

ILLINOIS COMMERCE COMMISSION

ICC DOCKET No. 11-0341

DIRECT TESTIMONY

OF

DOMINIC S. PERNICIARO

Submitted On Behalf

Of

AMEREN ILLINOIS COMPANY

d/b/a Ameren Illinois

November 30, 2011

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8 **I. INTRODUCTION AND QUALIFICATIONS**

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

10 A. My name is Dominic S. Perniciaro and my business address is One Ameren Plaza,
11 1901 Chouteau Ave., St. Louis, MO, 63103.

12 **Q. By whom are you employed and in what capacity?**

13 A. I am the Supervisor of Power Accounting for Ameren Services Company
14 (“Ameren Services”), a service company affiliate of Ameren Illinois Company d/b/a
15 Ameren Illinois (“Ameren Illinois” or “AIC”). I am responsible for supervising the
16 monthly tracking of energy efficiency costs and revenues and submitting an annual
17 reconciliation of these costs and revenues to the Illinois Commerce Commission
18 (“Commission”).

19 **Q. Please describe your educational background and relevant work experience.**

20 A. See my Statement of Qualifications, attached as an Appendix to this testimony.

21 **II. PURPOSE AND SCOPE**

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

23 A. In this testimony, I present and explain the reconciliation of Rider EDR-Energy
24 Efficiency and Demand Response Cost Recovery (“Rider EDR”) and Rider GER-Gas
25 Energy Efficiency Cost Recovery (“Riders GER”) for the second reconciliation period.
26 As explained by AIC witness, Mr. Leonard Jones in his direct testimony, this period
27 begins with the June 2009 billing period and ends with the May 2010 billing period for
28 Riders EDR and GER.

29 **Q. Does your testimony address the reasonableness and prudence of the costs**
30 **incurred pursuant to the Riders?**

31 A. No. My testimony addresses only Ameren Illinois’ reconciliation statements.
32 AIC witness, Mr. Kenneth C. Woolcutt’s direct testimony addresses the prudence and
33 reasonableness of costs incurred and recovered under these riders during Program Year
34 (“PY”) 2.

35 **Q. Are you sponsoring any exhibits with your direct testimony?**

36 A. Yes. I am sponsoring the annual reconciliation of Rider EDR as Ameren Exhibit
37 2.1 and the annual reconciliation of Rider GER as Ameren Exhibit 2.2.

38 **III. RECONCILIATION OF RIDERS EDR AND GER**

39 **Q. Were any refunds from the first reconciliation period included in the current**
40 **reconciliation?**

41 A. Yes. In Docket No. 09-0535, Ameren Illinois was ordered to recover only
42 expenses actually incurred by the Department of Commerce and Economic Opportunity
43 (“DCEO”), as opposed to DCEO’s projected expenses. Therefore, the current Rider EDR
44 reconciliation for PY2 includes an Ordered Reconciliation Adjustment (“ORA”) refund

45 of \$35,770¹ to account for the discrepancy between projected and actual costs incurred by
46 DCEO in PY1.

47 **Q. What is an Automatic Reconciliation Adjustment?**

48 A. An Automatic Reconciliation Adjustment (“ARA”) is equal to the cumulative
49 over- or under-collection of Incremental Costs (as defined by Mr. Leonard Jones in his
50 testimony), pursuant to the plans approved by the Commission, resulting from the
51 Program Year (which will reflect projections through the end of the Program Year due to
52 timing of adjustments).

53 **Q. What is the difference between an ORA and an ARA?**

54 A. Whereas an ARA is the result of the over- or under-collection of Incremental
55 Costs, an ORA is an amount ordered by the Commission to be refunded to or collected
56 from retail customers. Such amounts include interest charged at the rate established by
57 the Commission in accordance with 83 Ill. Adm. Code 280.70(e)(1).

58 **Q. Does the ARA for PY2 account for the PY1 reconciliation?**

59 A. Yes. The PY1 reconciliation for Rider GER resulted in an over-recovery of
60 \$584,768 by Ameren Illinois. This amount is accounted for in the PY2 reconciliation
61 through an ARA. The PY1 reconciliation for Rider EDR resulted in an under-recovery of
62 \$128,513 by Ameren Illinois. This amount is accounted for in the PY2 reconciliation
63 through an ARA.

64 **Q. What were the recorded expenses and revenues for PY2 incurred by Ameren**
65 **Illinois?**

¹ Amounts in my testimony are rounded to the nearest dollar.

66 A. At the conclusion of PY2, Ameren Illinois recorded the following EDR and GER
 67 revenue and costs:

68 Rider EDR

Rate Group	PY2 Revenue	PY2 Costs	Over/(Under)
DS-1	\$ 11,360,510	\$ 12,252,118	\$ (891,608)
Ds-2, 3, 5	\$ 9,950,014	\$ 7,572,398	\$ 2,377,616
DS-4	\$ 7,040,504	\$ 7,687,771	\$ (647,267)
Total	\$ 28,351,028	\$ 27,512,287	\$ 838,741

69 Rider GER

Rate Group	PY2 Revenue	PY2 Costs	Over/(Under)
GDS-1 and 2	\$ 3,318,507	\$ 3,710,637	\$ (392,130)

70 Notably, Ameren Illinois had to estimate costs and revenues for May for the rate
 71 effective in June because information sheets reflecting the new charges for the next
 72 Program Year must be filed by May 20. Since actual data for May is not known by May
 73 20, estimated data is used instead and revised in June for rates effective for July through
 74 the following May.

75 **Q. Were the expenses for PY2 within the budget limits?**

76 A. Yes. As explained by Mr. Jones, Ameren Illinois was subject to a budget for
 77 electric energy efficiency measures of \$29,404,520 and for gas programs of \$4,416,667.
 78 As shown above, the total costs incurred by Ameren Illinois for electric measures was

79 \$27,512,287. The total for gas programs was \$3,710,637. The costs for both types of
80 programs (electric and gas) were below budget.

81 **Q. Was there a reimbursement of Incremental Costs during the second**
82 **reconciliation year?**

83 A. No.

84 **Q. What is Ameren Illinois' total over- or under-recovery for this reconciliation**
85 **period?**

86 A. As shown on Ameren Exhibit 2.1, for Rider EDR, Ameren Illinois had an over-
87 recovery of \$838,741. As shown on Ameren Exhibit 2.2, for Rider GER, Ameren Illinois
88 had an under-recovery of \$392,130.

89 **Q. What action is Ameren Illinois asking the Commission to take in this**
90 **proceeding?**

91 A. Ameren Illinois asks the Commission to approve the reconciliation statements
92 attached to my testimony and approve a refund of \$838,741 for amounts over-collected
93 pursuant to Rider EDR as well as a recovery of \$392,130 for amounts under-collected
94 pursuant to Rider GER for this reconciliation period.

95 **IV. CONCLUSION**

96 **Q. Does this conclude your direct testimony?**

97 A. Yes, it does.

APPENDIX

STATEMENT OF QUALIFICATIONS
DOMINIC PERNICIARO

I received a Bachelor of Science in Business Administration with a concentration in Accounting from Saint Louis University in August 2001 and a Masters of Business Administration with a Finance emphasis from Webster University in March 2009. I have completed and passed the Uniform Certified Public Accountant Examination.

I began my professional career in 1998 at the Sabreliner Corporation. I began as an Accounts Payable Clerk and was promoted to Payroll Clerk and then Cost Accountant before leaving in 2001. In the fall of 2001, I joined Laclede Gas Company as an Analyst in the Financial Reporting department. I was promoted to Senior Business Analyst in 2004 and then Administrator of their Corporate Performance Management (“CPM”) system in 2006.

I began working for Ameren Services Company in October 2008 in the Wholesale Power and Fuel Department as a Settlement Specialist where I was charged with, among other things, reviewing Midwest ISO invoice data for accuracy. In July of 2009, I was promoted to Supervisor, Power Accounting. Shortly thereafter, the responsibility of accounting for energy efficiency cost over and under collection was transitioned to Power Accounting from Fuel Accounting.