

DIRECT TESTIMONY

of

BONITA A. PEARCE

Accounting Department  
Financial Analysis Division  
Illinois Commerce Commission

Proposed General Increase in Gas Rates

Ameren Illinois Company d/b/a Ameren Illinois

Docket No. 13-0192

June 11, 2013

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## SCHEDULES

SCHEDULE 4.01 – ADJUSTMENT TO REFLECT RENTAL REVENUES

SCHEDULE 4.02 – ADJUSTMENT TO ADVERTISING EXPENSE

SCHEDULE 4.03 - ADJUSTMENT TO OFFICE SUPPLIES EXPENSE (PUBLIC AND  
CONFIDENTIAL)

SCHEDULE 4.04 – ADJUSTMENT TO INDUSTRY DUES EXPENSE (PUBLIC AND  
CONFIDENTIAL)

SCHEDULE 4.05 – ADJUSTMENT TO REMOVE LOBBYING EXPENSE

## ATTACHMENTS

ATTACHMENT A – ANALYSIS OF ADVERTISING EXPENSES

ATTACHMENT B – RESPONSE TO DR BAP 10.02 ATTACH 1

1 **Witness Identification**

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

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

5

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

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

10

11 **Q. Please describe your background and professional affiliations.**

12 A. I am a licensed Certified Public Accountant with a Bachelor of Science in  
13 Accountancy from Illinois State University. Prior to joining the Staff of the  
14 Commission ("Staff") in March of 2001, I was engaged in the practice of  
15 public accounting for sixteen years. I returned to the practice of public  
16 accounting for a brief period in 2005, before returning to the Commission  
17 in 2006.

18

19 **Q. Have you previously testified before a regulatory body?**

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

21

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

23 A. The purpose of my testimony is to present the results of my review of the  
24 filings of Ameren Illinois Company (“AIC” or the “Company”) and the  
25 analysis of underlying data that include the following:

- 26 1. Propose adjustments to the Statement of Operating Income  
27 concerning rental revenues, advertising expenses, office supplies  
28 expenses, industry dues, and lobbying costs;
- 29 2. Recommend that the Company assess the impact of the divestiture  
30 of the merchant generating assets in the subsequent gas rate  
31 proceeding and for the Company to provide evidence in that  
32 proceeding that an effort was made to mitigate the costs of the  
33 transaction and the corresponding impact on AIC and its affiliates;
- 34 3. Recommend reporting requirements regarding costs allocated from  
35 Ameren Services Company (“AMS”) to AIC pursuant to the General  
36 Services Agreement (“GSA”) approved by the Commission in  
37 Docket No. 09-0234; and
- 38 4. Recommend that AIC provide electronic copies of all Federal  
39 Energy Regulatory Commission (“FERC”) orders resulting from a  
40 FERC audit of costs or procedures that are subject to allocation or  
41 direct assignment to AIC and any responses to FERC by AIC.

42

43 **Schedule and Attachment Identification**

44 **Q. Are you sponsoring any schedules or attachments as part of ICC**  
45 **Staff Exhibit 4.0?**

46 A. Yes. I prepared the following schedules that reflect data as of, or for the  
47 test year ending, December 31, 2014:

48 Schedule 4.01 - Adjustment to Reflect Rental Revenues

49 Schedule 4.02 - Adjustment to Advertising Expense

50 Schedule 4.03 - Adjustment to Office Supplies Expense (Public and  
51 Confidential)

52 Schedule 4.04 - Adjustment to Industry Dues Expense (Public and  
53 Confidential)

54

55 Schedule 4.05 - Adjustment to Remove Lobbying Expense

56

57 I also prepared the following attachments:

58 Attachment A – Analysis of Advertising Expenses

59 Attachment B – Response to DR BAP 10.02 Attach 1

60

61 **Q. Please explain the RZ suffixes that appear in your schedule and**  
62 **attachment numbers and references.**

63 A. These suffixes indicate the rate zone to which a particular schedule  
64 applies. RZ-1 indicates Rate Zone I, formerly AmerenCIPS; RZ-2  
65 indicates Rate Zone II, formerly AmerenCILCO; and RZ-3 indicates Rate  
66 Zone III, formerly AmerenIP. For example, Schedule 4.01 RZ-1 presents  
67 my Adjustment to Reflect Rental Revenues for Rate Zone I, which was  
68 formerly AmerenCIPS.

69

70 **Adjustment to Reflect Rental Revenues**

71 **Q. Please describe ICC Staff Exhibit 4.0, Schedule 4.01 Adjustment to**  
72 **Reflect Rental Revenues.**

73 A. ICC Staff Exhibit 4.0, Schedules 4.01 by rate zone present my adjustment  
74 to reflect half a year's rental revenues from Ameren Missouri in the test  
75 year revenue requirement for Ameren Missouri's use of the Enterprise  
76 Asset Management System ("EAMS") and the Mobile Work Management  
77 System ("MWMS"), as described in the Company's response to Staff data  
78 request ("DR") ENG 4.01.

79

80 **Q. What is the basis for your adjustment?**

81 A. The purpose of my adjustment is to reflect rental income that will be  
82 received from Ameren Missouri beginning January 2015 for use of the  
83 EAMS and MWMS that will be wholly owned by AIC. According to the  
84 Company's response to Staff DR ENG 4.02, none of these revenues are  
85 reflected in the schedules that support the filing for the 2014 test year  
86 rates in the instant proceeding. However, AIC estimates it will receive  
87 approximately \$772,000 per year on average from Ameren Missouri  
88 beginning in 2015 according to the Company's response to Staff DR ENG  
89 4.01. None of those revenues are reflected in the filing even though the  
90 costs of these projects are reflected in the 2014 rate base. Since AIC  
91 expects to receive about \$772,000 of rental revenue in 2015 and the  
92 associated costs are included in the test year rate base, I have included

93 the estimated rental income of \$772,000 as rental income in the test year.  
94 Without my adjustment, ratepayers will not receive the benefit of any of  
95 the \$772,000 rental income that AIC will collect from Ameren Missouri in  
96 2015 while paying for the cost of the projects in the 2014 rate base.

97

98 **Q. Has AIC reflected any other costs in the 2014 test year that relate to**  
99 **these two projects?**

100 A. Yes. The Company's response to Staff DR BAP 1.05 (d) provides:

101 At present, the current 2014 O & M assumptions for these projects  
102 include software maintenance fees and internal IT support at a cost  
103 of \$620,895 (which would be allocated 86% or \$533,970 to AIC and  
104 14% or \$86,925 to Ameren Missouri). In addition, this project has  
105 budgeted O & M dollars for training and contingency but there has  
106 not yet been a final determination of what labor resources will be  
107 used.

108 Since AIC included the O & M costs of this project in the 2014 test year  
109 filing, it is necessary to also include the corresponding revenues that  
110 would partially offset those costs. If the Commission does not accept my  
111 adjustment to reflect these additional rental revenues, I propose to remove  
112 from the 2014 test year those AIC costs for support of these projects as  
113 described in the Company response to BAP 1.05 (d), \$533,970 plus  
114 associated costs for training and contingency that require further  
115 quantification by the Company.

116

117 **Adjustment to Advertising Expense**

118 **Q. Please describe ICC Staff Exhibit 4.0, Schedule 4.02 Adjustment to**  
119 **Advertising Expense.**

120 A. ICC Staff Exhibit 4.0, Schedules 4.02 by rate zone reflect my adjustment  
121 to reduce the Company's forecasted 2014 advertising expense for  
122 amounts that are not recoverable in rates, either because the underlying  
123 costs 1) were previously disallowed by the Commission in Docket No. 12-  
124 0293; 2) are in excess of the two percent inflation factor applied to  
125 estimated 2012 and 2013 costs; or 3) in excess of a calculated four-year  
126 average of advertising expenses.

127 My adjustments are necessary because the Company's 2014 forecasted  
128 advertising expense appears unreasonable compared to the most recent  
129 actual 2012 expenses adjusted for the two percent inflation factor for 2013  
130 and 2014. The amount requested by AIC on Schedule C-8, \$1,757,000, is  
131 68% higher than the four-year average that I calculated of \$1,048,000  
132 (before adjustment to remove amounts previously disallowed by the  
133 Commission in Docket No. 12-0293).

134

135 **Q. Please explain the reduction of advertising costs that were**  
136 **previously disallowed by the Commission in Docket No. 12-0293.**

137 A. My adjustment reduces the 2014 forecasted advertising expense for 2011  
138 – 2012 costs previously disallowed by the Commission in Docket No. 12-  
139 0293,<sup>1</sup> as unsupported and/or unreasonable for rate recovery:

140 i) Payments to Strategic International Group (formerly Mercury  
141 Public Affairs), \$72,720;

142 ii) Charges to Ameren credit cards (formerly known as “P-cards”),  
143 \$3,229; and

144 iii) Sponsorships for which the Company received some type of  
145 benefit in return, such as meals or entertainment, \$24,400.

146

147 In order to remove these previously disallowed amounts from the test year  
148 forecast, I utilized the jurisdictional amounts from 2012 (identified by the  
149 Company in response to Staff DR BAP 6.02) and subtracted those  
150 amounts from the actual jurisdictional 2012 total advertising expense to  
151 obtain an adjusted jurisdictional expense balance for 2012.

152

153 **Q. Please explain the disallowance of advertising costs that are in**  
154 **excess of the two percent inflation factor applied to adjusted 2012**  
155 **and 2013 costs.**

156 A. My adjustment also removes the amount by which the 2014 forecast  
157 exceeds the 2 percent inflation factor applied by AIC to adjusted 2012 and  
158 2013 estimates.

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<sup>1</sup> Order, Docket No. 12-0293, December 5, 2012, pp. 62 – 77.

159

160 **Q. Please explain your alternative calculation of 2014 advertising**  
161 **expense using an adjusted four-year average of advertising**  
162 **expenses.**

163 A. I performed a similar analysis substituting a four-year average amount of  
164 expense in lieu of the 2012 actual expense.<sup>2</sup> Using the same  
165 methodology, I removed the previously disallowed amounts and inflated  
166 the result by 2% for 2013 and 2% for 2014. I compared my estimates  
167 based on the adjusted 2012 actual expense and based on the adjusted  
168 four-year average expense. I then concluded the Company's 2014  
169 forecasted expense was unsupported by the amount it exceeds the  
170 greater of these two estimates. Accordingly, my adjustment is based on  
171 the difference between the Company's 2014 forecasted expense and my  
172 2014 estimate which is based on escalation of the adjusted 2012 actual  
173 amount.

174

175 **Adjustment to Office Supplies Expense**

176 **Q. Please describe ICC Staff Exhibit 4.0, Schedule 4.03 Adjustment to**  
177 **Office Supplies Expense.**

178 A. ICC Staff Exhibit 4.0, Schedules 4.03 by rate zone reflect my adjustment  
179 to reduce office supplies expense for amounts that are not recoverable in

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<sup>2</sup> See Staff Exhibit 4.0, Attachment A for calculation of my four-year average. Note that a five-year average was also calculated, but is not used because the expense for 2008 appears to be an outlier.

180 rates, either because the underlying costs 1) represent sponsorships for  
181 which the Company received some benefit in exchange for the amount  
182 spent; 2) are not necessary for the provision of utility service; 3) represent  
183 lobbying costs which are prohibited from recovery in rates; or 4) exceed  
184 the 2014 estimate of costs that would be obtained by applying a 2%  
185 inflation factor to the adjusted 2012 and 2013 costs.

186 My adjustments are necessary because the Company's 2014 office  
187 supplies and expense forecast is unreasonable compared to the actual  
188 2012 expenses increased by the 2% inflation factor for 2013 and 2014  
189 after adjusting to remove utility services, revolving credit bank fees, and  
190 non-recoverable items. The amount requested by AIC on Schedule C-4,  
191 \$8,892,000, is 27% higher than the estimate that I calculated of  
192 \$6,991,000.<sup>3</sup>

193

194 **Q. Please explain why you reduced actual 2012 office supplies and**  
195 **expenses for charges related to utility services and revolving credit**  
196 **bank fees in deriving your estimate.**

197 A. My adjustment reduces the actual 2012 expense for those items that are  
198 not included in the Company's 2014 office supplies and expense forecast.  
199 Those items are utility services and revolving credit bank fees, according  
200 to the Company's response to Staff DR KC 2.01. Therefore, I reduced  
201 actual 2012 office supplies and expense for these costs to produce an

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<sup>3</sup> Staff Exhibit 4.0, Schedule 4.03, line 10 details this calculation.

202 expense amount that would contain the same types of expense as the  
203 Company's 2014 forecast; i.e., for comparability.

204

205 **Q. Please explain your rationale for removal of certain expenses that**  
206 **should not be recovered from ratepayers.**

207 A. Schedules 4.03, lines 11 through 17, describe certain expenses that  
208 appear not to be recoverable from ratepayers for the following reasons:

209 i) Amounts on lines 11 and 12 relate to a sponsorship similar to the type  
210 previously disallowed by the Commission in Docket No. 12-0293 because  
211 the Company received benefits in the form of meals, entertainment or  
212 recognition for the payment;

213 ii) Amounts on lines 15 and 16 were unsupported by copies of invoices or  
214 receipts; and

215 iii) The amount on line 17 constitutes lobbying expense, prohibited from  
216 recovery by law, as described in a separate section of this testimony.

217

218 **Q. Please explain the disallowance of the amount that exceeds the two**  
219 **percent inflation factor applied to adjusted 2012 and 2013 costs.**

220 A. My adjustment also removes the amount by which the 2014 forecast  
221 exceeds the 2 percent inflation factor applied by AIC to adjusted 2012 and  
222 2013 estimates.

223

224

225 **Adjustment to Industry Dues**

226 **Q. Please describe ICC Staff Exhibit 4.0, Schedule 4.04 Adjustment to**  
227 **Industry Dues.**

228 A. ICC Staff Exhibit 4.0, Schedules 4.04, Adjustment to Industry Dues by rate  
229 zone, present my adjustment to remove estimated costs that are not  
230 recoverable because the costs are unrelated to the provision of gas  
231 service or because the costs relate to lobbying activities.<sup>4</sup>

232 I calculated the proportionate percentage of these non-recoverable items  
233 to the total industry dues that were allocated to gas service in 2012 and  
234 applied that percentage to the 2014 forecast to remove similar non-  
235 recoverable items from the test year revenue requirement.

236

237 **Q. Please provide the rationale for the disallowance of costs that are**  
238 **unrelated to the provision of gas service.**

239 A. The costs for the membership to Edison Electric Institutes should not be  
240 reflected in gas rates because gas customers do not benefit from the  
241 Company's membership in the Edison Electric Institute. Additionally, the  
242 charges from Hunton & Williams LLP also appear to support the electric  
243 function. Therefore, gas customers do not receive any benefit from this  
244 service.

245

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<sup>4</sup> The Company's response to DR BAP 10.02 Attach 1 is provided in Attachment B to my direct testimony that contains a description of each charge.

246 **Q. Please provide the rationale for the disallowance of costs for**  
247 **lobbying activities.**

248 A. I am disallowing costs for American Gas Association and St. Louis Area  
249 Business Health Coalition because they represent lobbying activities.  
250 Such expenses are prohibited from recovery in utility rates, according to  
251 Section 9-224 of the Illinois Public Utilities Act (“Act”) (220 ILCS 5/9-224),  
252 which states:

253 The Commission shall not consider as an expense of any public  
254 utility company, for the purpose of determining any rate or charge,  
255 any amount expended for political activity or lobbying as defined in  
256 the “Lobbyist Registration Act”.  
257

258 Additionally, it appears that the Hunton & Williams LLP services should be  
259 disallowed not only because the costs relate to the electric function, but  
260 also because the costs may represent costs for lobbying activities.

261

262 **Adjustment to Remove Lobbying Expense**

263 **Q. Please describe ICC Staff Exhibit 4.0, Schedule 4.05 Adjustment to**  
264 **Remove Lobbying Expense.**

265 A. ICC Staff Exhibit 4.0, Schedules 4.05 Adjustment to Remove Lobbying  
266 Expense, by rate zone, presents the disallowance of estimated costs of  
267 lobbying expense from the test year forecast in conformance with Section  
268 9-224 of the Act, as previously quoted. My adjustment removes a portion  
269 of two employees’ salaries that relate to lobbying during 2012<sup>5</sup> and

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<sup>5</sup> Company’s response to Staff DR BAP 4.01(c)

270 reflects the two percent inflation factor applied to estimate amounts for  
271 2013 and 2014.

272

273 **Divestiture of Merchant Generating Assets**

274 **Q. Have you considered the potential impact that divestiture of the**  
275 **merchant generating assets might have on delivery service rates in**  
276 **the instant proceeding?**

277 A. Yes, I have. The transaction is not scheduled to occur before the fourth  
278 quarter of 2013, based on a 16-111(g) notice submitted to the  
279 Commission by the Company on May 6, 2013. Because the transaction is  
280 still speculative, it is not yet known whether it will occur or the full extent of  
281 its impacts when it does occur. Accordingly, I recommend that the  
282 Commission order the Company to assess the impact of the divestiture of  
283 the merchant generating assets in the subsequent gas rate proceeding  
284 and for the Company to provide evidence in that proceeding that an effort  
285 was made to mitigate the costs of the transaction and corresponding  
286 impact on AIC and its affiliates.

287

288 **Reporting Recommendations**

289 **Q. Do you have any reporting recommendations pursuant to the costs**  
290 **allocated to AIC from AMS pursuant to affiliate agreements approved**  
291 **by this Commission in Docket No. 09-0234?**

292 A. Yes. Based on my review of the costs allocated to AIC from AMS, I  
293 recommend the Commission include the following finding in the Order for  
294 this proceeding:

295

- 296 1. AIC will provide an electronic copy of its FERC Form 60 with the  
297 Manager of Accounting of the Commission on the day the FERC  
298 Form 60 is filed with FERC; and  
299  
300 2. AIC will notify the Manager of Accounting of the Commission within  
301 30 days of implementation of substantial changes to service  
302 company allocation factors.<sup>6</sup>  
303

304 **Q. Has the Commission reached similar conclusions in other dockets?**

305 A. Yes, the Commission has supported reporting requirements related to  
306 intercompany charges in Docket No. 05-0597 for Commonwealth Edison  
307 Company<sup>7</sup>.

308

309 **Q. Do you have any other recommendations for additional reporting**  
310 **requirements?**

311 A. Yes. The Commission should order AIC to provide electronic copies of all  
312 FERC orders resulting from a FERC audit of costs or procedures that are  
313 subject to allocation or direct assignment to AIC and any responses to  
314 FERC by AIC to the Manager of Accounting of the Commission.

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<sup>6</sup> A substantial change in the allocation basis for a function or a change in the calculation of the factor that results in an increase or decrease in AMS costs allocated to AIC by more than 5% or \$5 million, whichever is greater, relative to the prior calendar year.

<sup>7</sup> Order, Docket No. 05-0597, July 26, 2006, pp. 7 – 8.

315 **Other Comments**

316 **Q. Do you have any other comments?**

317 A. Yes. I reviewed charges made by AIC employees using the Ameren credit  
318 card (formerly called "P-card" purchases) in the course of my review of  
319 account 921, office supplies and expenses. I sent out Staff DR BAP 20.01  
320 on June 7, 2013 and am awaiting the Company's response to Staff DR BAP  
321 20.01 that specifically addresses credit card charges during certain months  
322 of 2012. Because this response is currently outstanding, I may propose  
323 further adjustments in supplemental direct testimony that may result from my  
324 review and analysis of this response.

325 Additionally, I received a quantity of detailed information from the Company in  
326 response to certain Staff DRs related to affiliate interest transactions and  
327 allocations. I am still in the process of reviewing this information; therefore, I  
328 may propose further adjustments in supplemental direct testimony to address  
329 this area after my review is complete.

330

331 **Conclusion**

332 **Q. Does this conclude your prepared direct testimony?**

333 A. Yes, it does.

Ameren Illinois Company - Rate Zone 1 (CIPS)  
 Adjustment To Reflect Rental Revenues  
 For the Test Year Ending December 31, 2014  
 (In Thousands)

Line No.	Description	Total AIC Gas Adjustment	RZ - 1 (CIPS) Amount	Source
(a)	(b)	(c)	(d)	(e)
<b>Operating Statement Adjustment:</b>		(In 000's)		
1	Rental Income per Staff calculation	\$ 772	\$ 173	Line 4 for col. (c); Line 1 (c) * Lline 5 (c) for col. (d)
2	Rental Income reflected in 2014 test year per AIC	-	-	Response to ENG 4.02
3	Staff Adjustment to Reflect Rental Revenues in 2014 test year	<u>\$ 772</u>	<u>\$ 173</u>	Line 1 minus line 2
<hr/>				
<b>Note 1. Rental income to be received from Ameren Missouri for J01HP and J01HZ projects (Enterprise Asset Management System and Mobile Work Management System):</b>				
4	Rental income to be received from Ameren Missouri during 2014 and 2015	\$ 772		Response to ENG 4.01
<hr/>				
Per WPC-8 RZ Allocation % (In 000's) Based on # of Customers Allocated Amount				
<b>Note 2. Allocation of Rental Revenues Using Number of Customers by Rate Zone:</b>				
5	AmerenCIPS - Rate Zone 1	22.3876%	\$ 173	Line 3 (c) multiplied by line 5 (c)
6	AmerenCILCO - Rate Zone 2	26.2551%	203	Line 3 (c) multiplied by line 6 (c)
7	AmerenIP - Rate Zone 3	51.3573%	396	Line 3 (c) multiplied by line 7 (c)
8	Total AIC Gas Adjustment per Staff	<u>100.0000%</u>	<u>\$ 772</u>	Sum of lines 5 through 7

Ameren Illinois Company - Rate Zone 1 (CIPS)  
 Adjustment To Advertising Expense  
 For the Test Year Ending December 31, 2014  
 (In Thousands)

Line No.	Description	Total AIC Gas Amount	RZ - 1 (CIPS) Amount	Source
(a)	(b)	(c)	(d)	(e)
<b>Operating Statement Adjustment:</b>		(In 000's)		
1	Advertising Expense per Staff calculation	\$ 759	\$ 170	Line 11 col. (c) / 1,000 for col. (c); line 1 col. (c) * line 19 col. (c) for col. (d)
2	Advertising Expense per Schedule C-8	1,757	393	Schedule C-8, line 6 for col. (c); line 2 * line 19, col. (c) for col. (d)
3	Staff Adjustment to Reduce Advertising Expense	\$ (998)	\$ (223)	Line 1 minus line 2
<b>Note 1. Staff Calculation of 2014 Forecasted Advertising Expense</b>		(In Whole Dollars)		
4	Account 909, Actual Expenses for 2012 - Informational and Instructional Advertising Expenses	\$ 703,460		Response to DR BAP 7.05 (a)
5	Account 930.1 Actual Expenses for 2012 - General Advertising Expenses	126,278		Response to DR BAP 7.06 (a)
Less: 2012 Expenses that were disallowed in Docket No. 12-0293:				
6	Strategic International Group (formerly Mercury Public Affairs)	(72,720)		Response to DR BAP 6.02
7	P-Card/Corporate Credit Card Expenses	(3,229)		Response to DR BAP 6.02
8	Sponsorships	(24,400)		Response to DR BAP 6.02
9	2012 Advertising Expense exclusive of comparable expenses disallowed in Docket No. 12-0293	729,389		Sum of lines 4 through 8
10	2013 Estimate based on Inflation Factor of 2 %	743,977		Line 9 multiplied by 1.02%
11	2014 Estimate based on Inflation Factor of 2%	\$ 758,856		Line 10 multiplied by 1.02%
<b>Note 2. 2014 Forecasted Advertising Expense Using Four-Year Average Instead of 2012 Actual</b>		(In Whole Dollars)		
12	Four-Year Average of Advertising Expenses for the Years 2009 through 2012 - Gas Portion	\$ 1,048,000		Staff Exhibit 4.0, Attachment A, line 9, col. (c)
Less: 2012 Expenses that were disallowed in Docket No. 12-0293:				
13	Strategic International Group (formerly Mercury Public Affairs)	(72,720)		Response to DR BAP 6.02
14	P-Card/Corporate Credit Card Expenses	(3,229)		Response to DR BAP 6.02
15	Sponsorships	(24,400)		Response to DR BAP 6.02
16	2012 Advertising Expense exclusive of comparable expenses disallowed in Docket No. 12-0293	947,651		Sum of lines 12 through 15
17	2013 Estimate based on Inflation Factor of 2 %	966,604		Line 16 multiplied by 1.02%
18	2014 Estimate based on Inflation Factor of 2%	\$ 985,936		Line 17 multiplied by 1.02%
<b>Note 3. Allocation of Staff's adjustment by Rate Zone:</b>		(In 000's)		
		Based on # of Customers	Allocated Amount By Rate Zone	Source of Column (d) Amounts
19	AmerenCIPS - Rate Zone 1	22.3876%	\$ (223)	Line 3, col. (c) multiplied by line 19, col. (c)
20	AmerenCILCO - Rate Zone 2	26.2551%	(262)	Line 3, col. (c) multiplied by line 20, col. (c)
21	AmerenIP - Rate Zone 3	51.3573%	(513)	Line 3, col. (c) multiplied by line 21, col. (c)
22	Total AIC Gas Adjustment per Staff	100.0000%	\$ (998)	Sum of lines 19 through 21

Ameren Illinois Company - Rate Zone 1 (CIPS)  
 Adjustment To Office Supplies Expense (PUBLIC)  
 For the Test Year Ending December 31, 2014  
 (In Thousands)

Line No.	Description	Total AIC Gas Amount	RZ - 1 (CIPS) Amount	Source
(a)	(b)	(c)	(d)	(e)
<b>Operating Statement Adjustment:</b>				
		(In 000's)		
1	Account 921 - Office Supplies and Expenses per Staff calculation	\$ 6,991	\$ 1,565	Line 10 col. (c) / 1,000 for col. (c); line 1 col. (c) * line 19 col. (c) for col. (d)
2	Account 921 - Office Supplies and Expenses per Company	8,892	1,991	Schedule C-4, p. 4, line 135 (G) for col. (c); line 2 * line 19 col. (c) for col. (d)
3	Staff Adjustment to Reduce Office Supplies and Expenses	<u>\$ (1,901)</u>	<u>\$ (426)</u>	Line 1 minus line 2

**Note 1. Staff Calculation of 2014 Forecasted Office Supplies Expense**

		(In Whole Dollars)	
4	Account 921, Actual Expenses for 2012 - Office Supplies and Expenses	\$ 9,903,972	Response to KC 2.01 (b)
Less 2012 Expenses that were excluded from this account for the 2013 and 2014 forecast:			
5	Utility Services	(1,103,876)	Per response to DR BAP 19.01
6	Revolving Credit Bank Fees	(1,865,499)	Per response to DR BAP 19.01
7	Less 2012 Expenses that are not recoverable from ratepayers	<u>(215,237)</u>	See Note 2., line 18
8	2012 Office Supplies and Expenses exclusive of utility services and revolving credit bank fees	\$ 6,719,360	Sum of lines 4 through 7
9	2013 Estimate based on Inflation Factor of 2 %	\$ 6,853,747	Line 8 multiplied by 1.02%
10	2014 Estimate based on Inflation Factor of 2%	\$ 6,990,822	Line 9 multiplied by 1.02%

**Note 2. 2012 Account 921 Charges that are not recoverable from ratepayers:**

		(In Whole Dollars)	(Reflected Separately On Line 6)	
11				See response to DR BAP 9.02, Attach 2, page 7 of 36
12				See response to DR BAP 9.02, Attach 2, page 7 of 36
13				See response to DR BAP 9.02, Attach 2, page 10 of 36
14				See response to DR BAP 9.05, Attach 1, page 1 of 6
15				See response to DR BAP 9.05, Attach 1, page 2 of 6
16				See response to DR BAP 9.05, Attach 1, page 5 of 6
17				See response to DR BAP 9.06, Attach 1, pp. 15-16 of 16
18	Total Charges Not Recoverable from Ratepayers	<u>\$ 215,237</u>	<u>\$ 508,122</u>	Sum of lines 11 through 17

**Note 3. Allocation of Staff's adjustment by Rate Zone:**

		Per WPC-8 RZ		
		Allocation %	(In 000's)	
		Based on # of Customers	Allocated Amount	Source of Column (d) Amounts
			By Rate Zone	
19	AmerenCIPS - Rate Zone 1	22.3876%	\$ (426)	Line 19, col. (c) multiplied by line 3, col. (c)
20	AmerenCILCO - Rate Zone 2	26.2551%	(499)	Line 20, col. (c) multiplied by line 3, col. (c)
21	AmerenIP - Rate Zone 3	51.3573%	(976)	Line 21, col. (c) multiplied by line 3, col. (c)
22	Total AIC Gas Adjustment per Staff	<u>100.0000%</u>	<u>\$ (1,901)</u>	Sum of lines 19 through 21

**Note 4.**

CONFIDENTIAL information redacted.

Ameren Illinois Company - Rate Zone 1 (CIPS)  
 Adjustment To Industry Dues Expense (PUBLIC)  
 For the Test Year Ending December 31, 2014  
 (In Thousands)

Line No.	Description	Total AIC Gas Amount	RZ - 1 (CIPS) Amount	Source
(a)	(b)	(c)	(d)	(e)
<b>Operating Statement Adjustment:</b>				
			(In 000's)	
1	Industry Association Dues Expense per Staff calculation	\$ 114	\$ 26	Line 2 minus line 7 for column (c); line 1 (c) * line 15 (c) for column (d)
2	Industry Association Dues Expense per Company	121	28	Schedule C-6.1 line 21 for col. (c); line 2 (c) * line 15 (c) for col. (d)
3	Staff Adjustment to Reduce Industry Association Dues Expense	<u>\$ (7)</u>	<u>\$ (2)</u>	Line 1 minus line 2

**Note 1. Staff Calculation of 2014 Forecasted Industry Dues Expense**

(In Whole Dollars)

4	2014 Industry Dues	\$ 121,109	Schedule C-6.1, line 21, column (l)
5	Estimated Percentage of dues that are not recoverable from ratepayers	5.64%	See Note 2., line 14
6	2014 Industry Dues Expense estimated to be non-recoverable amounts	<u>\$ 6,834</u>	Line 4 multiplied by line 5
7	Staff adjustment to disallow non-recoverable dues, rounded to the nearest thousand dollars	<u>\$ 7</u>	Line 6 divided by \$1,000

**Note 2. 2012 Industry Dues that are not recoverable from ratepayers:**

8			ATT. B - Response to DR BAP 10.02 Attach 1 and DR BAP 10.02 Attach 2
9			ATT. B - Response to DR BAP 10.02 Attach 1 and DR BAP 10.02 Attach 2
10			ATT. B - Response to DR BAP 10.02 Attach 1 and DR BAP 10.02 Attach 2
11			ATT. B - Response to DR BAP 10.02 Attach 1 and DR BAP 10.02 Attach 2
12	Total Charges	\$ 20,976	Sum of lines 8 through 11
13	2012 Industry Dues > \$5,000 individually, Total of Amounts Allocated to Gas	\$ 371,737	ATT. B - Response to DR BAP 10.02 Attach 1, pp. 3 and 4
14	Portion of 2012 Industry Dues > \$5,000 deemed unrecoverable from ratepayers	5.64%	Line 12 divided by line 13

Per WPC-8 RZ  
 Allocation % (In 000's)  
 Based on # of Customers Allocated Amount  
 By Rate Zone

**Note 3. Allocation of Staff's adjustment by Rate Zone:**

	Allocation %	Allocated Amount	Source of Column (d) Amounts
15	AmerenCIPS - Rate Zone 1	22.3876%	(2) Line 15, col. (c) multiplied by line 3, col. (c)
16	AmerenCILCO - Rate Zone 2	26.2551%	(2) Line 16, col. (c) multiplied by line 3, col. (c)
17	AmerenIP - Rate Zone 3	51.3573%	(3) Line 17, col. (c) multiplied by line 3, col. (c)
18	Total AIC Gas Adjustment per Staff	<u>100.0000%</u>	<u>(7) Sum of lines 15 through 17</u>

**Note 4.**

CONFIDENTIAL information redacted.

Ameren Illinois Company - Rate Zone 1 (CIPS)  
 Adjustment To Remove Lobbying Expense  
 For the Test Year Ending December 31, 2014  
 (In Thousands)

Line No.	Description	Total AIC Gas Amount	RZ - 1 (CIPS) Amount	Source
(a)	(b)	(c)	(d)	(e)
		(In 000's)		
1	Lobbying Expense per Staff	\$ -	\$ -	ICC Staff Exhibit 4.0
2	Lobbying Expense included in gas operating expenses	11	2	Line 6 for col. (c); line 2 (c) * line 7 (c) for col. (d)
3	Staff Adjustment to Remove Lobbying Expense	\$ (11)	\$ (2)	Line 1 minus line 2

**Note 1. Staff disallowance of costs for lobbying**

(In Whole Dollars)

Costs included in gas operating expenses during 2012:			
4	Costs of two individuals' time spend lobbying during 2012, not recorded in Account 426	\$ 10,568	Response to DR BAP 4.01 (c)
5	Escalation to 2014 test year forecast using the Company's 2% inflation factor each year	10,995	Line 4 escalated 2% for 2013 and 2% for 2014
6	Estimated amount reflected in 2014 test year forecast based on prior years' actual costs - in 000's	11	Line 5 rounded to nearest thousand

**Note 2. Allocation of Staff's adjustment by Rate Zone:**

Per WPC-8 RZ		(In 000's)		Source of Column (d) Amounts
Allocation %	Based on # of Customers	Allocated Amount	By Rate Zone	
7	AmerenCIPS - Rate Zone 1	22.3876%		(2) Line 7, col. (c) multiplied by line 3, col. (c)
8	AmerenCILCO - Rate Zone 2	26.2551%	\$	(3) Line 8, col. (c) multiplied by line 3, col. (c)
9	AmerenIP - Rate Zone 3	51.3573%		(6) Line 9, col. (c) multiplied by line 3, col. (c)
10	Total AIC Gas Adjustment per Staff	100.0000%	\$	(11) Sum of lines 7 through 9

Ameren Illinois Company - Rate Zone 2 (CILCO)  
 Adjustment To Reflect Rental Revenues  
 For the Test Year Ending December 31, 2014  
 (In Thousands)

Line No.	Description	Total AIC Gas Adjustment	RZ - 2 (CILCO) Amount	Source
(a)	(b)	(c)	(d)	(e)
<b>Operating Statement Adjustment:</b>		(In 000's)		
1	Rental Income per Staff calculation	\$ 772	\$ 203	Line 4 for col. (c); Line 1 (c) * Lline 6 (c) for col. (d)
2	Rental Income reflected in 2014 test year per AIC	-	-	Response to ENG 4.02
3	Staff Adjustment to Reflect Rental Revenues in 2014 test year	<u>\$ 772</u>	<u>\$ 203</u>	Line 1 minus line 2
<hr/>				
<b>Note 1. Rental income to be received from Ameren Missouri for J01HP and J01HZ projects (Enterprise Asset Management System and Mobile Work Management System):</b>				
4	Rental income to be received from Ameren Missouri during 2014 and 2015	\$ 772		Response to ENG 4.01
Per WPC-8 RZ Allocation % (In 000's) Based on # of Customers Allocated Amount				
<hr/>				
<b>Note 2. Allocation of Rental Revenues Using Number of Customers by Rate Zone:</b>				
5	AmerenCIPS - Rate Zone 1	22.3876%	\$ 173	Line 3 (c) multiplied by line 5 (c)
6	AmerenCILCO - Rate Zone 2	26.2551%	203	Line 3 (c) multiplied by line 6 (c)
7	AmerenIP - Rate Zone 3	51.3573%	396	Line 3 (c) multiplied by line 7 (c)
8	Total AIC Gas Adjustment per Staff	<u>100.0000%</u>	<u>\$ 772</u>	Sum of lines 5 through 7

Ameren Illinois Company - Rate Zone 2 (CILCO)  
 Adjustment To Advertising Expense  
 For the Test Year Ending December 31, 2014  
 (In Thousands)

Line No.	Description	Total AIC Gas Amount	RZ - 2 (CILCO) Amount	Source
(a)	(b)	(c)	(d)	(e)
<b>Operating Statement Adjustment:</b>				
(In 000's)				
1	Advertising Expense per Staff calculation	\$ 759	\$ 199	Line 11 col. (c) / 1,000 for col. (c); line 1 col. (c) * line 20 col. (c) for col. (d)
2	Advertising Expense per Schedule C-8	1,757	461	Schedule C-8, line 6 for col. (c); line 2 * line 20, col. (c) for col. (d)
3	Staff Adjustment to Reduce Advertising Expense	\$ (998)	\$ (262)	Line 1 minus line 2
<b>Note 1. Staff Calculation of 2014 Forecasted Advertising Expense</b>				
(In Whole Dollars)				
4	Account 909, Actual Expenses for 2012 - Informational and Instructional Advertising Expenses	\$ 703,460		Response to DR BAP 7.05 (a)
5	Account 930.1 Actual Expenses for 2012 - General Advertising Expenses	126,278		Response to DR BAP 7.06 (a)
Less: 2012 Expenses that were disallowed in Docket No. 12-0293:				
6	Strategic International Group (formerly Mercury Public Affairs)	(72,720)		Response to DR BAP 6.02
7	P-Card/Corporate Credit Card Expenses	(3,229)		Response to DR BAP 6.02
8	Sponsorships	(24,400)		Response to DR BAP 6.02
9	2012 Advertising Expense exclusive of comparable expenses disallowed in Docket No. 12-0293	729,389		Sum of lines 4 through 8
10	2013 Estimate based on Inflation Factor of 2 %	743,977		Line 9 multiplied by 1.02%
11	2014 Estimate based on Inflation Factor of 2%	\$ 758,856		Line 10 multiplied by 1.02%
<b>Note 2. 2014 Forecasted Advertising Expense Using Four-Year Average Instead of 2012 Actual</b>				
(In Whole Dollars)				
12	Four-Year Average of Advertising Expenses for the Years 2009 through 2012 - Gas Portion	\$ 1,048,000		Staff Exhibit 4.0, Attachment A, line 9, col. (c)
Less: 2012 Expenses that were disallowed in Docket No. 12-0293:				
13	Strategic International Group (formerly Mercury Public Affairs)	(72,720)		Response to DR BAP 6.02
14	P-Card/Corporate Credit Card Expenses	(3,229)		Response to DR BAP 6.02
15	Sponsorships	(24,400)		Response to DR BAP 6.02
16	2012 Advertising Expense exclusive of comparable expenses disallowed in Docket No. 12-0293	947,651		Sum of lines 12 through 15
17	2013 Estimate based on Inflation Factor of 2 %	966,604		Line 16 multiplied by 1.02%
18	2014 Estimate based on Inflation Factor of 2%	\$ 985,936		Line 17 multiplied by 1.02%
(In 000's)				
<b>Note 3. Allocation of Staff's adjustment by Rate Zone:</b>				
		Based on # of Customers	Allocated Amount By Rate Zone	Source of Column (d) Amounts
19	AmerenCIPS - Rate Zone 1	22.3876%	\$ (223)	Line 3, col. (c) multiplied by line 19, col. (c)
20	AmerenCILCO - Rate Zone 2	26.2551%	(262)	Line 3, col. (c) multiplied by line 20, col. (c)
21	AmerenIP - Rate Zone 3	51.3573%	(513)	Line 3, col. (c) multiplied by line 21, col. (c)
22	Total AIC Gas Adjustment per Staff	100.0000%	\$ (998)	Sum of lines 19 through 21

Ameren Illinois Company - Rate Zone 2 (CILCO)  
 Adjustment To Office Supplies Expense (PUBLIC)  
 For the Test Year Ending December 31, 2014  
 (In Thousands)

Line No.	Description	Total AIC Gas Amount	RZ - 2 (CILCO) Amount	Source
(a)	(b)			
<b>Operating Statement Adjustment:</b>		(In 000's)		
1	Account 921 - Office Supplies and Expenses per Staff calculation	\$ 6,991	\$ 1,835	Line 10 col. (c) / 1,000 for col. (c); line 1 col. (c) * line 20 col. (c) for col. (d)
2	Account 921 - Office Supplies and Expenses per Company	8,892	2,335	Schedule C-4, p. 4, line135 (G) for col. (c); line 2 * line 20 col. (c) for col. (d)
3	Staff Adjustment to Reduce Office Supplies and Expenses	<u>(1,901)</u>	<u>(499)</u>	Line 1 minus line 2

**Note 1. Staff Calculation of 2014 Forecasted Office Supplies Expense**

		(In Whole Dollars)	
4	Account 921, Actual Expenses for 2012 - Office Supplies and Expenses	\$ 9,903,972	Response to KC 2.01 (b)
Less 2012 Expenses that were excluded from this account for the 2013 and 2014 forecast:			
5	Utility Services	(1,103,876)	Per response to DR BAP 19.01
6	Revolving Credit Bank Fees	(1,865,499)	Per response to DR BAP 19.01
7	Less 2012 Expenses that are not recoverable from ratepayers	<u>(215,237)</u>	See Note 2., line 18
8	2012 Office Supplies and Expenses exclusive of utility services and revolving credit bank fees	\$ 6,719,360	Sum of lines 4 through 7
9	2013 Estimate based on Inflation Factor of 2 %	\$ 6,853,747	Line 8 multiplied by 1.02%
10	2014 Estimate based on Inflation Factor of 2%	\$ 6,990,822	Line 9 multiplied by 1.02%

**Note 2. 2012 Account 921 Charges that are not recoverable from ratepayers:**

		(In Whole Dollars)	(Reflected Separately On Line 6)	
11				See response to DR BAP 9.02, Attach 2, page 7 of 36
12				See response to DR BAP 9.02, Attach 2, page 7 of 36
13				See response to DR BAP 9.02, Attach 2, page 10 of 36
14				See response to DR BAP 9.05, Attach 1, page 1 of 6
15				See response to DR BAP 9.05, Attach 1, page 2 of 6
16				See response to DR BAP 9.05, Attach 1, page 5 of 6
17				See response to DR BAP 9.06, Attach 1, pp. 15-16 of 16
18	Total Charges Not Recoverable from Ratepayers	<u>\$ 215,237</u>	<u>\$ 508,122</u>	Sum of lines 11 through 17

**Note 3. Allocation of Staff's adjustment by Rate Zone:**

		Per WPC-8 RZ		
		Allocation %	(In 000's)	
		Based on # of Customers	Allocated Amount	Source of Column (d) Amounts
			By Rate Zone	
19	AmerenCIPS - Rate Zone 1	22.3876%	\$ (426)	Line 19, col. (c) multiplied by line 3, col. (c)
20	AmerenCILCO - Rate Zone 2	26.2551%	(499)	Line 20, col. (c) multiplied by line 3, col. (c)
21	AmerenIP - Rate Zone 3	51.3573%	(976)	Line 21, col. (c) multiplied by line 3, col. (c)
22	Total AIC Gas Adjustment per Staff	<u>100.0000%</u>	<u>\$ (1,901)</u>	Sum of lines 19 through 21

**Note 4.**  
 CONFIDENTIAL information redacted.

Ameren Illinois Company - Rate Zone 2 (CILCO)  
 Adjustment To Industry Dues Expense (PUBLIC)  
 For the Test Year Ending December 31, 2014  
 (In Thousands)

Line No.	Description	Total AIC Gas Amount	RZ - 2 (CILCO) Amount	Source
(a)	(b)	(c)	(d)	(e)
<b>Operating Statement Adjustment:</b>				
			(In 000's)	
1	Industry Association Dues Expense per Staff calculation	\$ 114	\$ 30	Line 2 minus line 7 for column (c); line 1 (c) * line 16 (c) for column (d)
2	Industry Association Dues Expense per Company	121	33	Schedule C-6.1 line 21 for col. (c); line 2 (c) * line 16 (c) for col. (d)
3	Staff Adjustment to Reduce Industry Association Dues Expense	<u>\$ (7)</u>	<u>\$ (2)</u>	Line 1 minus line 2

**Note 1. Staff Calculation of 2014 Forecasted Industry Dues Expense**

(In Whole Dollars)

4	2014 Industry Dues	\$ 121,109	Schedule C-6.1, line 21, column (l)
5	Estimated Percentage of dues that are not recoverable from ratepayers	5.64%	See Note 2., line 14
6	2014 Industry Dues Expense estimated to be non-recoverable amounts	<u>\$ 6,834</u>	Line 4 multiplied by line 5
7	Staff adjustment to disallow non-recoverable dues, rounded to the nearest thousand dollars	<u>\$ 7</u>	Line 6 divided by \$1,000

**Note 2. 2012 Industry Dues that are not recoverable from ratepayers:**

8			ATT. B - Response to DR BAP 10.02 Attach 1 and DR BAP 10.02 Attach 2
9			ATT. B - Response to DR BAP 10.02 Attach 1 and DR BAP 10.02 Attach 2
10			ATT. B - Response to DR BAP 10.02 Attach 1 and DR BAP 10.02 Attach 2
11			ATT. B - Response to DR BAP 10.02 Attach 1 and DR BAP 10.02 Attach 2
12	Total Charges	\$ 20,976	Sum of lines 8 through 11
13	2012 Industry Dues > \$5,000 individually, Total of Amounts Allocated to Gas	\$ 371,737	ATT. B - Response to DR BAP 10.02 Attach 1, pp. 3 and 4
14	Portion of 2012 Industry Dues > \$5,000 deemed unrecoverable from ratepayers	5.64%	Line 12 divided by line 13

Per WPC-8 RZ  
 Allocation % (In 000's)  
 Based on # of Customers Allocated Amount  
 By Rate Zone

**Note 3. Allocation of Staff's adjustment by Rate Zone:**

	Allocation %	Allocated Amount	Source of Column (d) Amounts
15	AmerenCIPS - Rate Zone 1	22.3876%	(2) Line 15, col. (c) multiplied by line 3, col. (c)
16	AmerenCILCO - Rate Zone 2	26.2551%	(2) Line 16, col. (c) multiplied by line 3, col. (c)
17	AmerenIP - Rate Zone 3	51.3573%	(3) Line 17, col. (c) multiplied by line 3, col. (c)
18	Total AIC Gas Adjustment per Staff	<u>100.0000%</u>	<u>(7)</u> Sum of lines 15 through 17

**Note 4.**

CONFIDENTIAL information redacted.

Ameren Illinois Company - Rate Zone 2 (CILCO)  
 Adjustment To Remove Lobbying Expense  
 For the Test Year Ending December 31, 2014  
 (In Thousands)

Line No.	Description	Total AIC Gas Amount	RZ - 2 (CILCO) Amount	Source
(a)	(b)	(c)	(d)	(e)
		(In 000's)		
1	Lobbying Expense per Staff	\$ -	\$ -	ICC Staff Exhibit 4.0
2	Lobbying Expense included in gas operating expenses	11	3	Line 6 for col. (c); line 2 (c) * line 8 (c) for col. (d)
3	Staff Adjustment to Remove Lobbying Expense	<u>\$ (11)</u>	<u>\$ (3)</u>	Line 1 minus line 2

**Note 1. Staff disallowance of costs for lobbying**

(In Whole Dollars)

Costs included in gas operating expenses during 2012:			
4	Costs of two individuals' time spend lobbying during 2012, not recorded in Account 426	\$ 10,568	Response to DR BAP 4.01 (c)
5	Escalation to 2014 test year forecast using the Company's 2% inflation factor each year	10,995	Line 4 escalated 2% for 2013 and 2% for 2014
6	Estimated amount reflected in 2014 test year forecast based on prior years' actual costs - in 000's	11	Line 5 rounded to nearest thousand

**Note 2. Allocation of Staff's adjustment by Rate Zone:**

Per WPC-8 RZ		(In 000's)		Source of Column (d) Amounts
Allocation %	Based on # of Customers	Allocated Amount	By Rate Zone	
22.3876%				(2) Line 7, col. (c) multiplied by line 3, col. (c)
26.2551%	\$			(3) Line 8, col. (c) multiplied by line 3, col. (c)
51.3573%				(6) Line 9, col. (c) multiplied by line 3, col. (c)
100.0000%	\$		(11)	Lines 7 through 9

Ameren Illinois Company - Rate Zone 3 (IP)  
 Adjustment To Reflect Rental Revenues  
 For the Test Year Ending December 31, 2014  
 (In Thousands)

Line No.	Description	Total AIC Gas Adjustment	RZ - 3 (IP) Amount	Source
(a)	(b)	(c)	(d)	(e)
<b>Operating Statement Adjustment:</b>		(In 000's)		
1	Rental Income per Staff calculation	\$ 772	\$ 396	Line 4 for col. (c); Line 1 (c) * Lline 7 (c) for col. (d)
2	Rental Income reflected in 2014 test year per AIC	-	-	Response to ENG 4.02
3	Staff Adjustment to Reflect Rental Revenues in 2014 test year	<u>\$ 772</u>	<u>\$ 396</u>	Line 1 minus line 2
<b>Note 1. Rental income to be received from Ameren Missouri for J01HP and J01HZ projects (Enterprise Asset Management System and Mobile Work Management System):</b>				
4	Rental income to be received from Ameren Missouri during 2014 and 2015	\$ 772		Response to ENG 4.01
Per WPC-8 RZ Allocation % (In 000's) Based on # of Customers Allocated Amount				
<b>Note 2. Allocation of Rental Revenues Using Number of Customers by Rate Zone:</b>				
5	AmerenCIPS - Rate Zone 1	22.3876%	\$ 173	Line 3 (c) multiplied by line 5 (c)
6	AmerenCILCO - Rate Zone 2	26.2551%	203	Line 3 (c) multiplied by line 6 (c)
7	AmerenIP - Rate Zone 3	51.3573%	396	Line 3 (c) multiplied by line 7 (c)
8	Total AIC Gas Adjustment per Staff	<u>100.0000%</u>	<u>\$ 772</u>	Sum of lines 5 through 7

Ameren Illinois Company - Rate Zone 3 (IP)  
 Adjustment To Advertising Expense  
 For the Test Year Ending December 31, 2014  
 (In Thousands)

Line No.	Description	Total AIC Gas Amount	RZ - 3 (IP) Amount	Source
(a)	(b)	(c)	(d)	(e)
<b>Operating Statement Adjustment:</b>				
		(In 000's)		
1	Advertising Expense per Staff calculation	\$ 759	\$ 390	Line 11 col. (c) / 1,000 for col. (c); line 1 col. (c) * line 21 col. (c) for col. (d)
2	Advertising Expense per Schedule C-8	1,757	902	Schedule C-8, line 6 for col. (c); line 2 * line 21, col. (c) for col. (d)
3	Staff Adjustment to Reduce Advertising Expense	\$ (998)	\$ (513)	Line 1 minus line 2
<b>Note 1. Staff Calculation of 2014 Forecasted Advertising Expense</b>				
		(In Whole Dollars)		
4	Account 909, Actual Expenses for 2012 - Informational and Instructional Advertising Expenses	\$ 703,460		Response to DR BAP 7.05 (a)
5	Account 930.1 Actual Expenses for 2012 - General Advertising Expenses	126,278		Response to DR BAP 7.06 (a)
Less: 2012 Expenses that were disallowed in Docket No. 12-0293:				
6	Strategic International Group (formerly Mercury Public Affairs)	(72,720)		Response to DR BAP 6.02
7	P-Card/Corporate Credit Card Expenses	(3,229)		Response to DR BAP 6.02
8	Sponsorships	(24,400)		Response to DR BAP 6.02
9	2012 Advertising Expense exclusive of comparable expenses disallowed in Docket No. 12-0293	729,389		Sum of lines 4 through 8
10	2013 Estimate based on Inflation Factor of 2 %	743,977		Line 9 multiplied by 1.02%
11	2014 Estimate based on Inflation Factor of 2%	\$ 758,856		Line 10 multiplied by 1.02%
<b>Note 2. 2014 Forecasted Advertising Expense Using Four-Year Average Instead of 2012 Actual</b>				
		(In Whole Dollars)		
12	Four-Year Average of Advertising Expenses for the Years 2009 through 2012 - Gas Portion	\$ 1,048,000		Staff Exhibit 4.0, Attachment A, line 9, col. (c)
Less: 2012 Expenses that were disallowed in Docket No. 12-0293:				
13	Strategic International Group (formerly Mercury Public Affairs)	(72,720)		Response to DR BAP 6.02
14	P-Card/Corporate Credit Card Expenses	(3,229)		Response to DR BAP 6.02
15	Sponsorships	(24,400)		Response to DR BAP 6.02
16	2012 Advertising Expense exclusive of comparable expenses disallowed in Docket No. 12-0293	947,651		Sum of lines 12 through 15
17	2013 Estimate based on Inflation Factor of 2 %	966,604		Line 18 multiplied by 1.02%
18	2014 Estimate based on Inflation Factor of 2%	\$ 985,936		Line 19 multiplied by 1.02%
<b>Note 3. Allocation of Staff's adjustment by Rate Zone:</b>				
		(In 000's)		
		Based on # of Customers	Allocated Amount By Rate Zone	Source of Column (d) Amounts
19	AmerenCIPS - Rate Zone 1	22.3876%	\$ (223)	Line 3, col. (c) multiplied by line 19, col. (c)
20	AmerenCILCO - Rate Zone 2	26.2551%	(262)	Line 3, col. (c) multiplied by line 20, col. (c)
21	AmerenIP - Rate Zone 3	51.3573%	(513)	Line 3, col. (c) multiplied by line 21, col. (c)
22	Total AIC Gas Adjustment per Staff	100.0000%	\$ (998)	Sum of lines 19 through 21

Ameren Illinois Company - Rate Zone 3 (IP)  
 Adjustment To Office Supplies Expense (PUBLIC)  
 For the Test Year Ending December 31, 2014  
 (In Thousands)

Line No.	Description	Total AIC Gas Amount	RZ - 3 (IP) Amount	Source
(a)	(b)			
<b>Operating Statement Adjustment:</b>		(In 000's)		
1	Account 921 - Office Supplies and Expenses per Staff calculation	\$ 6,991	\$ 3,590	Line 10 col. (c) / 1,000 for col. (c); line 1 col. (c) * line 21 col. (c) for col. (d)
2	Account 921 - Office Supplies and Expenses per Company	8,892	4,567	Schedule C-4, p. 4, line 135 (G) for col. (c); line 2 * line 21 col. (c) for col. (d)
3	Staff Adjustment to Reduce Office Supplies and Expenses	<u>\$ (1,901)</u>	<u>\$ (976)</u>	Line 1 minus line 2

**Note 1. Staff Calculation of 2014 Forecasted Office Supplies Expense**

		(In Whole Dollars)	
4	Account 921, Actual Expenses for 2012 - Office Supplies and Expenses	\$ 9,903,972	Response to KC 2.01 (b)
Less 2012 Expenses that were excluded from this account for the 2013 and 2014 forecast:			
5	Utility Services	(1,103,876)	Per response to DR BAP 19.01
6	Revolving Credit Bank Fees	(1,865,499)	Per response to DR BAP 19.01
7	Less 2012 Expenses that are not recoverable from ratepayers	<u>(215,237)</u>	See Note 2., line 18
8	2012 Office Supplies and Expenses exclusive of utility services and revolving credit bank fees	\$ 6,719,360	Sum of lines 4 through 7
9	2013 Estimate based on Inflation Factor of 2 %	\$ 6,853,747	Line 8 multiplied by 1.02%
10	2014 Estimate based on Inflation Factor of 2%	\$ 6,990,822	Line 9 multiplied by 1.02%

**Note 2. 2012 Account 921 Charges that are not recoverable from ratepayers:**

		(In Whole Dollars)	(Reflected Separately On Line 6)	
11				See response to DR BAP 9.02, Attach 2, page 7 of 36
12				See response to DR BAP 9.02, Attach 2, page 7 of 36
13				See response to DR BAP 9.02, Attach 2, page 10 of 36
14				See response to DR BAP 9.05, Attach 1, page 1 of 6
15				See response to DR BAP 9.05, Attach 1, page 2 of 6
16				See response to DR BAP 9.05, Attach 1, page 5 of 6
17				See response to DR BAP 9.06, Attach 1, pp. 15-16 of 16
18	Total Charges Not Recoverable from Ratepayers	<u>\$ 215,237</u>	<u>\$ 508,122</u>	Sum of lines 11 through 17

**Note 3. Allocation of Staff's adjustment by Rate Zone:**

		Per WPC-8 RZ		
		Allocation %	(In 000's)	
		Based on # of Customers	Allocated Amount	Source of Column (d) Amounts
			By Rate Zone	
19	AmerenCIPS - Rate Zone 1	22.3876%	\$ (426)	Line 19, col. (c) multiplied by line 3, col. (c)
20	AmerenCILCO - Rate Zone 2	26.2551%	(499)	Line 20, col. (c) multiplied by line 3, col. (c)
21	AmerenIP - Rate Zone 3	51.3573%	(976)	Line 21, col. (c) multiplied by line 3, col. (c)
22	Total AIC Gas Adjustment per Staff	<u>100.0000%</u>	<u>\$ (1,901)</u>	Sum of lines 19 through 21

**Note 4.**

CONFIDENTIAL information redacted.

Ameren Illinois Company - Rate Zone 3 (IP)  
 Adjustment To Industry Dues Expense (PUBLIC)  
 For the Test Year Ending December 31, 2014  
 (In Thousands)

Line No.	Description	Total AIC Gas Amount	RZ - 3 (IP) Amount	Source
(a)	(b)	(c)	(d)	(e)
<b>Operating Statement Adjustment:</b>				
			(In 000's)	
1	Industry Association Dues Expense per Staff calculation	\$ 114	\$ 59	Line 2 minus line 7 for column (c); line 1 (c) * line 17 (c) for column (d)
2	Industry Association Dues Expense per Company	121	62	Schedule C-6.1 line 21 for col. (c); line 2 (c) * line 17 (c) for col. (d)
3	Staff Adjustment to Reduce Industry Association Dues Expense	<u>\$ (7)</u>	<u>\$ (3)</u>	Line 1 minus line 2

**Note 1. Staff Calculation of 2014 Forecasted Industry Dues Expense**

(In Whole Dollars)

4	2014 Industry Dues	\$ 121,109	Schedule C-6.1, line 21, column (l)
5	Estimated Percentage of dues that are not recoverable from ratepayers	5.64%	See Note 2., line 14
6	2014 Industry Dues Expense estimated to be non-recoverable amounts	<u>\$ 6,834</u>	Line 4 multiplied by line 5
7	Staff adjustment to disallow non-recoverable dues, rounded to the nearest thousand dollars	<u>\$ 7</u>	Line 6 divided by \$1,000

**Note 2. 2012 Industry Dues that are not recoverable from ratepayers:**

8			ATT. B - Response to DR BAP 10.02 Attach 1 and DR BAP 10.02 Attach 2
9			ATT. B - Response to DR BAP 10.02 Attach 1 and DR BAP 10.02 Attach 2
10			ATT. B - Response to DR BAP 10.02 Attach 1 and DR BAP 10.02 Attach 2
11			ATT. B - Response to DR BAP 10.02 Attach 1 and DR BAP 10.02 Attach 2
12	Total Charges	\$ 20,976	Sum of lines 8 through 11
13	2012 Industry Dues > \$5,000 individually, Total of Amounts Allocated to Gas	\$ 371,737	ATT. B - Response to DR BAP 10.02 Attach 1, pp. 3 and 4
14	Portion of 2012 Industry Dues > \$5,000 deemed unrecoverable from ratepayers	5.64%	Line 12 divided by line 13

Per WPC-8 RZ  
 Allocation % (In 000's)  
 Based on # of Customers Allocated Amount  
 By Rate Zone

**Note 3. Allocation of Staff's adjustment by Rate Zone:**

	Allocation %	Allocated Amount	Source of Column (d) Amounts
15	AmerenCIPS - Rate Zone 1	22.3876%	(2) Line 15, col. (c) multiplied by line 3, col. (c)
16	AmerenCILCO - Rate Zone 2	26.2551%	(2) Line 16, col. (c) multiplied by line 3, col. (c)
17	AmerenIP - Rate Zone 3	51.3573%	(3) Line 17, col. (c) multiplied by line 3, col. (c)
18	Total AIC Gas Adjustment per Staff	<u>100.0000%</u>	<u>(7)</u> Sum of lines 15 through 17

**Note 4.**

CONFIDENTIAL information redacted.

Ameren Illinois Company - Rate Zone 3 (IP)  
 Adjustment To Remove Lobbying Expense  
 For the Test Year Ending December 31, 2014  
 (In Thousands)

Line No.	Description	Total AIC Gas Amount (c)	RZ - 3 (IP) Amount (d)	Source (e)
(a)	(b)	(In 000's)		
1	Lobbying Expense per Staff	\$ -	\$ -	ICC Staff Exhibit 4.0
2	Lobbying Expense included in gas operating expenses	11	6	Line 6 for col. (c); line 2 (c) * line 9 (c) for col. (d)
3	Staff Adjustment to Remove Lobbying Expense	\$ (11)	\$ (6)	Line 1 minus line 2

**Note 1. Staff disallowance of costs for lobbying**

(In Whole Dollars)

Costs included in gas operating expenses during 2012:			
4	Costs of two individuals' time spend lobbying during 2012, not recorded in Account 426	\$ 10,568	Response to DR BAP 4.01 (c)
5	Escalation to 2014 test year forecast using the Company's 2% inflation factor each year	10,995	Line 4 escalated 2% for 2013 and 2% for 2014
6	Estimated amount reflected in 2014 test year forecast based on prior years' actual costs - in 000's	11	Line 5 rounded to nearest thousand

**Note 2. Allocation of Staff's adjustment by Rate Zone:**

Per WPC-8 RZ		(In 000's)		Source of Column (d) Amounts
Allocation % Based on # of Customers	Allocated Amount By Rate Zone			
7	AmerenCIPS - Rate Zone 1	22.3876%		(2) Line 7, col. (c) multiplied by line 3, col. (c)
8	AmerenCILCO - Rate Zone 2	26.2551%	\$	(3) Line 8, col. (c) multiplied by line 3, col. (c)
9	AmerenIP - Rate Zone 3	51.3573%		(6) Line 9, col. (c) multiplied by line 3, col. (c)
10	Total AIC Gas Adjustment per Staff	100.0000%	\$	(11) Lines 7 through 9

Ameren Illinois Company  
 Attachment A - Analysis of Advertising Expense  
 For Years Ended December 31, 2010 - 2012 and Forecasted 2013 - 2014

Line No.	Description	Service Allocation Percentage (c)	Schedule C-8						
			2014 (d)	2013 (e)	2012 (f)	2011 (g)	2010 (h)	2009 (i)	2008 (j)
	Acct 909 Info. and Instructional Advertising Expense:		DR BAP 7.05 (c)						
1	Electric	68.96%							
2	Gas	31.04%	1,550,000	1,258,000	1,068,000	848,927	854,549	996,320	102,508
3	Combined total Gas & Electric (Sch. A-5b, line 7)	100.00%	1,550,000	1,258,000	1,068,000	848,927	854,549	996,320	102,508
	Acct 930.1 General Advertising Expense:		DR BAP 7.06 (c)						
4	Electric	68.96%							
5	Gas	31.04%	207,000	171,000	175,000	142,517	100,119	6,718	1,836
6	Combined total Gas & Electric (Sch. A-5b, line 7)	100.00%	\$ 207,000	\$ 171,000	\$ 175,000	\$ 142,517	\$ 100,119	\$ 6,718	\$ 1,836
7	Total Advertising Expense, Accts. 909 and 930.1		\$ 1,757,000	\$ 1,258,000	\$ 1,243,000	\$ 991,444	\$ 954,668	\$ 1,003,038	\$ 104,344
8	5-Year Average of YTD 2008 - 2012 Totals	\$ 859,299							
9	4-Year Average of YTD 2009 - 2012 Totals	\$ 1,048,038							

Note 1. 2008 through 2012 amounts were abstracted from AIC Forms 21 ILCC, p. 325 for each respective year.

Note 2.	Summary of legacy utilities for comparison with AIC:	CIPS	CILCO	IP	Total AIC Gas
10	2009 Account 909, Info. and Instr. Advertising Expense	284,084	204,314	507,922	996,320
11	2009 Account 930.1, Advertising Expense	1,512	1,680	3,526	6,718
12	2009 Total Advertising Expense	285,596	205,994	3,526	1,003,038
13	2008 Account 909, Info. and Instr. Advertising Expense	26,909	33,980	41,619	102,508
14	2008 Account 930.1, Advertising Expense	-	-	1,836	1,836
15	2008 Total Advertising Expense	26,909	33,980	1,836	104,344

Ameren Illinois Company  
 Attachment B - Dues Expense  
 For Years Ended December 31, 2010 - 2012 and Forecasted 2013 - 2014

Vendor	Nature of Organization	Description of Organization	Ameren Total	Total AIC Amount	Gas Amount	Allocation Basis
AMERICAN GAS ASSOCIATION	Energy Industry	The American Gas Association (AGA), founded in 1918, is an American trade organization representing natural gas supply companies and others with an interest in manufacture of gas appliances and the production of gas.	292,909.00	248,972.65	248,972.65	Allocated 85% to AIC gas and 15% to UEC gas. This allocator was based upon the miles of T&D mains.
CHARTWELL INC	Energy Industry	Chartwell Inc. is a specialized information provider that helps utilities improve their customer experience and ultimately customer satisfaction. Chartwell publishes case studies; quantitative research and industry data; and hosts conferences and other events for utility professionals.	15,795.00	7,897.50	2,418.21	50/50 split between AIC and UEC. Allocated to gas using a percentage based on prior year gas labor as a percentage of total labor.
CONSORTIUM FOR ENERGY EFFICIENCY INC	Energy Industry	CEE is a consortium primarily of efficiency program administrators from across the United States and Canada. Members leverage individual efforts by working together to accelerate energy efficient products and services in targeted markets. We are a nonprofit, governed and funded by members.	30,562.00	30,562.00	6,723.64	Directly assigned to AIC. Allocated between gas and electric based upon number of customers.
USWAG MEMBERSHIP - EDISON ELECTRIC INSTITUTE	Energy Industry	Utility Solid Waste Activities Group (USWAG) provides the most comprehensive, knowledgeable and experienced legal and technical resources on utility solid waste management issues available	79,800.00	25,536.00	7,819.12	Allocated from AMS to AIC - Various allocation factors used based upon the line item. Line items were assigned to various projects with the 100% to AIC allocation factor used for the project allocated to AIC. The line item allocated to gas was allocated to gas using a percentage based on prior year gas labor as a percentage of total labor.
ENERGY INDUSTRY C B T ALLIANCE	Energy Industry	In 2001 three utility companies formed an alliance to reduce eLearning development costs by creating a shared eLearning resource. Today that alliance, the Energy Industry CBT Alliance (EICA), is now used by dozens of companies and successfully cuts eLearning development costs by over 90%. EICA is essentially an online training development team which is shared by EICA member companies.	14,000.00	5,246.00	803.16	Allocated from AMS to AIC based upon the number of employees (Mgmt and Contract) allocation factor. The line item allocated to gas was allocated to gas using a percentage based on prior year gas labor as a percentage of total labor.
HUNTON & WILLIAMS LLP	Legal Services	Law firm, with offices in New York, Miami, Washington and Atlanta, performing domestic and international business, transactional and intellectual property work. In connection with the regulation of the electric utility industry by the Environmental Protection Agency.	104,265.07	12,965.71	3,970.10	Allocated from AMS to AIC - Various allocation factors used based upon the line item. Line items were assigned to various projects with the following allocation factors used for projects allocated to AIC: electric sales (T&D and Interchange MO/L) and 100% to AIC. Allocated to gas using a percentage based on prior year gas labor as a percentage of total labor.
ILLINOIS STATE UNIVERSITY	Energy Industry	Illinois State University (ISU), founded in 1857, is the oldest public university in Illinois, United States; it is located in the town of Normal. The Institute for Regulatory Policy Studies seeks to be the premier institution for research and education in regulatory economics and public policy in the State of Illinois and seeks to have a national reputation for excellence in Midwestern regulatory issues.	7,500.00	7,500.00	2,296.50	Directly assigned to AIC. Allocated to gas using a percentage based on prior year gas labor as a percentage of total labor.
NORTHERN CENTRAL ILLINOIS PIPELINE ASSOCIATION	Energy Industry	Our mission is to establish a Public Awareness Program and create an ongoing working liaison between our companies and the communities we are involved with - including emergency responders, public officials, etc. We believe that organization and active involvement with our communities is essential to the safe operation of our business.	10,544.45	10,544.45	10,544.45	Directly assigned to AIC gas
PLATTS	Provider of Energy Information	Platts is a leading global provider of energy, petrochemicals, metals and agriculture information, and a premier source of benchmark price assessments for those commodity markets. Since 1909, Platts has provided information and insights that help customers make sound trading and business decisions and enable the markets to perform with greater transparency and efficiency.	249,100.00	83,272.75	79,228.50	Bentek allocated 33% to AIC gas and 66% to UEC. Last line item split between two projects with one project being allocated directly to AIC gas.
SOUTHERN COMPANY SERVICES INC	Energy Services	This expense is related to UNITE participation. UNITE is a consortium of electric and gas utilities who develop benchmarking and share best practices in the IT area. There are approximately 20 member companies that are part of the consortium. The group leverages Gartner to facilitate the benchmarking effort and Southern Company administers the overall program.	60,000.00	23,652.00	7,242.24	Allocated from AMS to AIC based upon the indirect functional allocation factor. Allocated to gas using a percentage based on prior year gas labor as a percentage of total labor.

For Years Ended December 31, 2010 - 2012 and Forecasted 2013 - 2014

Vendor	Nature of Organization	Description of Organization	Ameren Total	Total AIC Amount	Gas Amount	Allocation Basis
ST LOUIS AREA BUSINESS HEALTH COALITION	General Business	The St. Louis Area Business Health Coalition (BHC) represents St. Louis employers' collective efforts to gain greater value and accountability for their health benefit expenditures. In addition to serving as the employer voice on health care issues, BHC provides a wealth of information, research and service resources to its membership base. BHC also uses the collective power of its membership to negotiate optimum benefit opportunities. BHC operates as a 501 (C)6 non-profit association and is governed by a Board of Directors elected from its membership.	15,000.00	5,612.00	1,718.39	Allocated from AMS to AIC based upon the number of employees (Mgmt and Contract) allocation factor. Allocated to gas using a percentage based on prior year gas labor as a percentage of total labor.