

DIRECT TESTIMONY

of

SCOTT TOLSDORF
Accountant

Accounting Department
Financial Analysis Division
Illinois Commerce Commission

Reconciliation of revenues collected under Rider EDR with the actual costs associated with energy efficiency and demand-response plans. Reconciliation of revenues collected under Rider GER with the actual costs associated with natural gas energy efficiency plans.

Ameren Illinois Company

Docket No. 11-0341

March 1, 2012

1 **Witness Identification**

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

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

5 **Q. What is your current position with the Illinois Commerce
6 Commission (“ICC” or “Commission”)?**

7 A. I am currently employed as an Accountant in the Accounting Department
8 of the Financial Analysis Division.

9 **Q. Please describe your qualifications and background.**

10 A. I received a Bachelors of Science in Liberal Studies from Excelsior
11 College in Albany, New York, and am nearing completion of a Master’s
12 degree in Accounting from the University of Illinois-Springfield. I am a
13 Certified Public Accountant and joined the Commission Staff (“Staff”) in
14 February 2010. Prior to the Commission, I was employed for four years
15 as a staff accountant for a public accounting firm, and nine years in the
16 U.S. Navy as an operator and instructor in the Naval Nuclear Power
17 Program.

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

19 A. The purpose of my testimony is to report the results of my review of
20 Ameren Illinois Company’s (“AIC” or “Company”) Reconciliation of
21 revenues collected under Energy Efficiency Riders with the actual costs
22 associated with energy efficiency and demand-response plans.

23 Specifically, my testimony addresses the incremental costs incurred and
24 the recoveries collected by AIC under its Energy Efficiency and Demand-
25 Response Cost Recovery Rider EDR and Gas Energy Efficiency Cost
26 Recovery Rider GER.

27 **Schedule and Attachment Identification**

28 **Q. Are you sponsoring any schedules with your testimony?**

29 A. Yes. I prepared the following schedules relating to the Company, which
30 show data as of, or for the Program Year 2 (PY 2) reconciliation period:

31 Schedule 1.1 Rider EDR – Reconciliation Summary

32 Schedule 1.2 Rider GER – Reconciliation Summary

33 **Electric Energy Efficiencies**

34 **Q. Please explain Staff Exhibit 1.0, Schedule 1.1.**

35 A. Schedule 1.1 presents a summary of the Company's proposed
36 reconciliation, my adjustment to reflect the actual costs incurred on behalf
37 of the Department of Commerce and Economic Opportunity ("DCEO" or
38 "Department") and the resulting Staff proposed reconciliation.

39 **Q. Please provide an explanation of the DCEO costs.**

40 A. Under Section 8-103(e) of the Public Utilities Act ("Act"), DCEO is
41 responsible for implementing 25% of the energy efficiency measures
42 approved by the Commission. The Act further provides that the utility shall
43 include in its recoverable cost, the costs of measures for both the utility

44 and the Department. The utility reimburses DCEO for its share of costs as
45 the energy efficiency charge is collected.

46 **Q. Please explain the adjustments to the DCEO costs.**

47 A. In the Program Year 1 (PY1) reconciliation Docket No. 09-0535, the
48 Company over reported DCEO costs as a result of using estimated costs
49 instead of actual costs. The costs in question related to PY2 but were
50 incorrectly reported by the Company in PY1. An adjustment of \$35,770
51 was made to reduce DCEO costs in PY1. The adjustment shown on
52 Schedule 1.01, Column (C), Line 4, reverses the adjustment from the prior
53 year and reports the DCEO costs appropriately in PY2. Prior to the Final
54 Order in the PY1 reconciliation, the Company prepared a PY2
55 reconciliation which reduced the DCEO PY2 costs by the amount of the
56 PY1 overstatement of costs. The adjustment I am proposing is simply a
57 timing issue for proper reporting purposes.

58 **Q. Please explain the Prior period Ordered Reconciliation Adjustment.**

59 A. In Docket No. 09-0535, the Final Order contained an Ordered
60 Reconciliation Adjustment of \$8,754 to be refunded to customers upon the
61 Company's next filing. The Final Order from Docket No. 09-0535 was
62 issued September 21, 2011 and the Company's most recent filing was
63 filed June 20, 2011. Therefore, the Company has yet to reflect the
64 Ordered Reconciliation Adjustment from PY1 in the Rider EDR rates.

65 **Gas Energy Efficiencies**

66 **Q. Please explain Staff Exhibit 1.0, Schedule 1. 2.**

67 A. Schedule 1.2 presents a summary of the Company's proposed
68 reconciliation, an adjustment to remove the costs of the Small Business
69 HVAC Program, and the resulting Staff proposed reconciliation. The
70 adjustment proposed by Staff results in an Ordered Reconciliation
71 Adjustment of \$131,771 to be refunded to customers in a future filing.

72 **Q. Please explain the adjustment to remove the Small Business HVAC**
73 **Program costs.**

74 A. Please see Staff Witness Ms. Jennifer Hinman's Direct Testimony (ICC
75 Staff Exhibit 2.0) for an explanation of this adjustment.

76 **Summary**

77 **Q. Do you have an opinion on the reasonableness and prudence of the**
78 **costs incurred for Riders EDR and GER?**

79 A. Yes. With the exception of the costs identified by Ms. Hinman associated
80 with the Small Business HVAC Program, it appears that the costs of the
81 Energy Efficiency Measures collected through Riders EDR and GER have
82 been reasonably and prudently incurred by the Company.

83 **Q. Do you have any recommendations?**

84 A. Yes. I recommend that the Commission accept the reconciliation of
85 revenues collected under Riders EDR and GER with the costs incurred as
86 reflected on ICC Staff Exhibit 1.0, Schedule 1.1 and Schedule 1.2. I

87 further recommend that the Commission Order the Company to include an
88 Ordered Reconciliation Adjustment of \$131,771 to be refunded to
89 customers in the Company's next filing for Rider GER.

90 **Conclusion**

91 **Q. Does this question end your testimony?**

92 **A. Yes.**

Ameren Illinois Utilities
 Rider EDR - Reconciliation Summary
 For the Period June 1, 2009 through May 31, 2010 (PY-2)

Line No.	Description (A)	Per Company (B)	Staff Adjustment- DCEO True-up (C)	Per Staff (B+C) (D)
1	Balance of Automatic Reconciliation Adjustment at 5/31/09	\$ 128,513	\$ -	\$ 128,513
2	PY-1 Ordered Reconciliation Adjustment	(8,754)	(35,770)	(44,524)
3	Under/(Over) Recovery from Prior Periods (Line 1 + Line 2)	119,759	(35,770)	83,989
4	PY-2 Recoverable EDR Costs	27,512,287	35,770	27,548,057
5	PY-2 EDR Costs Recovered	(28,351,028)	-	(28,351,028)
6	Under / (Over) Recovery for PY-2 (Line 4 + Line 5)	(838,741)	35,770	(802,971)
7	EDR Reconciliation Balance at 5/31/10 (Line 3 + Line 6)	(718,982)	-	(718,982)
8	Less: Automatic Reconciliation Adjustment at 5/31/10 (Line 1 + Line 6)	(710,228)	-	(710,228)
9	Less: Prior period Ordered Reconciliation Adjustment (Line 2)	(8,754)	-	(8,754)
10	PY-2 Ordered Reconciliation Adjustment to be Recovered/(Refunded) in Future Filing (Line 7 - Line 8 - Line 9)	\$ -	\$ -	\$ -

Sources:

Column (B):

Line 1: Docket #09-0535, Appendix A, Line 8, Column (E)

Line 2: Docket #09-0535, Appendix A, Line 11, Column (E)

Lines 4-5: Ameren Exhibit 2.1

Column (C): Docket # 09-0535, Appendix A, Column (D)

Column (D): Per Staff [Column (B) + Column (C)]

Ameren Illinois Utilities
 Rider GER - Reconciliation Summary
 For the Period June 1, 2009 through May 31, 2010 (PY-2)

Line No.	Description (A)	Per Company (B)	Staff Adjustment- (C)	Per Staff (B+C) (D)
1	Balance of Automatic Reconciliation Adjustment at 5/31/09	\$ (584,768)	\$ -	\$ (584,768)
2	PY-1 Ordered Reconciliation Adjustment	-	-	-
3	Under/(Over) Recovery from Prior Periods (Line 1 + Line 2)	(584,768)	-	(584,768)
4	PY-2 Recoverable GER Costs	3,710,637	(131,771)	3,578,866
5	PY-2 GER Costs Recovered	(3,318,507)	-	(3,318,507)
6	Under / (Over) Recovery for PY-2 (Line 4 + Line 5)	392,130	(131,771)	260,359
7	EDR Reconciliation Balance at 5/31/10 (Line 3 + Line 6)	(192,638)	(131,771)	(324,409)
8	Less: Automatic Reconciliation Adjustment at 5/31/10 (Line 1 + Line 6)	(192,638)		(192,638)
9	Less: Prior period Ordered Reconciliation Adjustment (Line 2)	-		-
10	PY-2 Ordered Reconciliation Adjustment to be Recovered/(Refunded) in Future Filing (Line 7 - Line 8 - Line 9)	<u>\$ -</u>	<u>\$ (131,771)</u>	<u>\$ (131,771)</u>

Sources:

Column (B):

Line 1: Docket #09-0535, Appendix B, Line 8, Column (D)

Line 2: Docket #09-0535, Appendix B, Line 10, Column (E)

Lines 4-5: Ameren Exhibit 2.2

Column (C): ICC Staff Ex. 2.0

Column (D): Per Staff [Column (B) + Column (C)]