

DIRECT TESTIMONY

OF

THERESA EBREY

Accountant
Accounting Department
Financial Analysis Division
Illinois Commerce Commission

Central Illinois Light Company, d/b/a AmerenCILCO,
Central Illinois Public Service Company, d/b/a AmerenCIPS,

and

Illinois Power Company, d/b/a AmerenIP

Reconciliation of Revenues Collected Under
Power Procurement Riders with
Actual Costs Associated with Power
Procurement Expenditures

Docket Nos. 10-0272, 10-0273, 10-0274

December 22, 2011

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1 Witness Identification

2 Q. Please state your name and business address.

3 A. My name is Theresa Ebrey. My business address is 527 East Capitol Avenue,
4 Springfield, Illinois 62701.

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

6 A. I am currently employed as an Accountant in the Accounting Department of the
7 Financial Analysis Division of the Illinois Commerce Commission (“ICC” or
8 “Commission”).

9 Q. Please describe your professional background and affiliations.

10 A. I have a Bachelor of Science degree in Accounting from Quincy College. I am a
11 Certified Public Accountant, licensed to practice in the State of Illinois. My prior
12 accounting experience includes fifteen years as the corporate controller of a
13 large long-term care facility in Illinois, as well as a period of time employed as an
14 outside auditor of governmental agencies. I joined the Staff of the Illinois
15 Commerce Commission (“Staff”) in April 1999.

16 Q. Have you previously testified before any regulatory bodies?

17 A. Yes. I have testified on several occasions before the Commission.

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

19 A. I have reviewed and analyzed Central Illinois Light Company's ("CILCO",
20 "Ameren", or the "Company"), Central Illinois Public Service Company's ("CIPS",
21 "Ameren", or the "Company") and Illinois Power Company's ("IP", "Ameren", or
22 the "Company") reconciliations of revenues collected under Rider PER and Rider
23 HSS with the costs incurred in connection with power procurement activities as
24 defined in the tariffs of each utility. My testimony presents the results of that
25 review for each utility.

26 Schedule Identification

27 Q. Are you sponsoring any schedules as part of ICC Staff Exhibit 1.0?

28 A. Yes. I am sponsoring Schedules 1.01 for each utility that present the
29 reconciliations for the period June 1, 2008 through May 31, 2009. The schedules
30 are identified with the associated Docket Number as well as Schedule numbers
31 1.01 CILCO, 1.01 CIPS, and 1.01 IP.

32 Q. Describe Schedule 1.01 for each utility.

33 A. Page 1 of each Schedule 1.01 presents a summary of the reconciliation per Staff
34 for the various components of Rider PER and Rider HSS. Pages 2 and 3 of each
35 Schedule 1.01 present the Ameren reconciliation of each product, adjustments,
36 and the resulting Staff reconciliation.

37 Q. Did the Companies provide reconciliation schedules similar to those approved in
38 the prior year's reconciliation order?

39 A. No, however, in response to Staff data request TEE 1.01, the Companies did
40 provide such schedules.

41 Q. Did you agree with the schedules provided in discovery?

42 A. No I did not. I was unable to trace amounts from those schedules to the amounts
43 approved in the final orders in the prior year's reconciliation or to amounts
44 included in the monthly filings made by the Companies during the reconciliation
45 period. In developing the schedules attached to my testimony, I started with the
46 amounts approved in the final order and reflected amounts filed during the
47 reconciliation period. Any changes to those costs, recoveries or interest amounts
48 are shown in the adjustment column on my schedules with the source shown as
49 Company provided information.¹ Any adjustments other than those already
50 identified by the Companies are further discussed below.

51 Adjustments

52 Q. Describe the adjustments you are proposing?

53 A. I am proposing adjustments to provide for Rider PER interest for the
54 reconciliation period on the Rider QF Over-recovery and the Day Ahead Energy
55 Revenues which were not included in the monthly filings during the reconciliation
56 period. In addition, I am proposing a similar adjustment to interest for CILCO

¹ I developed the starting schedules in cooperation with Company witness Perniciaro. As a result, it is my understanding the Companies agree with all amounts other than the additional adjustments discussed later in my testimony.

57 Rider HSS associated with the \$2000 error identified by the Company for RTP
58 recoveries for the period October 2008 through May 2009. The amounts for
59 interest were provided by the Company in discovery.

60 Q. In the Company's discovery responses, interest was calculated through
61 December 2011. Why are you reflecting only interest through May 2009 in your
62 adjustment?

63 A. The reconciliation period in this case covers the period June 2008 through May
64 2009. Any interest beyond the reconciliation period will need to be calculated
65 and included in the Company's informational filings when the Commission-
66 approved Factor O is refunded to ratepayers.

67 Q. Please explain why you are not proposing interest on the automatic balancing
68 adjustment ("ABA") identified by the Companies.

69 A. The Companies identified the error regarding the ABA and reflected the
70 adjustment in the informational filing made in March 2011. In calculating that
71 adjustment, the Company included an amount for interest as reflected in the
72 associated workpapers. Thus no additional interest adjustment is necessary for
73 the reconciliation period.

74 Recommendations for the Commission

75 Q. Please summarize your recommendations.

- 76 A. I recommend that the Order in this proceeding:
- 77 a) Approve Staff Schedule 1.01 CILCO as the reconciliation for Rider
- 78 PER and Rider HSS for AmerenCILCO with a Factor O refund of
- 79 \$(1,297,329) for the twelve month reconciliation period ending May 31,
- 80 2009;
- 81 b) Approve Staff Schedule 1.01 CIPS as the reconciliation for Rider PER
- 82 and Rider HSS for AmerenCIPS with a Factor O refund of \$(731,037)
- 83 for the twelve month reconciliation period ending May 31, 2009;
- 84 c) Approve Staff Schedule 1.01 IP as the reconciliation for Rider PER and
- 85 Rider HSS for AmerenIP with a Factor O refund of \$(1,536,615) for the
- 86 twelve month reconciliation period ending May 31, 2009; and
- 87 d) Direct the Ameren Illinois Company to refund \$(1,297,329) for
- 88 AmerenCILCO customers, \$(731,037) for AmerenCIPS customers,
- 89 and \$(1,536,615) for AmerenIP customers in the first monthly Rider
- 90 PER and Rider HSS informational filings after the date of the Order in
- 91 these dockets.

92 Conclusion

93 Q. Does this question end your prepared direct testimony?

94 A. Yes.

CENTRAL ILLINOIS PUBLIC SERVICE COMPANY d/b/a AmerenCIPS
Power Procurement Reconciliation
for the year ended May 31, 2009

Line No.		<u>PER</u>	<u>HSS</u>	<u>Total</u>
1	MV Under/(Over)Recovery For 2008 Reconciliation Year per Order in 09-0077/0078/0079 (Cons.)	\$442,294	(\$727,185)	(\$284,891)
2	2008 - 2009 MV Recoverable Costs	421,294,484	5,188,239	426,482,723
3	2008 - 2009 MV Revenues	(432,295,952)	(4,200,077)	(436,496,029)
4	Separately Reported 2008 - 2009 Other Adjustments	96,115	(147,500)	(51,385)
5	March 2011 Factor A Adjustments	(1,178,545)	(1,009,867)	(2,188,412)
6	Monthly Interest at 3.5% During 2008 and 1.0% in 2009	<u>(80,081)</u>	<u>(7,099)</u>	<u>(87,180)</u>
7	Under/(Over)Recovery For Reconciliation Year (sum of lines 1 through 6)	(\$11,721,685)	(\$903,488)	(\$12,625,173)
8	Total Adjustments To Electric Costs (Amortized Portion) Included In Monthly MV Filings	(5,116,821)	(199,783)	(5,316,604)
9	Unamortized Balance, End of Reconciliation Year (May 31, 2009)	<u>(5,873,828)</u>	<u>(703,705)</u>	<u>(6,577,533)</u>
10	Factor O Collection/(Refund) (line 7 - line 8 - line 9)	<u>(\$731,036)</u>	<u>(\$1)</u>	<u>(\$731,037)</u>

**CENTRAL ILLINOIS PUBLIC SERVICE COMPANY d/b/a AmerenCIPS
 Power Procurement Reconciliation
 for the year ended May 31, 2009**

Line No.		<u>PER</u>	<u>Adjustments per Staff</u>		<u>Total</u>
1	MV Under/(Over)Recovery For 2008 Reconciliation Year per Order in 09-0077/0078/0079 (Cons.)	\$442,294			\$442,294
2	2008 - 2009 MV Recoverable Costs	421,294,484			421,294,484
3	2008 - 2009 MV Revenues	(431,621,964)	(673,988)	3	(432,295,952)
4	Separately Reported 2008 - 2009 Other Adjustments	147,500	(51,385)	2	96,115
5	March 2011 Factor A Adjustments		(1,178,545)	1	(1,178,545)
6	Monthly Interest at 3.5% During 2008 and 1.0% in 2009	<u>(74,418)</u>	<u>(5,663)</u>	4	<u>(80,081)</u>
7	Under/(Over)Recovery For Reconciliation Year (sum of lines 1 through 6)	(\$9,812,104)	(\$1,909,581)		(\$11,721,685)
8	Total Adjustments To Electric Costs (Amortized Portion) Included In Monthly MV Filings	(5,116,821)			(5,116,821)
9	Unamortized Balance, End of Reconciliation Year (May 31, 2009)	<u>(4,695,283)</u>	<u>(1,178,545)</u>	1	<u>(5,873,828)</u>
10	Factor O Collection/(Refund) (line 7 - line 8 - line 9)	<u>\$ (0)</u>	<u>\$ (731,036)</u>		<u>\$ (731,036)</u>

- 1 ABA adjustment
- 2 Rider QF Over-recovery
- 3 Day-ahead Energy Revenues
- 4 Company responds to Staff data request TEE 4.01 and 4.02

CENTRAL ILLINOIS PUBLIC SERVICE COMPANY d/b/a AmerenCIPS
Power Procurement Reconciliation
for the year ended May 31, 2009

Line No.		<u>HSS</u>	<u>Adjustments per Staff</u>	<u>Total</u>
1	MV Under/(Over)Recovery For 2008 Reconciliation Year per Order in 09-0077/0078/0079 (Cons.)	(\$727,185)		(\$727,185)
2	2008 - 2009 MV Recoverable Costs	5,188,239		5,188,239
3	2008 - 2009 MV Revenues	(4,200,077)		(4,200,077)
4	Separately Reported 2008 - 2009 Other Adjustments	(147,500)		(147,500)
5	March 2011 Factor A Adjustments		(1,009,867) 1	(1,009,866)
6	Monthly Interest at 3.5% During 2008 and 1.0% in 2009	<u>(7,099)</u>	<u></u>	<u>(7,099)</u>
7	Under/(Over)Recovery For Reconciliation Year (sum of lines 1 through 6)	\$106,379	(\$1,009,867)	(\$903,488)
8	Total Adjustments To Electric Costs (Amortized Portion) Included In Monthly MV Filings	(199,783)		(199,783)
9	Unamortized Balance, End of Reconciliation Year (May 31, 2009)	<u>306,162</u>	<u>(1,009,867) 1</u>	<u>(703,705)</u>
10	Factor O Collection/(Refund) (line 7 - line 8 - line 9)	<u>(\$1)</u>	<u>\$0</u>	<u>(\$1)</u>

1 ABA adjustment

CENTRAL ILLINOIS LIGHT COMPANY d/b/a AmerenCILCO
Power Procurement Reconciliation
for the period ended May 31, 2009

Line No.		<u>PER</u>	<u>HSS</u>	<u>Total</u>
1	MV Under/(Over)Recovery For 2008 Reconciliation Year per Order in 09-0077/0078/0079 (Cons.)	(\$5,117,754)	\$2,580,349	(\$2,537,405)
2	2008 - 2009 MV Recoverable Costs	\$191,626,698	\$25,959,368	\$217,586,066
3	2008 - 2009 MV Revenues	(\$200,033,394)	(\$28,221,262)	(\$228,254,656)
4	Separately Reported 2008 - 2009 Other Adjustments	\$1,449,983	(\$1,709,173)	(\$259,191)
5	March 2011 Factor A Adjustments	(\$4,920,928)	\$1,098,018	(\$3,822,910)
6	Monthly Interest at 3.5% During 2008 and 1.0% in 2009	<u>(\$57,872)</u>	<u>\$21,116</u>	<u>(\$36,755)</u>
7	Under/(Over)Recovery For Reconciliation Year (sum of lines 1 through 6)	(\$17,053,267)	(\$271,584)	(\$17,324,851)
8	Total Adjustments To Electric Costs (Amortized Portion) Included In Monthly MV Filings	(\$5,250,898)	(\$998,987)	(\$6,249,885)
9	Unamortized Balance, End of Reconciliation Year (May 31, 2009)	<u>(\$11,372,673)</u>	<u>\$1,595,036</u>	<u>(\$9,777,638)</u>
10	Factor O Collection/(Refund) (line 7 - line 8 - line 9)	<u>(\$429,695)</u>	<u>(\$867,633)</u>	<u>(\$1,297,329)</u>

CENTRAL ILLINOIS LIGHT COMPANY d/b/a AmerenCILCO
Power Procurement Reconciliation
for the period ended May 31, 2009

Line No.		<u>PER</u>	<u>Adjustments per Staff</u>	<u>Total</u>
1	Unamortized Balance as of 5/31/2008 Reconciliation per Order in 09-0077/0078/0079 (Cons.)	(\$5,117,754)		(\$5,117,754)
2	2008 - 2009 MV Recoverable Costs	\$191,626,698		\$191,626,698
3	2008 - 2009 MV Revenues	(\$199,663,232)	\$ (370,162) 3	(\$200,033,394)
4	Separately Reported 2008 - 2009 Other Adjustments	\$1,506,173	(\$56,190) 2	\$1,449,983
5	March 2011 Factor A Adjustments		(4,920,928) 1	(\$4,920,928)
6	Monthly Interest at 3.5% During 2008 and 1.0% in 2009	<u>(\$54,529)</u>	<u>(\$3,343) 4</u>	<u>(\$57,872)</u>
7	Under/(Over)Recovery For Reconciliation Year (sum of lines 1 through 6)	(\$11,702,644)	(\$5,350,623)	(\$17,053,267)
8	Total Adjustments To Electric Costs (Amortized Portion) Included In Monthly MV Filings	(5,250,898)		(\$5,250,898)
9	Unamortized Balance, End of Reconciliation Year (May 31, 2009)	<u>(\$6,451,746)</u>	<u>(\$4,920,928) 1</u>	<u>(\$11,372,673)</u>
10	Factor O Collection/(Refund) (line 7 - line 8 - line 9)	<u>\$ (0)</u>	<u>\$ (429,695)</u>	<u>\$ (429,695)</u>

- 1 ABA adjustment
- 2 Rider QF Over-recovery
- 3 Day-ahead Energy Revenues
- 4 Company respons to Staff data request TEE 4.01 and 4.02

CENTRAL ILLINOIS LIGHT COMPANY d/b/a AmerenCILCO
Power Procurement Reconciliation
for the period ended May 31, 2009

Line No.		<u>HSS</u>	<u>Adjustments per Staff</u>		<u>Total</u>
1	Unamortized Balance as of 5/31/2008 Reconciliation per Order in 09-0077/0078/0079 (Cons.)	\$2,580,349			2,580,349
2	Factor O from prior periods 2008 - 2009 MV Recoverable Costs	\$26,829,035	(\$869,667)	3	25,959,368
3	2008 - 2009 MV Revenues	(\$28,223,262)	\$2,000	1	(28,221,262)
4	Separately Reported 2008 - 2009 Other Adjustments	(\$1,709,173)			(1,709,173)
5	March 2011 Factor A Adjustments		1,098,018	2	1,098,018
6	Monthly Interest at 3.5% During 2008 and 1.0% in 2009	<u>\$21,084</u>	<u>\$33</u>	4	21,116
7	Under/(Over)Recovery For Reconciliation Year (sum of lines 1 through 6)	(\$501,968)	\$230,383		(271,584)
8	Total Adjustments To Electric Costs (Amortized Portion) Included In Monthly MV Filings	(998,987)			(998,987)
9	Unamortized Balance, End of Reconciliation Year (May 31, 2009)	<u>\$497,018</u>	<u>\$1,098,018</u>	2	<u>\$1,595,036</u>
10	Factor O Collection/(Refund) (line 7 - line 8 - line 9)	<u>\$1</u>	<u>(\$867,634)</u>		<u>(\$867,633)</u>

- 1 Company adjustment
- 2 ABA adjustment
- 3 Medina Purchases Adjustment
- 4 Company response to Staff data request TEE 4.04

**Illinois Power COMPANY d/b/a AmerenIP
 Power Procurement Reconciliation
 for the year ended May 31, 2009**

Line No.		<u>PER</u>	<u>HSS</u>	<u>Total</u>
1	MV Under/(Over)Recovery For 2008 Reconciliation Year per Order in 09-0077/0078/0079 (Cons.)	\$4,854,701	(\$1,386,275)	\$3,468,426
2	2008 - 2009 MV Recoverable Costs	599,113,976	8,422,942	607,536,918
3	2008 - 2009 MV Revenues	(617,441,604)	(7,083,670)	(624,525,274)
4	Separately Reported 2008 - 2009 Other Adjustments	(228,060)	-	(228,060)
5	March 2011 Factor A Adjustments	3,626,557	(1,086,467)	2,540,090
6	Monthly Interest at 3.5% During 2008 and 1.0% in 2009	<u>(42,183)</u>	<u>(19,430)</u>	<u>(61,613)</u>
7	Under/(Over)Recovery For Reconciliation Year (sum of lines 1 through 6)	(\$10,116,614)	(\$1,152,901)	(\$11,269,514)
8	Total Adjustments To Electric Costs (Amortized Portion) Included In Monthly MV Filings	(4,532,723)	(848,796)	(5,381,519)
9	Unamortized Balance, End of Reconciliation Year (May 31, 2009)	<u>(4,047,275)</u>	<u>(304,105)</u>	<u>(4,351,380)</u>
10	Factor O Collection/(Refund) (line 7 - line 8 - line 9)	<u>(\$1,536,616)</u>	<u>\$0</u>	<u>(\$1,536,615)</u>

**Illinois Power COMPANY d/b/a AmerenIP
 Power Procurement Reconciliation
 for the year ended May 31, 2009**

Line No.		<u>PER</u>	<u>Adjustments per Staff</u>		<u>Total</u>
1	MV Under/(Over)Recovery For 2008 Reconciliation Year per Order in 09-0077/0078/0079 (Cons.)	\$4,854,701			\$4,854,701
2	2008 - 2009 MV Recoverable Costs	599,113,976			599,113,976
3	2008 - 2009 MV Revenues	(616,144,898)	(1,296,706)	3	(617,441,604)
4	Separately Reported 2008 - 2009 Other Adjustments	-	(228,060)	2	(228,060)
5	March 2011 Factor A Adjustments		3,626,557	1	3,626,557
6	Monthly Interest at 3.5% During 2008 and 1.0% in 2009	<u>(30,331)</u>	<u>(11,852)</u>	4	<u>(42,183)</u>
7	Under/(Over)Recovery For Reconciliation Year (sum of lines 1 through 6)	(\$12,206,552)	\$2,089,938		(\$10,116,614)
8	Total Adjustments To Electric Costs (Amortized Portion) Included In Monthly MV Filings	(4,532,723)			(4,532,723)
9	Unamortized Balance, End of Reconciliation Year (May 31, 2009)	<u>(7,673,831)</u>	<u>3,626,557</u>	1	<u>(4,047,275)</u>
10	Factor O Collection/(Refund) (line 7 - line 8 - line 9)	<u>\$ 3</u>	<u>\$ (1,536,619)</u>		<u>\$ (1,536,616)</u>

- 1 ABA adjustment
- 2 Rider QF Over-recovery
- 3 Day-ahead Energy Revenues
- 4 Company respons to Staff data request TEE 4.01 and 4.02

**Illinois Power COMPANY d/b/a AmerenIP
 Power Procurement Reconciliation
 for the year ended May 31, 2009**

Line No.		<u>HSS</u>	<u>Adjustments per Staff</u>	<u>Total</u>
1	MV Under/(Over)Recovery For 2008 Reconciliation Year per Order in 09-0077/0078/0079 (Cons.)	(\$1,386,275)		(\$1,386,275)
2	2008 - 2009 MV Recoverable Costs	8,422,942		8,422,942
3	2008 - 2009 MV Revenues	(7,083,670)		(7,083,670)
4	Separately Reported 2008 - 2009 Other Adjustments	-		0
5	March 2011 Factor A Adjustments		(1,086,467) 1	(\$1,086,467)
6	Monthly Interest at 3.5% During 2008 and 1.0% in 2009	<u>(19,430)</u>		<u>(19,430)</u>
7	Under/(Over)Recovery For Reconciliation Year (sum of lines 1 through 6)	(\$66,433)	(\$1,086,467)	(\$1,152,901)
8	Total Adjustments To Electric Costs (Amortized Portion) Included In Monthly MV Filings	(848,796)		(848,796)
9	Unamortized Balance, End of Reconciliation Year (May 31, 2009)	<u>782,362</u>	<u>(1,086,467) 1</u>	<u>(304,105)</u>
9	Factor O Collection/(Refund) (line 7 - line 8 - line 9)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

1 ABA adjustment