocated commitment*** to the three credit facilities that Ameren Corp. and its subsidiaries entered into during September 2010.