

Docket Nos.: 11-0354, 11-0355
and 11-0356 (Cons.)
Bench Date: 07-31-13
Deadline: None

MEMORANDUM

TO: The Commission

FROM: Larry Jones, Administrative Law Judge

DATE: July 18, 2013

SUBJECT: Illinois Commerce Commission
On Its Own Motion
-vs-
Ameren Illinois Company d/b/a Ameren Illinois, f/k/a Central
Illinois Light Company d/b/a AmerenCILCO

Ameren Illinois Company d/b/a Ameren Illinois, f/k/a Central
Illinois Public Service Company d/b/a AmerenCIPS

Ameren Illinois Company d/b/a Ameren Illinois, f/k/a Illinois
Power Company d/b/a AmerenIP

Reconciliation of revenues collected under power
procurement riders with actual costs associated with power
procurement expenditures.

RECOMMENDATION: Entry of the attached post-exceptions order approving the reconciliations as adjusted by Staff.

In this docket, the Initiating Order directed the Ameren Illinois utilities (“AIUs”), who are now known as Ameren Illinois Company or “Ameren Illinois,” to “present evidence to show the reconciliation of revenues collected under the respective tariffs with costs incurred in connection with proper procurement activities as defined in the tariffs of each utility” for the reconciliation period of June 1, 2009 through May 31, 2010.

For the reconciliation period, fixed-price and hourly products were procured for customers who chose to take power from Ameren Illinois.

The fixed-price service, Basis Generation Service – Fixed Price (“BGS-FP”), is procured under Rider PER. During the reconciliation period, BGS-FP was available to customers with demands under 400 kW, although customers with demands between 400 kW and 1,000 kW had been declared competitive and were in a transition period whereby they could stay on BGS-FP so long as they did not take supply from Alternative Retail Suppliers or Rider HSS.

For fixed-price service under Rider BGS, the power supply procurement came from two separate procurement events. For approximately one-third of the power supply requirements, full-requirements power and energy supply was obtained in the final year of the Supplier Forward Contracts resulting from the auction process authorized in the original procurement proceedings in Docket Nos. 05-0160, et al.

For the other two-thirds of the power supply requirements for the reconciliation period, the Illinois Power Agency (“IPA”) procurement process was used pursuant to Commission approval of a procurement plan in Docket No. 08-0519.

With respect to hourly service, RTP is the real-time hourly pricing service for small customers. Rider HSS offers “hourly supply service” to customers with demands equal to or greater than 400 kW who elect real-time hourly pricing under that rider.

All energy associated with Rider RTP and Rider HSS was priced based on the Midwest Independent Transmission System Operator (“MISO”) Locational Marginal Pricing (“LMPs”) methodology, including approximately one-third of Rider RTP energy which was contracted for under existing SFCs.

The AIUs also addressed the question of the prudence of the supply purchases as summarized in the order.

Internal administrative and operational costs are addressed on pages 5-7 of the order. Based on recommendations by the Commission Staff (“Staff”), Ameren Illinois will be making a filing seeking approval of certain tariff revisions.

The Staff reviewed the reconciliations provided by the AIUs. Subject to certain adjustments and recommendations which were accepted by the AIUs, Staff recommends that the reconciliations be approved.

The attached order would find that for the reconciliation period, auction purchases of full-requirements power and energy supply to serve fixed-price customer load were made in accordance with the process established in the original procurement dockets, and that these purchases were proper procurement activities within the meaning of the Initiating Order in the instant proceeding.

The attached order would find that purchases made pursuant to the procurement process approved in Docket Nos. 07-0527 and 08-0519 were made in a manner consistent with the process contemplated in the Orders in those proceedings, and that these purchases, including those made on behalf of real-time pricing customers, were proper procurement activities within the meaning of the Initiating Order in the instant proceeding.

The order would also find that the reconciliations of procurement costs and revenues as set forth in the Appendices to the attached Order are approved.

LMJ/lw