

		formula rate filing.	
11/03/2011	ADS	E-mail correspondence regarding testimony outlines. Review statutory filing requirements.	█ hrs
11/04/2011	MAW	Review ComEd filing.	█ hrs
11/04/2011	ADS	Review testimony drafts. E-mail correspondence regarding testimony.	█ hrs
11/07/2011	MAW	Review and analyze proposed ratemaking adjustments. Internal conference █ █	█ hrs
11/07/2011	CTK	Develop testimony in support of formula rate filing.	█ hrs
11/07/2011	ADS	Review/revise direct testimony outlines. Research regarding the same.	█ hrs
11/08/2011	MAW	Draft and revise memorandum █ █	█ hrs
11/08/2011	ADS	Review/revise testimony templates. E-mail correspondence regarding the same.	█ hrs
11/09/2011	MAW	E-mail exchange with client █ █ Telephone conference with Mr. Stafford regarding testimony.	█ hrs
11/09/2011	CTK	Work on developing testimony in support of formula rate filing.	█ hrs
11/09/2011	ADS	Review ALJPO. Research regarding BOE. E-mail correspondence regarding the same.	█ hrs
11/10/2011	MAW	Review and analyze █	█ hrs
11/10/2011	CTK	Confer with witnesses regarding testimony for the formula rate filing. Work with witnesses to develop testimony.	█ hrs
11/10/2011	ADS	Conference regarding testimony outlines.	█ hrs
11/11/2011	MAW	Draft and revise testimony templates and outline. Review and analyze █	█ hrs

11/11/2011	CTK	Review ComEd formula rate filing. Develop testimony in support of AIC formula rate filing.	■ hrs
11/13/2011	ADS	Prepare testimony outlines.	■ hrs
11/14/2011	CTK	Review ComEd formula rate filing. Develop testimony in support of AIC formula rate filing.	■ hrs
11/14/2011	ADS	Prepare testimony outlines. Conferences regarding the same.	■ hrs
11/15/2011	CTK	Review ComEd's formula rate filing. Develop testimony in support of AIC's formulae rate filing.	■ hrs
11/15/2011	RLS	Research ■ Review SB 1652 and HB 3036.	■ hrs
11/15/2011	ADS	Conferences regarding rate filing preparation and testimony outlines.	■ hrs
11/15/2011	KER	Assist Ms. Segal with research regarding ■	■ hrs
11/16/2011	MAW	Telephone conference regarding ■ Follow up regarding same.	■ hrs
11/16/2011	CTK	Develop testimony in support of formula rate filing.	■ hrs
11/16/2011	RLS	Research ■ Review SB 1652 and HB 3036.	■ hrs
11/16/2011	ADS	Prepare testimony outlines.	■ hrs
11/17/2011	MAW	Attend strategy call. Begin research ■ ■ ■	■ hrs
11/17/2011	CTK	Work on testimony in support of formula rate filing.	■ hrs
11/17/2011	CTK	Confer with client on formula rate structure under SB 1652.	■ hrs

11/17/2011	RLS	Review SB 1652. Call regarding the same.	█ hrs
11/17/2011	ADS	Prepare testimony outlines. Research regarding the same.	█ hrs
11/17/2011	KER	Assist Ms. Segal with research.	█ hrs
11/18/2011	MAW	Draft and revise memorandum █ █ Attend conference calls regarding filing.	█ hrs
11/18/2011	CTK	Review memorandum █ █ Work on testimony in support of formula rate filing.	█ hrs
11/18/2011	RLS	Draft/revise █ memorandum.	█ hrs
11/18/2011	ADS	Prepare testimony outlines. Research regarding the same. Conference regarding the same.	█ hrs
11/20/2011	CTK	Develop testimony in support of formula rate filing.	█ hrs
11/20/2011	ADS	Prepare testimony outlines.	█ hrs
11/21/2011	MAW	Attend strategy advisor call. Work on initial filing.	█ hrs
11/21/2011	CTK	Develop testimony in support of formula rate filing. Confer with witnesses regarding same.	█ hrs
11/21/2011	RLS	Draft/revise testimony.	█ hrs
11/21/2011	ADS	Prepare direct testimony outlines. Conference call regarding case preparation. E-mail correspondence regarding the same.	█ hrs
11/22/2011	MAW	Work on initial filing.	█ hrs
11/22/2011	CTK	Work on developing testimony in support of formula rate filing. Confer with witnesses regarding same.	█ hrs

11/22/2011	ADS	Review testimony outlines.	■ hrs
11/23/2011	CTK	Edit testimony in support of formula template filing.	■ hrs
11/23/2011	ADS	E-mail correspondence regarding testimony outline preparation.	■ hrs
11/24/2011	CTK	Work on developing testimony in support of formula template filing.	■ hrs
11/25/2011	CTK	Work on developing testimony in support of formula template filing.	■ hrs
11/26/2011	CTK	Work on developing testimony in support of formula template filing.	■ hrs
11/27/2011	CTK	Work on developing testimony in support of formula template filing.	■ hrs
11/27/2011	ADS	Review ■. E-mail correspondence regarding the same. Review and revise testimony outlines.	■ hrs
11/28/2011	MAW	Attend conference calls regarding initial filing.	■ hrs
11/28/2011	CTK	Edit testimony in support of formula rate template. Confer with client regarding same.	■ hrs
11/28/2011	ADS	E-mail correspondence regarding testimony templates. Conferences ■	■ hrs
11/29/2011	MAW	Revise memorandum ■	■ hrs
11/29/2011	CTK	Edit testimony templates for formula rate filing. Confer with witnesses regarding same.	■ hrs
11/29/2011	ADS	Conference regarding testimony preparation.	■ hrs
11/29/2011	KER	Attention to exhibit.	■ hrs
11/30/2011	MAW	Work on initial filing. Attend conference calls	■ hrs

regarding same.

11/30/2011	CTK	Confer with the client regarding formula rate testimony.	[REDACTED] hrs
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TOTAL FEES FOR THIS MATTER	\$73,260.00
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EXPENSES

08/19/2011		Delivery Service/Messengers - Federal Express to Edward Fitzhenry from Mr. Whitt	[REDACTED]
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TOTAL EXPENSES FOR THIS MATTER	\$15.42
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BILLING SUMMARY

Sturtevant, Albert D.	[REDACTED] hrs	[REDACTED] /hr	[REDACTED]
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Kennedy, Christopher T.	[REDACTED] hrs	[REDACTED] /hr	[REDACTED]
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Ratcliffe, Kathleen E.	[REDACTED] hrs	[REDACTED] /hr	[REDACTED]
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Whitt, Mark A.	[REDACTED] hrs	[REDACTED] /hr	[REDACTED]
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Segal, Rebecca L.	[REDACTED] hrs	[REDACTED] /hr	[REDACTED]
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TOTAL FEES	[REDACTED] hrs		[REDACTED]
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TOTAL EXPENSES			[REDACTED]
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TOTAL CHARGES FOR THIS INVOICE	<u>\$73,275.42</u>
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Michael J. Adams
Senior Vice President

August 22, 2011

Mr. Ed Fitzhenry
Managing Associate General Counsel
Ameren Illinois Company
1901 Chouteau Avenue
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madams@ceadvisors.com

Dear Ed:

Concentric Energy Advisors, Inc. (“Concentric”) is pleased to submit this letter proposal to assist Ameren Illinois Company (“AIC” or “the Company”) with its efforts to analyze and be prepared to implement a regulatory reform bill (“SB1652”) in the event that the legislation becomes law. As we will describe in detail later in this proposal, Concentric is well-positioned to assist the Company with this assignment.

The remainder of this proposal provides the following information:

- A company overview of Concentric;
- Our understanding of the scope of work;
- Concentric’s qualifications to perform the work;
- An introduction to the Concentric project team;
- A proposed budget for the assignment; and
- A preliminary project schedule.

I. Overview of Concentric

Concentric is a financial advisory and consulting firm focused on the North American regulated energy and water utility industries. Based in Marlborough, Massachusetts, Concentric specializes in the full range of regulatory advisory services and testimony, litigation support, M&A and other transaction-related financial advisory services, strategic consulting services including market analysis, energy commodity contracting and procurement, economic feasibility studies, and capital market analyses and negotiations. Concentric provides its clients with immediate access to extensive industry experience and capabilities. Our senior staff is always intimately involved in the client project work. The firm’s principals and affiliates have held executive positions with a number of prominent utility management consulting firms, utility companies, regulatory agencies, competitive energy suppliers, law firms and investment banks. Prior to founding Concentric, the majority of Concentric’s staff members were consultants with Reed Consulting Group (which subsequently was acquired by Navigant Consulting, Inc.).

Concentric staff has a significant breadth and depth of regulatory experience, having assisted clients

throughout the United States and Canada with federal, state and provincial regulatory issues, including among other things, strategic analyses/studies, resource planning, cost of service, cost allocation, rate design, rate of return, alternative rate mechanisms, market power, tariff development, demand forecasting, terms and conditions of service, the development of new services, and prudence-related matters. Concentric's clients have included regional transmission organizations, natural gas distribution companies, gas pipelines, gas producers, oil producers, electric utilities, large energy consumers, water utilities, governmental and regulatory agencies, trade associations, independent energy project developers, liquefied natural gas ("LNG") developers, engineering firms, and gas and power marketers throughout the United States and Canada. In addition, should it be required, Concentric staff members have provided testimony on hundreds of occasions in administrative and civil proceedings, on topics ranging from broad regulatory and economic policy to virtually all elements of the utility ratemaking process.

II. Scope of Work

The Company has defined three distinct projects within the defined scope of work.

Project 1 will consist of the following work:

- Review the draft Formula Rate Revenue Requirement template for application to AIC;
- Review rate case pro forma adjustments and recommend which adjustments should be incorporated into the template, in a manner consistent with the intent of the legislation;
- Identify Illinois Commerce Commission ("ICC" or the "Commission") or Staff adjustments to AIC revenue requirements and offer opinions as to whether such adjustments should be incorporated into the formula rate template;
- Populate the formula rate template with AIC data; and
- Recommend any necessary modifications for AIC accounting systems, closing schedules, account information, etc. required to meet legislated requirements.

In Project 2, Concentric will assist in the review of Administrative Code Part 285 filing requirement schedules and provide recommendations as to which schedules (in whole or in part), if any, are no longer relevant and necessary under SB1652.

In Project 3, Concentric will assist, as requested, with the development of the formula rate tariff and rate translation mechanics.

The Company has also asked that Concentric provide a not-to-exceed price associated with preparing the minimum filing requirements associated with the initial rate filing made under SB1652.

III. Concentric's Qualifications

Concentric has provided assistance to the Ameren Companies on a number of instances. In addition to working with Ameren Missouri on a number of its regulatory initiatives, Concentric staff

has had the pleasure of working with AIC and its predecessor companies on each of its rate cases before the ICC since 1999. During this time, Concentric's consultants have developed an extensive familiarity with Ameren's accounting systems, records and staff. Concentric has significant experience that is directly relevant to AIC's three SB1652 projects.

In addition to our experience with the Ameren Companies, Concentric has unparalleled experience assisting our clients with issues related to revenue requirement, rate design and tariff development, and alternative regulation. Listed below are just a few examples of recent projects for each area.

A. Revenue Requirement

Concentric has assisted numerous utility clients with the development and support of all or part of the revenue requirement. The following are a few examples of such projects:

- *Confidential Client* - Provided regulatory strategy support to a Midwestern electric utility regarding potential strategies for an upcoming rate proceeding. The Company had not filed a rate case in over 20 years. Retained to provide insights, research and expert advice as to potential issues to pursue in the upcoming rate proceeding.
- *EnergyNorth* - Served as revenue requirement witness for 2010 New Hampshire rate filing.
- National Grid - Reviewed the development of the revenue requirement for Boston, Colonial and Essex rate case filings before the Massachusetts Department of Public Utilities.
- *Granite State* - Served as the revenue requirement witness for the natural gas transmission company in its filing before the Federal Energy Regulatory Commission.
- Constellation Energy - Provided expert testimony on the reasonableness of the allocation of shared service costs before the Public Service Commission of Maryland.
- *Hawaii Electric Light Company* - Retained to provide an assessment of the reasonableness of AFUDC charges accrued associated with the installation of two combustion turbines.
- Texas-New Mexico Power Company - Served as the revenue requirement witness for 2008 rate case.
- *Bay State Gas Company* - Prepared an expert report pertaining to avoided shared service costs in the Company's 2009 rate proceeding before the Massachusetts Department of Public Utilities.
- *Arkansas Oklahoma Gas Corporation* - Assisted with the preparation of a gas rate case filing for the Company's Oklahoma jurisdiction. The project included the determination of the revenue requirement including an assessment of the proper level of cash working capital. Prepared the filing requirements associated with the rate case.
- *Puget Energy* - Provided assistance in preparation for a rate filing. Provided an independent assessment of the Company's requested revenue requirement.
- *Arkansas Oklahoma Gas Corporation* - Assisted with the preparation of a rate filing before the Arkansas Public Service Commission. The filing introduced new concepts pertaining to alternative regulatory mechanisms, lost and unaccounted for gas, and weather normalization.

- *Fayetteville, SC* - Prepared a cost of service model for the medium-sized municipally owned electric utility. The project included recommendations related to rate design and alternative cost recovery mechanisms.
- *Union Gas* - Performed business and cost separation study for the Canadian gas utility which culminated in evidentiary hearings and evidence associated with the creation of a non-regulated subsidiary.

B. Alternative Regulation

Concentric consultants have been active participants in regulatory proceedings in recent years on innovative ratemaking approaches to address declining revenues, increased capital spending and inflationary impact on utility expenses; Concentric has testified on behalf of clients on matters related to revenue decoupling, capital spending recovery mechanisms, and inflation adjustment mechanisms. Concentric also has recent experience working with the utilities on incentive regulation programs/proposals. Concentric assisted these clients in designing price or revenue adjustment formulas, which are referred to in different jurisdictions by a variety of names, including Performance Based Ratemaking rate plans, Incentive Regulation rate plans, Alternative Rate Plans and Alternative Ratemaking Mechanisms. Below are examples of our innovative ratemaking and incentive regulation program experience.

- *FortisBC* – Concentric is currently working with FortisBC to develop a modified gas incentive program that responds to the requirements that the British Columbia Utilities Commission established¹, and concerns expressed by interveners. Concentric is serving as a resource both for the Company and the working group ordered by the Commission. Concentric will identify alternative gas supply mitigation incentive plan program features and present the results of the research and analysis to the client and the working group to facilitate discussion and identification of preferred program features. Concentric will develop expert evidence in support of the client's proposed program, respond to intervenor and staff interrogatories, and assist counsel with the review of intervenor evidence, developing interrogatories, and oral cross-examination of intervenor witnesses.
- *Enbridge Gas Distribution* – Concentric is providing Enbridge with the substantial evidence required to effectively support the Company's proposal for its next generation Incentive Regulation Plan ("IR Plan"). Enbridge's IR mechanism is a revenue per customer cap which uses a formula to set the annual allowable revenue, which in turn is used to set rates. We are capitalizing on lessons learned from the prior IR Plan, providing research on other plans adopted in North American jurisdictions, investigating and quantifying an appropriate "X Factor" for EGD's next plan, preparing expert evidence, assisting the Company with leading stakeholder discussions, responding to stakeholder issues, and providing the benefit of our substantial experience to EGD's team in support of this effort.
- *Xcel Energy* – Concentric assisted with the development and support of a multi-year rate ("MYR") plan for Xcel's Minnesota electric business. Concentric prepared a presentation

¹ BCUC requirements and intervenor concerns are included in a February 23, 2011 Order G-26-11

which depicts Xcel's proposed MYR for interveners and other market participants. Concentric also worked with the Company to research other utility MYR plans as well as alternative rate plans throughout the US.

- *TXU Corp* – Concentric conducted extensive research into various forms of performance based or alternative ratemaking, including price caps, revenue caps, earnings sharing mechanisms, various cost trackers, targeted incentives (e.g., service quality measures). Concentric prepared report which explained the purpose and functionality of the various measures. Concentric conducted a general nationwide survey of mechanisms that were in place at that time, summarizing and discussing such mechanisms in the report and then facilitated a multi-hour session with senior management to review report, educate the team regarding performance based rates (“PBR”), consider what form of PBR if any would be beneficial to TXU. The end result was the company decided not to pursue PBR at that time.
- *Confidential Client* – Concentric was retained by a confidential client to assess, on behalf of its senior executive team, the potential of various forms of alternative ratemaking, including performance based ratemaking. As part of this engagement, Concentric researched various alternative ratemaking mechanisms (“ARMS”) and PBRs adopted or considered across the U.S., developed possible ARMs or PBRs which might be considered by the client and, using a financial model and other tools developed by Concentric, assessed how these approaches would impact the client's rates, financials and regulatory strategy under various scenarios (e.g., declining per customer usage, recovery of anomalous investments). As part of this assignment, Concentric prepared and facilitated a strategic planning session with the client's senior executive team.
- *CenterPoint Energy Resources Corp* – Concentric provided expert testimony in connection with CenterPoint Energy's March 15, 2009 Performance Based Rate Change filing with the Oklahoma Corporation Commission.
- *Vermont Gas Systems Inc* – Concentric prepared a presentation regarding decoupling for the Strategy Subcommittee of Vermont Gas Systems Board of Directors in February 2009.
- *Vermont Department of Public Service and Vermont Gas Systems* – a Concentric project team member facilitated the development of an Alternative Regulation Plan with the Department of Public Service and Vermont Gas Systems providing research and advice leading to a rate proposal for the Vermont Public Service Board. The consultant conducted several workshops including utility staff and regulatory agencies to develop solutions satisfying both public policy and utility objectives. Research provided included: incentive rate programs in use across U.S. jurisdictions, estimation of productivity factors, earnings sharing mechanisms and, purchased gas adjustment mechanisms (including incentivized programs).
- *Fitchburg Gas & Electric* – Concentric designed a decoupling mechanism and a targeted capital spending recovery mechanism for Fitchburg Gas & Electric's ("FG&E") gas division and a decoupling mechanism and total capital spending recovery mechanism for FG&E's electric division. Concentric's testimony and supporting exhibits on these matters was filed with FG&E's rate case in January 2011.
- *Arkansas Oklahoma Gas Corp* – Concentric prepared and supported comments filed with the Arkansas Public Service Commission related to innovative approaches to rate base and rate of return regulation. Specifically, Concentric:

- Concentric also developed a partial revenue decoupling proposal supported by testimony to compliment the client's existing Weather Normalization Adjustment mechanism as part of a general rate case before the Arkansas PSC, a modified form of which was included in a settlement and subsequently approved by the Commission.
- *New England Gas Company* – Concentric designed a decoupling mechanism and a targeted capital spending recovery mechanism for New England Gas Company's 2010 rate increase case; in addition to testifying in support of these mechanisms, Concentric consultants also prepared and testified in support of an allocated cost of service study; a marginal cost of service study and proposed rate design.
- *Western Massachusetts Electric Company ("WMECO")* – Concentric designed a revenue decoupling mechanism, a targeted capital spending recovery mechanism and an inflation adjustment mechanism for WMECO's 2010 rate increase case. In addition to testifying in support of these mechanisms, Concentric consultants also prepared and testified in support of a marginal cost of service study.
- *Southern Connecticut Gas ("SCG")* – Concentric supported SCG with its proposed decoupling initiatives by (a) providing advice and recommendations; (b) preparing analysis to establish that decoupling mechanisms are warranted; (c) providing advice and analytical assistance in the development of enhanced conservation programs; and (d) providing advice and assistance related to the Company's requested return on equity. The decoupling support included extensive research on implementation of decoupling measures nationally.
- *National Grid Rhode Island* – Concentric provided advice and recommendations concerning decoupling mechanism alternatives and prepared testimony filed with the Rhode Island Public Utilities Commission that described and supported the decoupling proposals.
- *ISO New England* – A Concentric consultant was involved in the design and implementation of the forward capacity market and corresponding changes to the energy markets. Responsibilities included auction design and clearing, resource qualification, resource offers into the capacity, day-ahead and real-time energy markets. Provided training to market participants on during four day-long sessions on settlement of all purchases, sales and other market activity each month.
- *ISO New England* – Concentric has served in the role of outside market monitor in the qualification of resources for participation in the last five Forward Capacity Auctions. This assignment has included assessing, reporting and providing recommendations to accept bids to de-list as well as offers from new resources. The assessment of bids and offers involves determining the long run average costs and going forward costs for nuclear, coal, gas-fired, wind and biomass resources, and recommending acceptance or rejection to ISO-NE's internal market monitor.

C. Rate Design and Tariff Development

Examples of recent Concentric engagements for which we assisted our clients with matters related to rate design and tariff development are as follows:

- *Alliant Energy subsidiary, Interstate Power & Light's Minnesota electric operations* – Work included reconfiguring the Company's customer classes for cost of service purposes to collapse end-use based classes with the classes to which they would be eligible. Cost of service studies were performed on a before-and-after basis for the existing and proposed classes. Tariffs were restructured according to the new combined classes of service. Concentric performed a Time-of-Use analysis to determine the appropriate rate differentials for its Peak and Off-peak rates. Provided expert witness testimony on behalf of the client in a general rate case before the Minnesota Public Service Commission.
- *Western Massachusetts Electric Company* – Supported the electric utility with its decoupling proposal for the Company's general rate case. Work included: (1) research on the financial implications of decoupling; (2) identification of decoupling mechanism details to address company and regulatory requirements and objectives; (3) identification of rate adjustment mechanisms that would work together with the Company's proposed decoupling mechanism; (4) drafting tariffs and pre-filed testimony; and (5) testifying at hearings in support of the Company's decoupling and rate adjustment proposals. The proposed rate adjustment mechanisms included an inflation adjustment mechanism based on a statistical analysis, and a capital spending mechanism to recover the costs associated with capital plant investment targeted to improving service reliability.
- *Northern Indiana Public Service Company* - Prepared class cost of service study and rate re-design for both gas and electric tariff services, (2010). . Rate design was modernized to recover a greater portion of fixed costs via fixed monthly customer and demand based charges, a transition to a "Straight-Fixed Variable" form of rate design. Provided alternative rate designs for the electric service, including Time-of-Use rates and Critical Peak Pricing.
- *New England Gas Company* - Assisted in the preparation of periodic filings before the Massachusetts Department of Public Utilities. Assisted in the design and implementation of revenue decoupling and infrastructure replacement cost tracking tariffs.
- *Providence Gas Company and Valley Gas Company* - Performed cost of service and rate design studies integrating the rates and tariffs. Provided testimony on cost of service and proposed new rate designs and tariffs for the integrated company.
- *Boston Gas Company* - Responsible for the development, defense, implementation and administration of the rates and tariffs in rate cases and cost of gas adjustment filings.
- *United Gas Pipeline Company* - Responsible for all aspects of the Company's rate department, including cost-of-service allocation and rate design, certificates and analysis of other pipeline FERC filings. Represented the company and supported its positions through testimony and negotiations with regulatory agencies, customers and intervenors.
- *Consolidated Natural Gas Company* - Responsible for the development of cost-of-service, allocation and rate design studies and filings. Represented the company and supported its position in negotiations with regulatory agencies, customers and intervenors.

IV. Concentric Project Team

The primary project team will consist of Messrs. Michael Adams, David Heintz, John Taylor, and Joseph Weiss. Biographical summaries for the Concentric consultants are provided below for the

purpose of providing an indication of the types and levels of expertise that Concentric would use to complete this project.

Michael J. Adams, Senior Vice President, provides financial, regulatory, strategic, operational and litigation support to his energy clients. Mr. Adams has over thirty years of direct experience in the public utility industry. He has worked for an investor-owned utility, a regulatory agency, and most recently as a consultant to the utility industry. As a consultant, Mr. Adams has provided expert testimony or reports before the Arkansas Public Service Commission, the City of El Paso, Texas, the Federal Energy Regulatory Commission, the Hawaii Public Utility Commission, the Illinois Commerce Commission, the Maryland Public Service Commission, the Massachusetts Department of Telecommunications and Energy, the Missouri Public Service Commission, the New Hampshire Public Utilities Commission, the Oklahoma Corporation Commission, the Ontario Energy Board, the Pennsylvania Public Utility Commission, the Public Utilities Commission of Texas, and the State Corporation Commission of Virginia. Prior to joining Concentric, Mr. Adams was a Managing Director of Navigant Consulting, Inc. Mr. Adams is a Certified Public Accountant, a graduate of the Illinois College and holds an M.B.A. from the University of Illinois, Springfield.

David Heintz, Vice President, has over 25 years of experience working with regulated rates and tariffs at both the federal and state levels. He also provides clients with analyses of natural gas projects, markets and issues. Mr. Heintz's areas of expertise include cost of service, allocation and rate design, tariff terms and conditions, rate case preparation and regulatory issues.

John D. Taylor, Project Manager, joined Concentric in 2006. Mr. Taylor has supported projects involving financial analysis, regulatory support and strategy, market assessment, litigation support, and organizational and operations reviews. Mr. Taylor's work often involves providing support for regulatory proceedings by conducting various studies and analyses related to revenue requirements, affiliate transactions, class cost of service, and cash working capital studies. He also has experience in asset and corporate valuation, the application of real options analysis, and various risk management techniques. Mr. Taylor has also been involved in the sale of generating assets, supporting due diligence efforts and regulatory approval processes. He has filed testimony as an expert witness on class cost of service studies and on the appropriate use of statistical analysis during audit testing.

Joseph Weiss, Senior Consultant, has worked on projects involving revenue requirements, rate of return, and cost of service for gas and electric utilities. As a consultant, Mr. Weiss has provided support for filings with the Illinois Commerce Commission, the Missouri Public Service Commission, the Public Utility Commission of Texas, the Arkansas Public Service Commission, the Oklahoma Corporation Commission, the Indiana Utility Regulatory Commission, the Ontario Energy Board, and the Federal Energy Regulatory Commission. He has strong quantitative and research skills and experience in accounting issues. Prior to joining Concentric Energy Advisors, Mr. Weiss was a Consultant with Navigant Consulting, Inc. and has worked for a large Midwest investor-owned utility. Mr. Weiss received his Bachelor of Science in Business Administration with a major in Accounting and Finance from Saint Louis University.

In an effort to effectively control the costs associated with this assignment, Concentric's core team will draw upon our firm's resources (approximately 50 full-time employees) to assist with specific tasks under the guidance of the core team.

V. Proposed Budget

Fees for the services of Concentric on projects of this nature are based upon the time spent on the assignment by our professional staff at the established billing rates for the individuals involved. In addition to fees for services, expenses of professional staff (e.g., transportation, hotel, meals and telephone) while on assignment are billed to clients at our actual cost. Our not-to-exceed budget is based on our judgments of the time required by individuals to complete the required work tasks and our standard billing rates. In preparing our work plan and the costs of our work, we have assumed that the staff of Ameren will be significantly involved in providing to our team, on a timely basis, any data and information necessary to support our work effort.

Concentric's 2011 billing rates are set forth below.

Title	Hourly Billing Rate
Chairman and CEO	██████████
President	██████████
Senior Vice President	██████████
Vice President	██████████
Assistant Vice President	██████████
Senior Project Manager	██████████
Project Manager	██████████
Senior Consultant	██████████
Consultant	██████████
Assistant Consultant	██████████
Analyst	██████████
Associate	██████████
Project Assistant	██████████

Concentric will provide the work associated with Phases 1 through 3 for a not-to-exceed fee of ██████████. With regards to the preparation of the minimum filing requirements, Concentric will prepare the requirements for a not-to-exceed fee of ██████████. Concentric will provide the Company with monthly invoices detailing the professional fees billed and expenses incurred dedicated to each project during the prior month.

Given that Concentric has assisted the Company with numerous prior rate cases, the proposed budget reflects economies that other consultancies would not be able to deliver. Our proposed consultants have been involved in past proceedings and understand the issues and approaches that will likely be encountered in upcoming rate proceedings, and Concentric will be prepared to respond to the issues and approaches in a comprehensive and expedited manner.

VI. Expenses

In addition to fees for services, expenses of Concentric's staff (e.g., transportation, hotel, meals and telephone) while on assignment are billed to clients at our actual cost. It has been our experience that incurred expenses on projects of this nature typically amount to approximately ■ percent of the billed professional fees. Concentric will make every effort to control the level expenses throughout the project.

VII. Schedule

Concentric is prepared to commence work on this assignment immediately. We understand that, presuming the legislation becomes law, the Company expects to make a filing in December 2011.

VIII. Conclusion

Concentric has executed a Master Agreement with Ameren Corporation. If you are in agreement with the scope of work, schedule and proposed budget set forth herein, this letter proposal can serve as the Task Order under the existing Master Agreement.

Concentric looks forward to working with you during this assignment. If you have any questions related to this proposal, please do not hesitate to contact me via telephone at 217.836.9431 or via email at madams@ceadvisors.com.

Sincerely,
CONCENTRIC ENERGY ADVISORS, INC.



Michael J. Adams
Senior Vice President

CHRISTOPHER W. FLYNN

December 30, 2011

Mr. Edward C. Fitzhenry
Managing Associate General Counsel
Ameren Services Company
1901 Chouteau Avenue
P.O. Box 66149
St. Louis, Missouri 63166-6149

Dear Mr. Fitzhenry:

Thank you for retaining me to assist you in your upcoming Rate MAP-P filing. As we discussed, I am providing a detailed breakdown of my fee estimate of [REDACTED] for my work on that case. As we also discussed, I have revised my arrangement with Ameren Illinois Company such that I absorb all ordinary travel costs (air/train, hotel meals), and no amount for such disbursements is included in my estimate. The detailed breakdown is attached.

Sincerely,

Christopher W. Flynn



Enclosure

Cc: Mr. Stafford

Ms. Eaves

ESTIMATE OF LEGAL FEES FOR WORK PROVIDED IN CONNECTION WITH RATE MAP-P

All work will be billed at [REDACTED]/hour.

ACTIVITY	HOURS	COST
Statutory analysis, case strategy, testimony and exhibit development and review	[REDACTED]	[REDACTED]
Discovery: analyze requests, prepare objections, advise re response requirements, review draft responses, handle discovery disputes	[REDACTED]	[REDACTED]
Rebuttal and surrebuttal testimony: draft discovery, review responses, interview witnesses, outline draft testimony, review and comment on witness drafts	[REDACTED]	[REDACTED]
Evidentiary hearings: prepare witnesses for hearing, prepare cross-examination, participate in hearings	[REDACTED]	[REDACTED]
Post-hearing briefs: research and draft post hearing briefs, including initial and reply briefs, review ALJPO, and brief on exceptions and reply to exceptions; oral argument, if necessary	[REDACTED]	[REDACTED]
TOTAL	[REDACTED]	[REDACTED]

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October 19, 2011

Edward C. Fitzhenry, Esq.
Managing Associate General Counsel
Ameren Services Company
One Ameren Plaza
1901 Chouteau Avenue
P.O. Box 66149, MC 1310
St. Louis, MO 63166-6149

Re: Ameren Illinois Company
SB 1652 Engagement

Dear Ed:

This letter will confirm the terms and conditions in which Carpenter Lipps & Leland LLP (the "Firm") will represent Ameren Illinois Company ("AIC" or "Company") in proceedings before the Illinois Commerce Commission arising from Senate Bill 1652.

1. Our client is, and we are entering into an attorney client relationship only with, Ameren Illinois Company. Any representation of any person or entity other than the Ameren Illinois Company, such as a parent, subsidiary, or other direct or indirect affiliate, is excluded from this engagement.
2. The scope of this engagement encompasses (i) an initial filing under SB 1652 for approval of an infrastructure investment program and establishment of performance-based rates, and (ii) all subsequent proceedings relating thereto, including annual updates, reporting and compliance activities.
3. Our fees will be based upon the hourly billing rates charged by each lawyer and paralegal. I will be responsible for this engagement, and my billing rate for 2011 is [REDACTED] per hour. At various times work on this matter may be delegated to other lawyers within our Firm who bill at different rates. Our rates for attorneys currently range from [REDACTED] per hour for senior partners to [REDACTED] per hour for younger associates. We also may

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use paralegal personnel at a rate of [REDACTED] per hour if needed. Our fees are subject to change periodically, generally at the beginning of each calendar year. We will not increase fees without AIC's consent.

4. In addition to fees, we will be entitled to reimbursement for reasonable costs and expenses incurred in performing our services. These items may include messenger and delivery service, travel (including mileage, parking, airfare, lodging, meals and ground transportation), consultant fees and filing fees.
5. Fees and expenses will be billed monthly and are payable upon presentation. Our fee estimate for the initial SB 1652 filing is [REDACTED]. This estimate includes review and preparation of testimony, discovery, preparation and attendance at hearing, and post hearing briefing, exclusive of any appeals. Given the inherent uncertainty involved in rate case litigation, AIC acknowledges that our actual fees may be greater than or less than this estimate.

If these terms are acceptable, please sign this letter below and return it to me. We look forward to working with you.

Very truly yours,

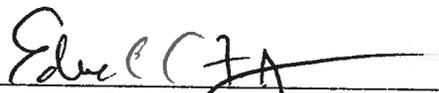


Mark A. Whitt

AGREED TO BY:

Ameren Illinois Utilities

By:



Edward C. Fitzhenry, Esq.
Managing Associate General Counsel

Dated: 10/19/11