

REBUTTAL TESTIMONY

of

**Theresa Ebrey
Accountant**

**Accounting Department
Financial Analysis Division
Illinois Commerce Commission**

Ameren Illinois Company

Rate MAP-P Modernization Action Plan – Pricing Annual Update Filing

Docket No. 13-0301

August 26, 2013

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1 **Witness Identification**

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

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

5 **Q. Are you the same Theresa Ebrey who previously provided direct**
6 **testimony in this proceeding?**

7 A. Yes. I provided direct testimony in this case as ICC Staff Exhibit 1.0 on
8 July 3, 2013.

9 **Q. What is the purpose of your rebuttal testimony?**

10 A. I present the Staff of the Illinois Commerce Commission's ("Staff") rebuttal
11 Revenue Requirement schedules for Ameren Illinois Company ("Ameren"
12 or "Company"). These schedules begin with the revenue requirement
13 presented by the Company in its rebuttal testimony and incorporate Staff's
14 adjustments thereto.

15 I also present testimony to:

- 16 1. Discuss my adjustments to the Statement of Operating Income
17 and Rate Base concerning Interest Synchronization,
18 Uncollectibles Expense, Miscellaneous Distribution Expense,
19 Company Use of Fuels, and Incentive Compensation Derivative
20 Costs;

- 21 2. Address adjustments for the Reconciliation Computation and
22 Return on Equity Computation;
23 3. Discuss the recommendations for the Supply Cost Adjustment
24 under Rider PER from my direct testimony;
25 4. Discuss the appropriate Appendices to include with the Final
26 Order; and
27 5. Discuss my recommendations for subsequent formula rate
28 update filings.

29 **Q. Which of your adjustments has AIC accepted?**

30 A. AIC accepted my adjustment for the allocation of Other Revenues in the
31 rebuttal testimony of Ameren witness Stafford.¹ (Ameren Ex. 9.0, p. 6,
32 lines 125-126.)

33 **Schedule Identification**

34 **Q. Are you sponsoring any schedules as part of your rebuttal**
35 **testimony?**

36 A. Yes. I am sponsoring the following schedules for the Company, which
37 show data for 2012:

38 Revenue Requirement Schedules

39 Schedule 6.01 Statement of Operating Income with Adjustments

¹ In order to maintain consistency between direct and rebuttal testimony the Schedule numbers for Staff Exhibit 1 and Staff Exhibit 6 are the same. However, since the Company accepted my adjustment shown on Schedule 1.12, there is no corresponding Schedule 6.12 with this rebuttal testimony.

40 Schedule 6.02 Adjustments to Operating Income
41 Schedule 6.03 Rate Base
42 Schedule 6.04 Adjustments to Rate Base
43 Schedule 6.05 Revenue Effect of Adjustments
44 Schedule 6.06 Interest Synchronization Adjustment
45 Schedule 6.07 Gross Revenue Conversion Factor
46 Adjustment Schedules
47 Schedule 6.08FY Reconciliation Computation (Filing Year Only)
48 Schedule 6.09FY Return on Equity Collar Computation (Filing Year
49 Only)
50 Schedule 6.10RY Adjustment to Uncollectible Expense (Reconciliation
51 Year Only)
52 Schedule 6.11 Adjustment to Account 588, Miscellaneous
53 Distribution Expense
54 Schedule 6.13 Adjustment for Company Use of Fuels
55 Schedule 6.14 Adjustment Incentive Compensation Derivative Costs
56

57 **Attachments**

58 **Q. Have you included any attachments as part of your rebuttal**
59 **testimony?**

60 A. Yes. I have included the following Attachments as part of my testimony:

61 Attachment A Schedule of Account 588 – Purchases-Other
62 proposed for disallowance.
63 Attachment B Company responses to Staff DR Series TEE 16
64 Attachment C Company response to Staff DR TEE 6.03
65 Attachment D Company response to Staff DR TEE 6.04
66 Attachment E Company response to Staff DR TEE 6.05
67 Attachment F Company response to Staff DR TEE 14.01

68 Attachment G Proposed Revisions to Formula Rate Structure and
69 Protocols filed by Ameren on August 19, 2013

70 Attachment H Company response to Staff DR TEE 13.03

71 **Revenue Requirement Schedules**

72 **Q. Please describe Schedule 6.01, Statement of Operating Income with**
73 **Adjustments.**

74 A. Schedule 6.01 is the same as ICC Staff Exhibit 1.0, Schedule 1.01,
75 described on page 6 of ICC Staff Exhibit 1.0, except that it incorporates
76 Company and Staff rebuttal testimony positions.

77 **Q. Please describe Schedule 6.02, Adjustments to Operating Income.**

78 A. Schedule 6.02 identifies Staff's adjustments to Operating Income. The
79 source of each adjustment is shown in the heading of each column. The
80 last column is carried forward to Schedule 6.01, column (c).

81 **Q. Please describe Schedule 6.03, Rate Base.**

82 A. Schedule 6.03 is the same as ICC Staff Exhibit 1.0, Schedule 1.03
83 described on page 7 of ICC Staff Exhibit 1.0, except that it incorporates
84 Company and Staff rebuttal testimony positions.

85 **Q. Please describe Schedule 6.04, Adjustments to Rate Base.**

86 A. Schedule 6.04 identifies Staff's adjustments to Rate Base. The source of
87 each adjustment is shown in the heading of each column. The last
88 column is carried forward to Schedule 6.03, column (c).

89

90 **Revenue Effect of Adjustments**

91 **Q. Please describe Schedule 6.05, Revenue Effect of Adjustments.**

92 A. Schedule 6.05 uses the same concept as ICC Staff Exhibit 1.0, Schedule
93 1.05. The theory is discussed on ICC Staff Exhibit 1.0, page 7.

94

95 **Interest Synchronization**

96 **Q. Please describe Schedule 6.06, Interest Synchronization Adjustment.**

97 A. Schedule 6.06 uses the same concept as ICC Staff Exhibit 1.0, Schedule
98 1.06. The theory is discussed on ICC Staff Exhibit 1.0, page 9.

99

100 **Gross Revenue Conversion Factor**

101 **Q. Please describe Schedule 6.07, Gross Revenue Conversion Factor.**

102 A. Schedule 6.07 uses the same concept as ICC Staff Exhibit 1.0, Schedule
103 1.07. The theory is discussed on ICC Staff Exhibit 1.0, page 8.

104

105 **Reconciliation Computation (Filing Year Only)**

106 **Q. Please describe ICC Staff Exhibit 6.0, Schedule 6.08 FY,**
107 **Reconciliation Computation.**

108 A. Schedule 6.08 FY uses the same concept as ICC Staff Exhibit 1.0,
109 Schedule 1.08 FY. The theory is discussed on ICC Staff Exhibit 1.0, page
110 9.

111 **Q. Have any of the differences for the Reconciliation Computation**
112 **discussed in your direct testimony been resolved?**

113 A. Yes. The only remaining contested issue for the reconciliation
114 computation input is the amount for the Monthly Interest Rate.

115 AIC and I agree that the Revenue Requirement in effect during the
116 Reconciliation Year is \$822,891,000. (Ameren Ex 9.0, p. 5, lines 99-101;
117 Staff Ex. 6.0, Schedule 6.08 FY, p. 2.)

118 While not specifically stated in testimony, it is apparent from the schedules
119 filed by the Company for Schedule FR A-4 that Ameren also agrees that
120 the final revenue requirement approved by the Commission for the
121 reconciliation year would be used for the reconciliation computation.

122 **Q. What is the basis for the Monthly Interest Rate used in your**
123 **calculation?**

124 A. The amount I used for the monthly interest rate is based on Staff's
125 recommended rate of return for 2012, as discussed in the Direct
126 Testimony of Staff witness Rochelle Phipps, ICC Staff Ex. 4.0. Ms.
127 Phipps' recommendation has not changed in her rebuttal testimony.

128

129 **Return on Equity (ROE) Collar Computation (Filing Year Only)**

130 **Q. Please describe ICC Staff Exhibit 6.0, Schedule 6.09, Return on**
131 **Equity Collar Computation.**

132 A. Schedule 6.09 FY uses the same concept as ICC Staff Exhibit 1.0,
133 Schedule 1.09 FY. The theory is discussed on ICC Staff Exhibit 1.0, page
134 13. The Company did not take issue with the mechanics of the
135 computation although not all adjustments to the inputs, addressed
136 individually throughout Staff testimony, were accepted. It is my belief that
137 Staff and the Company agree that the final inputs will reflect the
138 Commission conclusions on all issues.

139

140 **Adjustment for Uncollectible Expenses (Reconciliation Year Only)**

141 **Q. Please describe ICC Staff Exhibit 6.0, Schedule 6.10 RY, Adjustment**
142 **to Uncollectible Expense (Reconciliation Year Only).**

143 A. Schedule 6.10 RY reflects my adjustment to uncollectible expense for the
144 reconciliation year as explained on ICC Staff Exhibit 1.0, page 14, lines
145 294 – 307.

146 **Q. How did the Company respond to your adjustment?**

147 A. The Company's basis for opposing this adjustment is limited to the opinion
148 that the adjustment would require a different reference on line 2a and an
149 additional footnote on Sch. FR A-4. (Ameren Ex. 9.0, p. 8, lines 171 –
150 174.)

151 On August 19, 2013, the Company made a tariff filing, pursuant to Section
152 9-201 (Attachment G), to modify the formula rate template. The modified
153 formula rate template enables my adjustment for the value of
154 uncollectibles expense to be used for reconciliation purposes on FR A-1
155 REC. As long as the Commission approves the template changes the
156 Company proposes in its Section 9-201 filing before December 1, 2013,
157 the compliance filing resulting from this case would reflect my proposed
158 uncollectibles value for the RY revenue requirement.

159

160 **Adjustment to Account 588, Miscellaneous Distribution Expense**

161 **Q. Please describe ICC Staff Exhibit 6.0, Schedule 6.11, Adjustment to**
162 **Account 588, Miscellaneous Distribution Expense.**

163 A. Schedule 6.11 reflects my adjustment to reduce Account 588,

164 Miscellaneous Distribution Expense for:

165 1) Excessive Relocation Costs; and

166 2) "Purchases - Other."

167 I have withdrawn the disallowances for unrecoverable advertising costs,
168 unsupported economic consulting services, and individual expenses that
169 were included in the adjustment to Account 588 in my direct testimony
170 since the Company provided additional support and explanations in
171 responses to discovery. However, I am proposing additional adjustments
172 for Account 588 in my rebuttal testimony based on information provided by
173 AIC in discovery responses that were outstanding at the time of my direct
174 testimony. I also continue to recommend the Company provide
175 information regarding the total incremental costs incurred in 2012
176 associated with EIMA.

177 **Excessive Relocation Costs**

178 **Q. Please explain your adjustment to remove excessive relocation**
179 **costs.**

180 A. My current adjustment for relocation costs consists of 3 parts:

181 a) "Loss on sale" costs;

182 b) Company-identified adjustment; and

183 c) Payroll Upload resulting from these disallowed costs.

184 **Q. Please explain your adjustment for “Loss on Sale” Costs.**

185 A. My adjustment removes costs identified by the Company as
186 reimbursement for loss on sale. While a provision for this cost is included
187 in the Company’s relocation cost reimbursement policy, it is not
188 reasonable for ratepayers to cover the loss on property sales, given the
189 already generous relocation reimbursements provided. A review of
190 Ameren Exhibit 11.1 shows reimbursements ranging from \$6,030 to
191 \$63,053.82. Ratepayers should not be forced to cover the risk that a
192 relocating Ameren employee does not recoup their initial home
193 investment, even if AIC is willing to do so.

194 **Q. Please explain your adjustment for the Company-identified**
195 **adjustment.**

196 A. In its review of the 2012 relocation expenses charged to Account 588, the
197 Company identified approximately \$18,350 in costs that should not be
198 included in the electric revenue requirement. (Ameren Ex. 11.0, p. 12,
199 lines 237 – 247.) While the Company states it would not object to removal
200 of these costs if I revise my adjustment to reflect only that amount (*Id.*),
201 the amount is not appropriate for recovery from electric delivery service
202 ratepayers, regardless of the conclusion on my other recommendations.

203 **Q. Please explain your adjustment for Payroll Uploading.**

204 A. My adjustment removes the federal and state payroll taxes associated
205 with the expenses for relocation that I propose to remove from the
206 revenue requirement. In the Company response to Staff DR TEE 10.09,
207 Ameren explained that the Payroll Uploading amount is for federal and
208 state payroll taxes associated with expenses paid under relocation. To
209 the extent that any of those relocation costs are disallowed from recovery,
210 the derivative costs should also be disallowed, consistent with other
211 payroll related adjustments.

212 **“Purchases - Other”**

213 **Q. Please explain your adjustment for Purchases - Other.**

214 A. My adjustment for Purchases - Other disallows the costs listed on
215 Attachment A that are: charges of the types disallowed by the
216 Commission in its order in Docket No. 12-0293, unnecessary for the
217 provision of utility service, do not provide benefits to ratepayers, and/or
218 primarily benefit AIC employees as a perquisite (“perq”).

219 In response to Staff DR TEE 11.2, as a follow-up to TEE 7.06, the
220 Company provided the requested detail for Resource Type BX, Purchases
221 – Other included in the Company’s response to AG DR 2.07. Attachment
222 A groups similar costs into categories that I deem to be unrecoverable in

223 delivery service rates. The Company's responses to Staff DR TEE Series
224 16 (Attachment B) offered some rationale for recoverability of these costs.
225 To the extent that the Company's explanation was reasonable, I have not
226 included them on Attachment A detailing the costs I propose to disallow.

227 **Q. Did the Company agree that certain costs should be removed from**
228 **the revenue requirement in this case?**

229 A. Yes. In the Company's response to Staff DR TEE Series 16 (Attachment
230 B), the Company agreed that the amounts included for categories 5, 6, 9b,
231 10b, 10c, and 10e should be removed from recovery in this case.
232 However, since no adjustment for these costs was reflected in the
233 Company's rebuttal revenue requirement, I continue to include them in my
234 adjustment.

235 **Q. Has the Commission previously considered the types of costs you**
236 **propose to disallow?**

237 A. Yes. In its Order in Docket No. 12-0293, Ameren's most recently
238 completed formula rate update case, the Commission disallowed a
239 number of expense items that are identical or very similar to those I
240 propose to disallow here. Among those items are Ameren Company Store
241 Costs (Order, 12-0293, p. 47.), floral arrangements, engraving costs,

242 Lands End Business Outfitters, cable service, and meals for employees.
243 (*Id.*, pp. 67 – 69.)

244 **Q. What are the perqs that you have identified with the costs included**
245 **as Purchases- Other?**

246 A. The perqs I have identified include:

- 247 i. Safety banquets and employee recognition;
- 248 ii. Gift cards and floral arrangements; and
- 249 iii. Improvements to personal property.

250 The primary explanation for costs I propose to disallow is that the costs
251 are for safety banquets and employee recognition. These costs are added
252 perqs for employees to perform their jobs in a safe manner. Section 16-
253 108.5(c)(4)(A) already allows recovery through delivery rates of incentive
254 compensation costs related to safety. The amounts I am proposing to
255 disallow as “safety perqs” are additional costs over that already provided
256 through the incentive compensation payments to employees.

257 Many of the costs under \$500 on Attachment A were not explained by the
258 Company in response to discovery. By the type of store and dollar
259 amounts listed, I surmise that the purchases were for gift cards that were
260 provided as perqs to the employees. I also consider the purchases of

261 floral arrangements to be employee perks which, while thoughtful
262 gestures, are not necessary for the provision of utility service.

263 Finally, the new driveway installed at the residence of the “trouble man”
264 employee, while necessary for the employee to park the company truck at
265 his residence, also would add certain value to his residence. This value
266 added to an employee’s property should not be borne by ratepayers.

267 Q. How did the Company explain the electronic and communication
268 purchases included in Purchases - Other?

269 A. In response to Staff DR TEE 16.16, the Company generally explained that
270 electronic devices, such as cameras, cell phone equipment, and
271 televisions are necessary during normal and emergency operations. The
272 Company, however, only clearly identified 1 of the 12 line items included
273 as category 11: the purchase of televisions to be raffled at a safety
274 meeting. It is unclear why a number of other televisions purchased are
275 expensed or where those televisions may be located and accounted for.
276 Electronic devices such as these should not be treated as disposable.
277 Without further explanation, the Best Buy purchases in category 11 should
278 be disallowed.

279 In response to Staff DR TEE 16.19, the Company explained hands-free
280 telephone devices were required for the AMI team. Since most

281 telephones currently have hands-free capability, it is unclear what
282 specifically was purchased for the \$1,789.99 that would not already be a
283 feature in the AMI team's telephones.

284 **Q. Please summarize your adjustment for Account 588, Miscellaneous**
285 **Distribution Expense.**

286 A. I recommend the Commission approve my proposal to disallow \$68,000 in
287 excessive relocation costs and \$73,000 for other unrecoverable
288 purchases.

289 **Company Report on Incremental Costs**

290 **Q. In your direct testimony, you recommended that AIC should provide**
291 **the amounts of incremental costs the Company has incurred that are**
292 **in addition to those amounts specifically set forth in Sections 16-**
293 **108.5 and 16-108.6 in its rebuttal testimony. What was the**
294 **Company's response?**

295 A. Company witness Getz discussed his understanding of MAP, his
296 understanding of my interpretation of costs "not directly mandated by
297 EIMA," AIC's reporting of incremental EIMA plant additions and capital
298 expenditures, the accounting AIC uses for EIMA O&M expenses, and the

299 reasonableness of O&M expenses incurred because of MAP.² (Ameren
300 Ex. 10.0, pp. 5 – 13.) However, Mr. Getz never quantified the incremental
301 amounts of O&M costs that the Company has incurred due to EIMA.

302 While Ameren Exs. 10.2 and 10.3 provide some evidence of the amounts
303 specifically charged to EIMA projects, Mr. Getz admitted that AIC does not
304 track every dollar incurred throughout the Company that are impacted by
305 EIMA. (Ameren Ex. 10.0, p. 12, lines 256-261.)

306 To the extent that Ameren has identified certain EIMA-related costs within
307 testimony and responses to discovery in this case, the Company should
308 provide in surrebuttal testimony the total amounts of incremental costs for
309 EIMA by general category not specifically quantified within the law.

310 I further recommend that the Commission order Ameren to include a
311 discussion and quantification of the amounts of incremental costs incurred
312 that are associated with EIMA, but not specifically quantified in the law, in
313 the annual EIMA report the Company provides to the Commission each
314 March.

315

² The Company seems to use EIMA and MAP interchangeably throughout its testimony. The terms can be taken to be synonymous.

316 **Company Use of Fuels**

317 **Q. Please describe ICC Staff Exhibit 6.0, Schedule 6.13, Adjustment to**
318 **Company Use of Fuels.**

319 A. Schedule 6.13 reflects my adjustment to Company Use of Fuels based on
320 the Labor Allocator rather than ASP General Plant Allocator used by the
321 Company.

322 **Q. Did the Company's explanation of the allocators applied in the two**
323 **on-going Ameren rate cases alleviate your concerns?**

324 A. No. While Company witness Stafford provides his explanations for the
325 use of different allocation factors in this case and in Docket No. 13-0192
326 ("Ameren Gas Case"), he does not explain why it is appropriate to use
327 different bases to allocate the same category of cost (company use of
328 fuels) between electric operations and gas operations. Rather, in his
329 attempt to explain why the use of two different allocators does not result in
330 recovery of more than 100% of the Company's expense on this item, he
331 focuses on the **amounts allocated**, rather than on the **basis for the**
332 **allocation** which is my primary concern. (Ameren Ex. 9.0, pp. 25-26, lines
333 558 – 586.)

334 **Q. Do Mr. Stafford's reasons for using the different allocators for each**
335 **case compel you to accept one basis over the other?**

336 A. Yes. While a plant allocator may appear to be an appropriate allocation
337 basis for the company use of fuels, according to the Company, the labor
338 allocator provides for a *full* assignment of the costs for the company use of
339 fuels. Mr. Stafford states that “joint use facilities are recorded in AIC’s
340 electric general plant accounts and allocated via the ASP” (Ameren Ex.
341 9.0, p. 25, lines 565 -566.) and later acknowledges that “[s]ome Company
342 Use assets are on the books of the gas utility and are thus not considered
343 in the electric ASP allocation process.” (*Id.*, p. 26, lines 571 – 572.) Mr.
344 Stafford also states that a Labor Allocator “fully assigns Company Use
345 between electric and gas operations.” Thus, the Labor Allocator provides
346 full assignment of the costs.

347

348 **Incentive Compensation - Derivative Costs**

349 **Q. Please describe ICC Staff Exhibit 6.0, Schedule 6.14, Adjustment to**
350 **Incentive Compensation - Derivative Costs.**

351 A. Schedule 6.14 reflects my adjustment to payroll taxes and pension
352 expense amounts that are derived from incentive compensation costs that
353 have been omitted from the requested revenue requirement by Ameren.
354 In the Company’s response to Staff DR TEE 6.03 (Attachment C), the
355 Company agreed that such adjustments are appropriate. The amounts of

356 my adjustments were provided by the Company in response to Staff DRs
357 TEE 6.04 (Attachment D) and TEE 6.05 (Attachment E).

358

359 **Supply Costs Adjustment under Rider PER**

360 **Q. How did the Company respond to your recommendations regarding**
361 **the Supply Cost Adjustment (“SCA”) for Riders PER and HSS?**

362 A. Company witness Stafford responded only to my first recommendation
363 regarding revisions to tariff language to allow for updating the SCA
364 components. My recommendation regarding updates to the **values** for
365 Uncollectibles, Cash Working Capital and Supply Administration costs was
366 not addressed in AIC rebuttal testimony.

367 **Q. What was the Company’s response regarding your recommendation**
368 **for a Section 9-201 filing for revisions to the tariff language?**

369 A. Mr. Stafford agreed that revisions should be made to the tariff language
370 but claimed that 60 days from the date of Staff direct testimony in this
371 case was insufficient time to develop language to be reviewed and filed
372 with the Commission.

373 **Q. Do you agree that 60 days is insufficient time?**

374 A. No. In AIC's response to Staff DR TEE 2.05, the Company admitted that it
375 had suggested tariff language for Rider PER and Rider HSS in Docket
376 Nos. 11-0354, 11-0355, and 11-0356 pertaining to the SCA. The Final
377 Order in that Docket, issued on July 31, 2013, reiterated that fact

378 Ameren Illinois witness Mr. Jones addressed Staff's position
379 with respect to the inclusion of new language for Rider PER
380 and Rider HSS that would provide for a reconciliation of
381 administrative costs in future proceedings. (Ameren Ex. 8.0
382 at 2) Mr. Jones' testimony included proposed language to
383 address Staff's recommendation. The Company agreed with
384 the spirit of the language proposed by Staff, but
385 recommended adjusting it to reflect the status of other
386 reconciliation proceedings. Specifically, the Company wants
387 the language to reflect that reconciliation schedules had not
388 yet been filed in Docket No. 12-0548, which is the
389 proceeding initiated to address the power procurement
390 reconciliation for the June 2010 through May 2011 period.
391 Mr. Jones also set forth proposed language to address how
392 any over or under recovery of procurement administrative
393 costs would be passed through to customers. Ameren Illinois
394 agreed with Staff that the issues regarding proposed tariff
395 language need not be fully resolved prior to the approval of
396 the reconciliation provided in Staff schedules presented in
397 the current proceeding. The Company represents that it is
398 committed to working with Staff on proposed tariff revisions
399 and will submit a separate filing seeking Commission
400 approval. Revisions identified by both Staff and the
401 Company will be prospective and will not affect this
402 reconciliation.

403 (Order, Docket Nos. 11-0354, 11-0355, and 11-0356 (Cons.) July 31,
404 2013 at 6-7.)

405 Since the language for the tariff revisions has already been developed,
406 reviewed, and agreed to by Staff and the Company, I believe 60 days from

407 the date of Staff direct testimony in this case was adequate time for the
408 Company to make the recommended Section 9-201 filing.

409 In response to Staff DR TEE 14.01 (Attachment F), the Company offered
410 further explanation of the process the Company anticipates for making this
411 Section 9-201 filing. I now accept the Company's proposal to share
412 proposed tariff revisions with Staff by September 30, 2013 and make a
413 filing by October 15, 2013.

414 **Q. What should the Company do regarding your second**
415 **recommendation to address updating of the SCA components?**

416 A. The Company should file supplemental rebuttal testimony proposing
417 updates to the outdated rates set in 2009 to give Staff and other parties
418 adequate time to review the proposals for those updates. As long as the
419 tariff revisions allowing the updates to occur in formula rate proceedings
420 are approved before year end, the updated rates for the SCA components
421 could be made effective January 1, 2014.

422

423 **Staff Development of Proposed Revenue Requirement**

424 **Q. You explained in direct testimony why you based your recommended**
425 **revenue requirement on the traditional Commission revenue**

426 **requirement model. (Staff Ex. 1.0, p. 5, lines 100 – 115.) How did the**
427 **Company respond?**

428 A. The Company disagreed that the traditional revenue requirement model is
429 appropriate in a formula rate filing. The Company further argued that
430 since a number of Staff's proposed adjustments cannot be placed within
431 the formula rate model without modification, those adjustments are
432 inappropriate.³

433 The Company's argument, that the mechanics of a formula model should
434 be the deciding factor for any proposals made in this case, should be
435 given little, if any, weight.⁴ By focusing on the mechanics and line
436 descriptions of the untested formula, the merits of the proposed
437 adjustments are not fully vetted.

438 Section 16-108.5(c) states

439 Nothing in this Section is intended to allow costs that are not
440 otherwise recoverable to be recoverable by virtue of inclusion in
441 FERC Form 1.

442 Further, Section 16-108.5(b-5) states:

³ In response to Staff DR TEE 13.03, the Company provided the rebuttal Exhibit template including Staff's proposed adjustments from direct testimony at 3:52 pm on August 21. I have not had sufficient time to fully review and compare the schedules provided by the Company with the revenue requirement schedules filed with my direct testimony on July 3, 2013. A cursory review shows that the revenue requirement provided in response to Staff DR TEE 13.03 does not include all of Staff's adjustments from direct testimony. See Attachment H.

⁴ Also of note, for Ameren, this case is the first time the mechanics of the reconciliation function will be tested with actual data. As with any new model, all of the flaws cannot be determined until the model undergoes vigorous testing.

443 Nothing in this Section shall prohibit the Commission from
444 investigating the prudence and reasonableness of the expenditures
445 made under the infrastructure investment program during the
446 annual review required by subsection (d) of this Section and shall,
447 as part of such investigation, determine whether the utility's actual
448 costs under the program are prudent and reasonable.

449 Although I am not an attorney, I understand the above statute to give more
450 weight to the merits of the adjustments proposed by the parties rather than
451 to the simple mechanics or appearance of the "approved formula rate
452 template" which currently does not include a space for Commission
453 adjustments. In other words, the form (the physical template) should not
454 dictate the function (allowing for only prudent and reasonable
455 expenditures) that is provided for in the law.

456

457 **Q. Has the Company provided any indication that changes to the**
458 **"approved formula rate template" can and should be made?**

459 A. Yes, the Company made a tariff filing pursuant to Section 9-201 on
460 Monday, August 19, 2013, which, in effect, would settle four of the five
461 issues identified by Company witness Stafford as those requiring a
462 change in the formula rate template. (Attachment G) Evidently, as long as
463 the Company agrees with the adjustment proposed in the case, a change
464 to the mechanics or appearance of the formula rate template can be made

465 in a timely fashion so that the compliance filing can reflect those changes
466 in the current case.

467 **Q. Does the Company indicate the quandary it perceives with the**
468 **formula rate template?**

469 A. Yes. As Company witness Mill discusses in his rebuttal testimony, if the
470 Commission accepts an adjustment (or makes any adjustment based on
471 record evidence) that is not accommodated by the formula rate template,
472 its data sources, and formulae, the Company would not be able to reflect
473 the adjustment in its compliance filing. (Ameren Ex. 17.0, pp. 6-7.)
474 Therefore, in the Company's opinion, even though the merits of an
475 adjustment warrant its approval, the ultimate decision must be based on
476 whether the formula template has the flexibility to accommodate the
477 adjustment.

478 **Q. Please comment on this perceived quandary.**

479 A. This is not a valid issue. Mr. Mills is suggesting that a Commission
480 adjustment should not be made simply because there is no space on the
481 current formula rate template on which to reflect such adjustments. As
482 noted earlier, form should not supersede function, particularly when doing
483 so would be to ignore the substance of the applicable law.

484 **Q. What did the Company recommend be used as the Appendix for the**
485 **Commission order?**

486 A. The Company opines that “[i]deally, the Commission should include in its
487 appendices to the final Order in an update proceeding, a populated
488 formulae template to verify consistency between the traditional revenue
489 requirement appendices to the Order and the formula rate legislative
490 protocols and formulas.” (Ameren Ex. 17.0, p. 8, lines 167 – 170.)

491 The Commission, however, has previously considered the appropriate
492 model for use as the appendix to the Order in Docket No. 12-0321:

493 The Commission agrees with Staff that “traditional” revenue
494 requirement schedules should be included in the Appendix
495 to the Commission’s final Order. As the parties have
496 mentioned, use of the traditional schedules provides
497 transparency to the formula rate proceeding in that the
498 traditional schedules show all the adjustments made by the
499 parties, the ALJs and the Commission. In Docket 11-0721
500 the Commission shared IIEC’s concern about the complexity
501 of tariffs and the inclusion of workpapers and schedules as
502 part of tariffs. That principle applies here as well. The Final
503 Orders in Dockets 11-0721, 12-0001, and 12-0293, the three
504 formula rate proceedings that have already been completed,
505 included only the “traditional” revenue requirement
506 schedules as appendices. No calculation alignment issues
507 were recognized in any of those cases. Nothing has been
508 offered in this case to compel the Commission to further
509 complicate the schedules attached to the Order in this case.

510

511 It is not clear to the Commission what ComEd means by,
512 “...the formula rate template should also be used in the
513 Commission’s final Order to ensure that the calculations are
514 aligned.” (ComEd Reply Brief at 42). A template is merely a

515 guideline, not a fully realized creation. If ComEd means that
516 Staff should consult the template as it prepares the final
517 Order and its attached schedules, that is reasonable. The
518 Commission understands that ComEd will include the
519 formula rate schedules FR A-1 and FR A-1REC (and others)
520 as part of the workpapers for its compliance filing. It appears
521 to the Commission that it is more appropriate for ComEd to
522 fill out the formula rate template with actual values derived
523 from the Order at that time, rather than ask Staff, who did not
524 develop the very complex template, to do so as part of this
525 Order. Having the fully populated formula rate included as
526 part of the compliance filing rather than attached to this
527 Order will decrease the likelihood of unintended errors. If
528 ComEd desires further disclosure, the Company may include
529 the formula rate schedules in its compliance filing rather than
530 just in workpapers. The Commission notes that there will be
531 a rulemaking in which ComEd and other interested parties
532 are encouraged to address this and other relevant issues
533 regarding future formula rate filings.

534 (Order, December 19, 2012, Docket No. 12-0321, p. 105.)

535 Nothing has been provided in this case to support any change to the
536 Commission's conclusion in Docket 12-0321 quoted above. Therefore,
537 the Company's recommendation for the appropriate form of appendix to
538 the Commission Order should be rejected.

539

540 **Recommendations for Company's Subsequent Formula Rate Updates**

541 **Q. What was the Company's response to your proposal for subsequent**
542 **formula rate updates filed by AIC?**

543 **A.** Company witness Stafford acknowledges that Staff's concerns are similar
544 to those faced in previous cases, necessitating a number of follow-up

545 DR's as well as phone calls to clarify information. His claim that the
546 exhibits and workpapers in this case are similar, if not identical, to those
547 presented in prior cases and that Staff has not taken issue with the format
548 (Ameren Ex. 9.0, p. 52, lines 1155 – 1162.) falls short, especially in light of
549 the language I quoted from the Order in Ameren's last formula rate
550 update. (Staff Ex. 1.0;29, 633-644.) I am not taking issue with the format
551 of schedules, but rather, with the fact that the data presented on the
552 schedules, exhibits and responses to discovery is inconsistent with data
553 presented on other schedules, exhibits and discovery responses that
554 should represent the same data.

555 Mr. Stafford specifically addressed the two examples I provided for
556 ratemaking adjustments that were not clearly identified in the filing,
557 agreeing that the adjustments were not readily apparent in the Company's
558 direct filing. (Ameren Ex. 9.0, pp 56-57, lines 1246 – 1264.) He also
559 acknowledged that additional information has now been provided to clarify
560 schedules, exhibits, and DR responses that presented related, but not
561 identical, data. In rebuttal testimony, the Company either expanded on
562 existing schedules or provided additional schedules in order to present
563 more transparent information to support its filing for this case. (*Id.*)

564 **Q. Did the Company make any commitment to provide the same or**
565 **enhanced level of transparency in future formula update filings as**
566 **you recommended?**

567 A. No. The Company made no commitment to increase the transparency
568 and understanding of data provided in *future* formula rate update cases. I
569 recommend that the Commission include in the final order in this case a
570 finding that Ameren must endeavor to continue the efforts started in its
571 rebuttal testimony in the case to assure that the information provided in
572 future formula rate update filings and responses to discovery would be
573 clearly identified and all information from the various documents provided
574 would trace back to other schedules that present the same information.

575

576 **Conclusion**

577 **Q. Does this question end your prepared rebuttal testimony?**

578 A. Yes.

Ameren Illinois Company
Statement of Operating Income with Adjustments
For the Filing Year Ending December 31, 2012
(In Thousands)

Line No.	Description	Company Pro Forma Jurisdictional Operating Income (Co Rev Sch C-1)	Adjustments (Sch 6.02 FY)	Pro Forma Present (Cols. b+c)	Effect of Proposed Rates Per Company (Co Rev Sch C-1)	Gross Revenue Conversion Factor	Proposed Rates With Ordered Adjustments (Cols. d+e+f)	Adjustment To Proposed Increase	Operating Statement Per Staff (Cols. g+h)	Staff Proposed Net Revenue Requirement (Sch. 6.08 FY & 6.09 FY)
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)
1	Operating Revenues	\$ 764,876	-	\$ 764,876	\$ 18,007	\$ 122	\$ 783,005	\$ 6,424	\$ 789,429	\$ 789,429
2	Other Revenues	39,707	-	39,707	-	-	39,707	-	39,707	-
3	Reconciliation Adjustment	-	-	-	-	-	-	-	-	(64,464)
4	Return on Equity Collar Adjustment	-	-	-	-	-	-	-	-	(864)
5	Total Operating Revenue	804,583	-	804,583	18,007	122	822,712	6,424	829,136	\$ 724,100
6	Uncollectibles Expense	5,637	-	5,637	-	123	5,760	44	5,804	-
7	Distribution	196,903	(164)	196,739	-	-	196,739	-	196,739	-
8	Customer Accounts	39,743	-	39,743	-	-	39,743	-	39,743	-
9	Customer Services and Informational Services	5,013	-	5,013	-	-	5,013	-	5,013	-
10	Sales	-	-	-	-	-	-	-	-	-
11	Administrative and General	115,270	(856)	114,414	-	-	114,414	-	114,414	-
12	Depreciation and Amortization	168,479	15,800	184,279	-	-	184,279	-	184,279	-
13	Taxes Other Than Income	58,593	-	58,593	-	-	58,593	-	58,593	-
14	Regulatory Asset Amortization	4,179	(29)	4,150	-	-	4,150	-	4,150	-
15	Pension Asset Funding Cost	-	-	-	-	-	-	-	-	-
16	Other Expense Adjs	-	-	-	-	-	-	-	-	-
17	Total Operating Expense	593,817	14,751	608,568	-	123	608,691	44	608,735	-
18	Before Income Taxes									
19	State Income Tax	9,621	(1,539)	8,082	1,711	-	9,793	606	10,399	-
20	Federal Income Tax	46,894	(5,127)	41,767	5,704	(1)	47,470	2,021	49,491	-
21	Deferred Taxes and ITCs Net	(830)	-	(830)	-	-	(830)	-	(830)	-
22	Total Operating Expenses	649,502	8,085	657,587	7,415	122	665,124	2,671	667,795	-
23	NET OPERATING INCOME	\$ 155,081	(8,085)	\$ 146,996	\$ 10,592	\$ -	\$ 157,588	\$ 3,753	\$ 161,341	\$ -
24	Rate Base (Schedule 6.03 FY, column (d), line 24)								\$ 2,026,902	
25	Overall Rate of Return (ICC Staff Exhibit 4.0)								7.96%	

	Operating Revenues	Other Revenues	Other Adjustments*	Total Revenues	Revenue Change
26	Revenues Change				
27	Revenues Prior to Docket No. 12-0001	\$ 833,981,000	\$ 24,724,000	\$ 858,705,000	
28	Revenues in Docket No. 12-0001	779,280,000	31,337,000	810,617,000	\$ (48,088,000)
29	Revenues in Docket No. 12-0293	764,510,000	41,030,000	805,540,000	(5,077,000)
30	Revenues in Docket No. 13-0301	789,429,000	39,707,000	829,136,000	(41,733,000)
31	Change in Revenues from Docket No. 12-0293				\$ (94,898,000)

* Reconciliation Adjustment and Collar Adjustment.

Ameren Illinois Company
Adjustments to Operating Income
For the Filing Year Ending December 31, 2012
(In Thousands)

Line No.	Description	Interest Synchronization (Sch. 6.06 FY)	Account 588 Adjustment (Sch. 6.11 FY)	Company Use of Fuels (Sch 6.13 FY)	Depreciation Expense (Sch. 7.05)	Outside Professional Services (Sch. 7.06)	Incent Comp Derivative Adj (Sch. 6.14)	Rate Case Expense (Sch. 7.07)	Subtotal Operating Statement Adjustments
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
1	Operating Revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2	Other Revenues	-	-	-	-	-	-	-	-
3	Reconciliation Adjustment	-	-	-	-	-	-	-	-
4	Return on Equity Collar Adjustment	-	-	-	-	-	-	-	-
5	Total Operating Revenue	-	-	-	-	-	-	-	-
6	Uncollectibles Expense	-	-	-	-	-	-	-	-
7	Distribution	-	(141)	-	-	-	-	(21)	(162)
8	Customer Accounts	-	-	-	-	-	-	-	-
9	Customer Services and Informational Services	-	-	-	-	-	-	-	-
10	Sales	-	-	-	-	-	-	-	-
11	Administrative and General	-	-	(11)	-	(156)	(183)	-	(350)
12	Depreciation and Amortization	-	-	-	15,800	-	-	-	15,800
13	Taxes Other Than Income	-	-	-	-	-	-	-	-
14	Regulatory Asset Amortization	-	-	-	-	-	-	(29)	(29)
15	Pension Asset Funding Cost	-	-	-	-	-	-	-	-
16	Other Expense Adjs	-	-	-	-	-	-	-	-
17	Total Operating Expense	-	(141)	(11)	15,800	(156)	(183)	(50)	15,259
18	Before Income Taxes	-	(141)	(11)	15,800	(156)	(183)	(50)	15,259
19	State Income Tax	(137)	13	1	(1,501)	15	17	5	(1,587)
20	Federal Income Tax	(456)	45	3	(5,005)	49	58	16	(5,290)
21	Deferred Taxes and ITCs Net	-	-	-	-	-	-	-	-
22	Total Operating Expenses	(593)	(83)	(7)	9,294	(92)	(108)	(29)	8,382
23	NET OPERATING INCOME	\$ 593	\$ 83	\$ 7	\$ (9,294)	\$ 92	\$ 108	\$ 29	\$ (8,382)

Ameren Illinois Company
Adjustments to Operating Income
For the Filing Year Ending December 31, 2012
(In Thousands)

Line No.	Description	Subtotal Operating Statement Adjustments	Industry Dues Expense (Sch. 8.02)	Miscellaneous General Expense (Sch. 8.03)	Advertising Expense Sponsorships (Sch. 10.01)	Customer Assistance Exp (Sch. 10.02)	FEFL Advertising (Sch. 10.03)	Ameren Credit Card Expense (Sch. 8.04)	Total Operating Statement Adjustments
	(a)	(j)	(k)	(l)	(m)	(n)	(p)	(p)	(q)
1	Operating Revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2	Other Revenues	-	-	-	-	-	-	-	-
3	Reconciliation Adjustment	-	-	-	-	-	-	-	-
4	Return on Equity Collar Adjustment	-	-	-	-	-	-	-	-
5	Total Operating Revenue	-	-	-	-	-	-	-	-
6	Uncollectibles Expense	-	-	-	-	-	-	-	-
7	Distribution	(162)	-	-	-	-	-	-	(162)
8	Customer Accounts	-	-	-	-	-	-	-	-
9	Customer Services and Informational Services	-	-	-	-	-	-	-	-
10	Sales	-	-	-	-	-	-	-	-
11	Administrative and General	(350)	(8)	(196)	(94)	(7)	(68)	(24)	(747)
12	Depreciation and Amortization	15,800	-	-	-	-	-	-	15,800
13	Taxes Other Than Income	-	-	-	-	-	-	-	-
14	Regulatory Asset Amortization	(29)	-	-	-	-	-	-	(29)
15	Pension Asset Funding Cost	-	-	-	-	-	-	-	-
16	Other Expense Adjs	-	-	-	-	-	-	-	-
17	Total Operating Expense	-	-	-	-	-	-	-	-
18	Before Income Taxes	15,259	(8)	(196)	(94)	(7)	(68)	(24)	14,862
19	State Income Tax	(1,587)	1	19	9	1	6	2	(1,549)
20	Federal Income Tax	(5,290)	3	62	30	2	22	8	(5,163)
21	Deferred Taxes and ITCs Net	-	-	-	-	-	-	-	-
22	Total Operating Expenses	8,382	(4)	(115)	(55)	(4)	(40)	(14)	8,150
23	NET OPERATING INCOME	\$ (8,382)	\$ 4	\$ 115	\$ 55	\$ 4	\$ 40	\$ 14	\$ (8,150)

Ameren Illinois Company
Adjustments to Operating Income
For the Filing Year Ending December 31, 2012
(In Thousands)

Line No.	Description	Subtotal Operating Statement Adjustments	Miscellaneous Distrib Expense (Sch. 7.09)	Strategic Intl Group Consulting (Sch. 10.04)	(Sch.)	(Sch.)	(Sch.)	(Sch.)	Total Operating Statement Adjustments
	(a)	(r)	(s)	(t)	(u)	(v)	(w)	(x)	(y)
1	Operating Revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2	Other Revenues	-	-	-	-	-	-	-	-
3	Reconciliation Adjustment	-	-	-	-	-	-	-	-
4	Return on Equity Collar Adjustment	-	-	-	-	-	-	-	-
5	Total Operating Revenue	-	-	-	-	-	-	-	-
6	Uncollectibles Expense	-	-	-	-	-	-	-	-
7	Distribution	(162)	(2)	-	-	-	-	-	(164)
8	Customer Accounts	-	-	-	-	-	-	-	-
9	Customer Services and Informational Services	-	-	-	-	-	-	-	-
10	Sales	-	-	-	-	-	-	-	-
11	Administrative and General	(747)	-	(109)	-	-	-	-	(856)
12	Depreciation and Amortization	15,800	-	-	-	-	-	-	15,800
13	Taxes Other Than Income	-	-	-	-	-	-	-	-
14	Regulatory Asset Amortization	(29)	-	-	-	-	-	-	(29)
15	Pension Asset Funding Cost	-	-	-	-	-	-	-	-
16	Other Expense Adjs	-	-	-	-	-	-	-	-
17	Total Operating Expense	-	-	-	-	-	-	-	-
18	Before Income Taxes	14,862	(2)	(109)	-	-	-	-	14,751
19	State Income Tax	(1,549)	-	10	-	-	-	-	(1,539)
20	Federal Income Tax	(5,163)	1	35	-	-	-	-	(5,127)
21	Deferred Taxes and ITCs Net	-	-	-	-	-	-	-	-
22	Total Operating Expenses	8,150	(1)	(64)	-	-	-	-	8,085
23	NET OPERATING INCOME	\$ (8,150)	\$ 1	\$ 64	\$ -	\$ -	\$ -	\$ -	\$ (8,085)

Ameren Illinois Company
Rate Base
For the Filing Year Ending December 31, 2012
(In Thousands)

Line No.	Description	Company Pro Forma Jurisdictional Rate Base (Co Rev Sch B-1)	Adjustments (Sch 6.04 FY)	Staff Proposed Rate Base (Col. b+c)
	(a)	(b)	(c)	(d)
1	Distribution Plant	\$ 4,981,359	\$ -	\$ 4,981,359
2	G & I Plant	356,078	-	356,078
3	Accumulated Depreciation on Distribution Plant	(2,429,443)	(15,800)	(2,445,243)
4	Accumulated Depreciation on G & I Plant	(119,344)	-	(119,344)
5	Net Plant	<u>2,788,650</u>	<u>(15,800)</u>	<u>2,772,850</u>
6	Additions to Rate Base			
7	Materials and Supplies	35,101	3,280	38,381
8	Construction Work in Progress	594	(36)	558
9	Plant Held for Future Use	373	-	373
10	OPEB Liability	1,406	(1,406)	-
11	Cash Working Capital	12,203	(1,841)	10,362
12	Other Deferred Charges	-	-	-
13	Deductions From Rate Base			
14	Accumulated Deferred Income Taxes	(742,266)	11,779	(730,487)
15	Accrued Vacation Reserve	-	(11,989)	(11,989)
16		-	-	-
17		-	-	-
18	Accumulated Misc. Operating Provisions	-	-	-
19	Asset Retirement Obligation	-	-	-
20	Other Deferred Credits	-	-	-
21	Customer Advances	(22,807)	-	(22,807)
22	Customer Deposits	(30,164)	(175)	(30,339)
23		<u>-</u>	<u>-</u>	<u>-</u>
24	Rate Base	<u>\$ 2,043,090</u>	<u>\$ (16,188)</u>	<u>\$ 2,026,902</u>

Ameren Illinois Company
Adjustments to Rate Base
For the Filing Year Ending December 31, 2012
(In Thousands)

Line No.	Description	CWIP Accounts Payable (Sch. 7.01)	Cash Working Capital (Sch. 7.02 FY)	Accrued Vacation Reserve (Sch. 7.03)	Metro East Asset Transfer (Sch. 7.04)	Depreciation Expense (Sch. 7.05)	(Sch.)	Mats & Supplies & Cust Deposits (Sch. 7.08FY)	Subtotal Staff Rate Base Adjustments
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
1	Distribution Plant	\$ -	\$ -				\$ -	\$ -	\$ -
2	G & I Plant			-					-
3	Accumulated Depreciation on Distribution Plant	-	-	-		(15,800)	-	-	(15,800)
4	Accumulated Depreciation on G & I Plant	-	-	-		-	-	-	-
5	Net Plant	-	-	-	-	(15,800)	-	-	(15,800)
6	Additions to Rate Base								
7	Materials and Supplies	-	-	-	-	-	-	3,280	3,280
8	Construction Work in Progress	(36)	-	-	-	-	-	-	(36)
9	Plant Held for Future Use	-	-	-	-	-	-	-	-
10	OPEB Liability	-	-	-	-	-	-	-	-
11	Cash Working Capital	-	(1,841)	-	-	-	-	-	(1,841)
12	Other Deferred Charges	-	-	-	-	-	-	-	-
13	Deductions From Rate Base	-	-	-	-	-	-	-	-
14	Accumulated Deferred Income Taxes	-	-	4,936	(5,624)	11,888	-	-	11,200
15	Accrued Vacation Reserve	-	-	(11,989)	-	-	-	-	(11,989)
16		-	-	-	-	-	-	-	-
17		-	-	-	-	-	-	-	-
18	Accumulated Misc. Operating Provisions	-	-	-	-	-	-	-	-
19	Asset Retirement Obligation	-	-	-	-	-	-	-	-
20	Other Deferred Credits	-	-	-	-	-	-	-	-
21	Customer Advances	-	-	-	-	-	-	-	-
22	Customer Deposits	-	-	-	-	-	-	(175)	(175)
23		-	-	-	-	-	-	-	-
24	Rate Base	<u>\$ (36)</u>	<u>\$ (1,841)</u>	<u>\$ (7,053)</u>	<u>\$ (5,624)</u>	<u>\$ (3,912)</u>	<u>\$ -</u>	<u>\$ 3,105</u>	<u>\$ (15,361)</u>

Ameren Illinois Company
Revenue Effect of Adjustments
For the Filing Year Ending December 31, 2012
(In Thousands)

Line No.	Description (a)	Company Proposal (b)	Adjustments (c)	Per Order (d)
1	Summary			
2	Current Revenues	\$ 804,583		\$ 804,583
3	Proposed Increase	18,007	6,546 #	24,553
4	Proposed Revenue Requirement	<u>\$ 822,590</u>	<u>\$ 6,546</u>	<u>\$ 829,136</u>
5	Percentage Increase	2.24%	0.81%	3.05%
6	Effect of Each Adjustment			
7	Rate of Return		\$ (5,208)	
8	Interest Synchronization		\$ (1,398)	
9	Accrued Vacation Reserve		\$ (794)	
10	Metro East Asset Transfer		\$ (633)	
11	Miscellaneous General Expenses		\$ (197)	
12	FEFL Advertising Expense		\$ (68)	
13	Cash Working Capital		\$ (207)	
14	UCB/POR Capitalized Costs		\$ (185)	
15	Account 588		\$ (142)	
16	Outside Professional Service		\$ (157)	
17	Advertising Expense - Sponsorships		\$ (94)	
18	Remove OPEB Contra Liability		\$ (93)	
19	Rate Case Expense		\$ (50)	
20	Ameren Credit Card Expense		\$ (24)	
21	Industry Association Dues		\$ (7)	
22	Company Use of Fuels		\$ (12)	
23	Customer Assistance Expense		\$ (7)	
24	CWIP Accounts Payable		\$ (4)	
25	Miscellaneous Distribution Expense		\$ (2)	
26	Gross Revenue Conversion Factor		\$ 122	
27	Materials & Supplies and Customer Deposits		\$ 350	
28	Depreciation Expense		\$ 15,468	
29	Strategic Intl Group Consulting		\$ (110)	
30				
31				
32				
33				
34				
35				
36				
37	Rounding		\$ (2)	
38	Effect of Adjustments		<u>\$ 6,546 #</u>	
39	Reconciliation to Appendix A, p. 1			
40	Column (c), line 5.		-	
41	Column (f), line 5.		122	
42	Column (h), line 5.		<u>6,424</u>	
43	Total Effect of Adjustments		<u>\$ 6,546 #</u>	

Ameren Illinois Company
Interest Synchronization Adjustment
 For the Filing Year Ending December 31, 2012
 (In Thousands)

Line No.	Description (a)	Amount (b)
1	Rate Base	\$ 2,026,902 ⁽¹⁾
2	Weighted Cost of Debt	<u>3.420%</u> ⁽²⁾
3	Synchronized Interest (Line 1 x Line 2)	69,320
4	Company Interest Expense	<u>67,879</u> ⁽³⁾
5	Increase (Decrease) in Interest Expense	<u><u>1,441</u></u>
6	Increase (Decrease) in State Income Tax Expense	
7	at 9.500%	<u><u>\$ (137)</u></u>
8	Increase (Decrease) in Federal Income Tax Expense	
9	at 35.000%	<u><u>\$ (456)</u></u>

(1) Source: Schedule 6.03 FY, column (d), line 24
 (2) Source: ICC Staff Exhibit 4.0
 (3) Source: Ameren Schedule C-5a

Ameren Illinois Company
Gross Revenue Conversion Factor
 For the Filing Year Ending December 31, 2012
 (In Thousands)

Line No.	Description	Rate	With Bad Debts	Without Bad Debts
	(a)	(b)	(c)	(d)
1	Revenues		1.000000	1.000000
2	Uncollectibles	0.6807%	<u>0.006807</u>	
3	State Taxable Income		0.993193	
4	State Income Tax	9.5000%	<u>0.094353</u>	<u>0.095000</u>
5	Federal Taxable Income		0.898840	0.905000
6	Federal Income Tax	35.0000%	<u>0.314594</u>	<u>0.316750</u>
7	Operating Income		<u>0.584246</u>	<u>0.588250</u>
8	Gross Revenue Conversion Factor (Line 1 / Line 7)		<u>1.711608</u>	<u>1.699958</u>

Ameren Illinois Company
Reconciliation Computation for the Reconciliation Year Ending December 31, 2012
For the Filing Year Ending December 31, 2012
 (In Thousands)

Line No.	Description	Source	Amt	(d)	(e)	(f)	(g)
	(a)	(b)	(c)				
1	Actual Revenue Requirement	Schedule 6.01 RY, column (i), line 1	\$ 768,047				
	Revenue Requirement in effect during						
2	Reconciliation Year	(1')	\$ 822,891				
3	Variance - Reconciliation Before Collar	(Ln 1) - (Ln 2)	\$ (54,844)				
4	ROE Collar Adjustment	Schedule 6.09 FY, Col (d), Ln 37	\$ (864)				
5	Variance with Collar	(Ln 3) + (Ln 4)	\$ (55,708)				
6	Monthly Interest Rate	Sch FR D-1 Col D Ln 29/12	0.67%				
			<u>Variance</u>	<u>Interest Rate</u>	<u>Months</u>	<u>Interest</u>	<u>Surcharge (Refund)</u>
			(Ln 5) / 12	Ln 6/12		(c) * (d * (e))	(c) + (f)
	2012						
7	January		\$ (4,642)	0.6675%	11.5	\$ (356)	\$ (4,999)
8	February		(4,642)	0.6675%	10.5	(325)	(4,968)
9	March		(4,642)	0.6675%	9.5	(294)	(4,937)
10	April		(4,642)	0.6675%	8.5	(263)	(4,906)
11	May		(4,642)	0.6675%	7.5	(232)	(4,875)
12	June		(4,642)	0.6675%	6.5	(201)	(4,844)
13	July		(4,642)	0.6675%	5.5	(170)	(4,813)
14	August		(4,642)	0.6675%	4.5	(139)	(4,782)
15	September		(4,642)	0.6675%	3.5	(108)	(4,751)
16	October		(4,642)	0.6675%	2.5	(77)	(4,720)
17	November		(4,642)	0.6675%	1.5	(46)	(4,689)
18	December		(4,642)	0.6675%	0.5	(15)	(4,658)
19	Total	Sum of (Ln 7) thru (Ln 18)	<u>\$ (55,708)</u>			<u>\$ (2,231)</u>	<u>\$ (57,939)</u>
			<u>Balance</u>	<u>Interest Rate</u>	<u>Mons</u>	<u>Interest</u>	<u>Balance</u>
				Ln 6/12		(c) * (d * (e))	(c) + (f)
	2013						
20	January - December	Col G Ln 19	<u>\$ (57,939)</u>	0.6675%	12	<u>\$ (4,641)</u>	<u>\$ (62,580)</u>
			<u>Balance</u>	<u>Interest Rate</u>		<u>Amort</u>	<u>Balance</u>
				Ln 6/12		(2')	(c) + (c) * (d) - (f)
	2014						
21	Jan	Col G Ln 20	\$ (62,580)	0.6675%		\$ (5,444)	\$ (57,554)
22	Feb	Col G Ln 21	(57,554)	0.6675%		(5,444)	(52,494)
23	Mar	Col G Ln 22	(52,494)	0.6675%		(5,444)	(47,400)
24	Apr	Col G Ln 23	(47,400)	0.6675%		(5,444)	(42,273)
25	May	Col G Ln 24	(42,273)	0.6675%		(5,444)	(37,111)
26	Jun	Col G Ln 25	(37,111)	0.6675%		(5,444)	(31,915)
27	Jul	Col G Ln 26	(31,915)	0.6675%		(5,444)	(26,684)
28	Aug	Col G Ln 27	(26,684)	0.6675%		(5,444)	(21,418)
29	Sep	Col G Ln 28	(21,418)	0.6675%		(5,444)	(16,117)
30	Oct	Col G Ln 29	(16,117)	0.6675%		(5,444)	(10,780)
31	Nov	Col G Ln 30	(10,780)	0.6675%		(5,444)	(5,408)
32	Dec	Col G Ln 31	(5,408)	0.6675%		(5,444)	0
33	Variance with Interest	Sum of (Ln 21) thru (Ln 32)				<u>\$ (65,329)</u>	
34	Remove ROE Collar Adjustment (3')	Ln 4				\$ (864)	
35	Reconciliation with Interest	(Ln 33) - (Ln 34)				<u>\$ (64,464)</u>	To Schedule 1.01, p. 1

Note:

(1') Calculated in accordance with Section 16-108.5(d)(1) of the Act. Reconciliations for calendar years 2011 and 2012 will use weighted average of revenue requirements in effect during those years. See page 2 for Staff weighting calculations.

(2') (-1.0) * PMT((Ln 21 Col (d)),12,(Ln 20, Col (g)))

(3') Remove ROE Collar Adjustment from calculation as this amount is included on Appendix A page 1, Col (j), Ln 4.

Ameren Illinois Company
Reconciliation Computation for the Reconciliation Year Ending December 31, 2012
For the Filing Year Ending December 31, 2012
(In Thousands)

Line No.	Description (A)	Revenue Requirement (B)	Days In Effect in 2012 (C)	Weighted Revenue Requirement (B/365 * C) (D)
1	Revenue Requirement for 2009 Order			
2	Docket No. 09-0306 Order on Rehearing, Appendix A page 1	\$ 116,053		
3	Docket No. 09-0307 Order on Rehearing, Appendix B page 1	228,322		
4	Docket No. 09-0308 Order on Rehearing, Appendix C page 1	446,644		
5	Total for 2009 Orders	<u>\$ 791,019</u>		
6	CILCO Electric Distribution Tax (May 6, 2010 Order Appendix A p. 3)	\$ 5,139		
7	CIPS Electric Distribution Tax (May 6, 2010 Order Appendix B p. 3)	15,451		
8	IP Electric Distribution Tax (May 6, 2010 Order Appendix C p. 3)	<u>22,372</u>		
9	Total Revenue Requirement 2009 Order	\$ 833,981	291	\$ 664,900
10	Docket No. 12-0001 Revenue Requirement	\$ 779,280	74	<u>157,991</u>
11	Weighted Average Revenue Requirement per Staff			<u><u>\$ 822,891</u></u>

Ameren Illinois Company
ROE Collar Computation for the Reconciliation Year Ending December 31, 2012
For the Filing Year Ending December 31, 2012
(In Thousands)

Line No.	Description (a)	Amount (b)	Column (b) Source (c)
1	DS Rate Base	\$ 1,993,840	Schedule 6.03 RY, Column (b) & (c), Ln 26
	Capital Structure:		
2	Common Equity %	51.00%	Staff Ex. 4.0, p. 16
3	Preferred Stock%	1.72%	Staff Ex. 4.0, p. 16
4	Short-Term Debt %	0.00%	Staff Ex. 4.0, p. 16
5	Long-Term Debt %	47.28%	Staff Ex. 4.0, p. 16
6	DS Equity Balance	\$ 1,016,858	Ln 1 x Ln 2
7	DS Preferred Stock Balance	\$ 34,294	Ln 1 x Ln 3
8	DS Short-Term Debt Balance	\$ -	Ln 1 x Ln 4
9	DS Long-Term Debt Balance	\$ 942,688	Ln 1 x Ln 5
10	Cost of Short-Term Debt (%)	0.00%	Staff Ex. 4.0, p. 16
11	Cost of Long-Term Debt (%)	7.10%	Staff Ex. 4.0, p. 16
12	Cost of Preferred Stock	4.98%	Staff Ex. 4.0, p. 16
13	DS Operating Revenue	\$ 771,635	FERC Form 1, p. 300, line 12 and Note (1)
14	[blank]		
	Accrued Reconciliation and Collar Revenues		
15	Included on Line 13	\$ (55,148)	FERC Form 1, p. 300, line 12 and Note (1)
16	Updated Reconciliation Amount before Collar	\$ (54,844)	Schedule 6.08 FY line 3
17	Other Revenue	\$ 39,707	Schedule 6.01 FY line 2
18	DS Applicable Operating Revenue	\$ 811,646	Ln 13 - Ln 15 + Ln 16 + Ln 17
19	Total DS Operating Expenses	\$ 588,556	Schedule 6.01 RY line 18
20	DS Operating Income Before Interest & Taxes	\$ 223,090	Ln 18 - Ln 19
21	DS Short-Term Interest Expense	\$ -	Ln 6 x Ln 10
22	DS Long-Term Interest Expense	\$ 66,931	Ln 9 x Ln 11
23	Credit Facilities Expense	\$ 1,196	Line 16 times 0.06% Credit Facility Fees per Staff
24	DS Operating Income before Taxes	\$ 154,963	Ln 20 - Ln 21 - Ln 22 - Ln 23
25	Income Tax Rate (%)	41.175%	Schedule 6.07 FY, Column (c), Ln 4 + Ln 6
26	DS Income Taxes	\$ 63,806	Ln 24 x Ln 25
27	Impact of ITCs & Permanent Tax Differences	\$ (5,854)	Company Sch FR C-4 Ln 12
28	DS Income Taxes	\$ 57,952	Ln 26 + Ln 27
29	DS Net Income before Dividend	\$ 97,011	Ln 21 - Ln 23 - Ln 24
30	DS Preferred Stock Dividend	\$ 1,708	Ln 7 x Ln 12
31	DS Net Income	\$ 95,303	Ln 29 - Ln 30
32	DS ROE (%)	9.37%	Ln 31 / Ln 6
33	ROE Collar		
34	Allowed ROE (%)	8.82%	Staff Exhibit 4.0, p. 16
35	Maximum Allowed ROE (%)	9.32%	Ln 34 + .5%
36	Minimum Allowed ROE (%)	8.32%	Ln 34 - .5%
37	Percent Above Maximum Allowed ROE (%)	0.05%	
38	Amount Above Allowed ROE Collar	\$ (508)	Ln 6 x Ln 37
39	Percent Below Minimum Allowed ROE (%)	0.00%	Ln 36 - Ln 32
40	Amount Below Allowed ROE Collar	\$ -	Ln 6 x Ln 39
41	ROE Collar Adj After Tax	\$ (508)	Ln 38 + Ln 40
42	ROE Collar Tax Gross-up	\$ (356)	Ln 41 x Ln 25/(1- Ln 25)
43	ROE Collar Adj	\$ (864)	Ln 41 + Ln 42

Ameren Illinois Company
 Adjustment for Account 588, Miscellaneous Distribution Expense
 For the Year Ending December 31, 2012
 (In Thousands)

Line No.	Description (a)	Amount (b)	Amount (c)	Source (d)
1	Account 588 Costs per Staff		\$ -	
2	Excessive Relocation Costs	\$ 68		Schedule 6.11, page 2 (in thousands)
3	Unsupported Individual Expenses	<u>73</u>		Workpaper Schedule 6.11 (Confidential)
4	Account 588 Costs per Company		<u>\$ 141</u>	Sum of Column (b)
5	Staff Proposed Adjustment to Account 588		<u><u>\$ (141)</u></u>	Line 1 minus line 4

Ameren Illinois Company
 Adjustment for Account 588, Miscellaneous Distribution Expense
 For the Year Ending December 31, 2012
 (In Dollars)

Line No.	Description	Amount	Amount	Source
	(a)	(b)	(c)	(d)
1	Company identified adjustment		18,350	Ameren Exhibit 11.0, p. 12, lines 245-247
2	Loss on Sale Costs		<u>39,500</u>	Company response to TEE 10.08 Attach
3	Total Staff disallowed relocation expense		\$ 57,850	Line 1 plus line 2
4	Total Company relocation expense		488,112	Ameren Exhibit 11.1
5	% of disallowance		11.85%	Line 3 divided by line 4
6	Payroll Upload per Company		<u>84,990</u>	Ameren Exhibit 11.1
7	Adjustment to Payroll Upload		<u>\$ 10,073</u>	line 5 times line 6
8	Staff total adjustment for relocation Expense		<u><u>\$ 67,923</u></u>	Line 3 plus line 7

Ameren Illinois Company
Adjustment for Company Use Of Fuels
For the Year Ending December 31, 2012
(In Thousands)

Line No.	Description (a)	Amount (b)	Amount (c)	Source (d)
1	Total Therms	2,004,366		Company workpaper WPC-2.3
2	Electric Labor w/ A&G Allocator	<u>68.6076%</u>		Company response to TEE 8.03 Attach
3	Total Electric Therms		1,375,147	Line 1 times line 2
4	Average Cost Per Therm		<u>0.51789</u>	Company workpaper WPC-2.3
5	Company Use adjustment per Staff		\$ 712	(Line 3 times line 4)/1000
6	Company Use adjustment per Company		<u>723</u>	Company Schedule C-2.3
7	Staff proposed adjustment for Company Use of Fuel		<u><u>\$ (11)</u></u>	Line 5 minus line 6

Ameren Illinois Company
Adjustment for Incentive Compensation Derivative Amounts
For the Year Ending December 31, 2012
(In Thousands)

Line No.	Description (a)	Amount (b)	Amount (c)	Source (d)
1	Derivative Expense per Staff		\$ -	
2	Payroll Tax Expense	\$ 80		Company response to TEE 6.04
3	Pension Expense	<u>103</u>		Company response to TEE 6.05
4	A&G per Company		<u>183</u>	Line 2 plus line 3
5	Staff Proposed Adjustment to A&G Expense		<u><u>\$ (183)</u></u>	Line 1 minus line 4

Ameren Illinois Company
Adjustments to Operating Income
For the Reconciliation Year Ending December 31, 2012
(In Thousands)

Line No.	Description	Interest Synchronization (Sch. 6.06 RY)	Uncollectibles Expense (Sch. 6.10 RY)	Account 588 Adjustment (Sch. 6.11 RY)	()	(Sch.)	Outside Professional Services (Sch. 7.06)	Company Use of Fuels (Sch. 6.13 RY)	Subtotal Operating Statement Adjustments
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
1	Operating Revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2	Other Revenues	-	-	-	-	-	-	-	-
3		-	-	-	-	-	-	-	-
4		-	-	-	-	-	-	-	-
5	Total Operating Revenue	-	-	-	-	-	-	-	-
6	Uncollectibles Expense	-	1,289	-	-	-	-	-	1,289
7	Distribution	-	-	(141)	-	-	-	(11)	(152)
8	Customer Accounts	-	-	-	-	-	-	-	-
9	Customer Services and Informational Services	-	-	-	-	-	-	-	-
10	Sales	-	-	-	-	-	-	-	-
11	Administrative and General	-	-	-	-	-	(156)	-	(156)
12	Depreciation and Amortization	-	-	-	-	-	-	-	-
13	Taxes Other Than Income	-	-	-	-	-	-	-	-
14	Regulatory Asset Amortization	-	-	-	-	-	-	-	-
15	Pension Asset Funding Cost	-	-	-	-	-	-	-	-
16	Other Expense Adjs	-	-	-	-	-	-	-	-
17	Total Operating Expense	-	-	-	-	-	-	-	-
18	Before Income Taxes	-	1,289	(141)	-	-	(156)	(11)	981
19	State Income Tax	(29)	(122)	13	-	-	15	1	(122)
20	Federal Income Tax	(98)	(408)	45	-	-	49	3	(409)
21	Deferred Taxes and ITCs Net	-	-	-	-	-	-	-	-
22	Total Operating Expenses	(127)	759	(83)	-	-	(92)	(7)	450
23	NET OPERATING INCOME	\$ 127	\$ (759)	\$ 83	\$ -	\$ -	\$ 92	\$ 7	\$ (450)

Ameren Illinois Company
Adjustments to Operating Income
For the Reconciliation Year Ending December 31, 2012
(In Thousands)

Line No.	Description	Subtotal Operating Statement Adjustments	Rate Case Expense (Sch. 7.07)	Industry Association Dues (Sch. 8.02)	Miscellaneous General Expenses (Sch. 8.03)	Advertising Expense Sponsorships (Sch. 10.01)	Customer Assistance Exp (Sch. 10.02)	FEFL Advertising (Sch. 10.03)	Subtotal Operating Statement Adjustments
	(a)	(j)	(k)	(l)	(m)	(n)	(p)	(p)	(q)
1	Operating Revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2	Other Revenues	-	-	-	-	-	-	-	-
3	-	-	-	-	-	-	-	-	-
4	-	-	-	-	-	-	-	-	-
5	Total Operating Revenue	-	-	-	-	-	-	-	-
6	Uncollectibles Expense	1,289	-	-	-	-	-	-	1,289
7	Distribution	(152)	(21)	-	-	-	-	-	(173)
8	Customer Accounts	-	-	-	-	-	-	-	-
9	Customer Services and Informational Services	-	-	-	-	-	-	-	-
10	Sales	-	-	-	-	-	-	-	-
11	Administrative and General	(156)	-	(8)	(196)	(94)	(7)	(68)	(529)
12	Depreciation and Amortization	-	-	-	-	-	-	-	-
13	Taxes Other Than Income	-	-	-	-	-	-	-	-
14	Regulatory Asset Amortization	-	(29)	-	-	-	-	-	(29)
15	Pension Asset Funding Cost	-	-	-	-	-	-	-	-
16	Other Expense Adjs	-	-	-	-	-	-	-	-
17	Total Operating Expense	-	-	-	-	-	-	-	-
18	Before Income Taxes	981	(50)	(8)	(196)	(94)	(7)	(68)	558
19	State Income Tax	(122)	5	1	19	9	1	6	(81)
20	Federal Income Tax	(409)	16	3	62	30	2	22	(274)
21	Deferred Taxes and ITCs Net	-	-	-	-	-	-	-	-
22	Total Operating Expenses	450	(29)	(4)	(115)	(55)	(4)	(40)	203
23	NET OPERATING INCOME	\$ (450)	\$ 29	\$ 4	\$ 115	\$ 55	\$ 4	\$ 40	\$ (203)

Ameren Illinois Company
Adjustments to Operating Income
For the Reconciliation Year Ending December 31, 2012
(In Thousands)

Line No.	Description	Subtotal Operating Statement Adjustments	Ameren Credit Card Expense (Sch. 8.04)	Incentive Compensation Derivative Costs (Sch. 6.14)	Miscellaneous Distrib Expense (Sch. 7.09)	Strategic Intl Group Consulting (Sch. 10.04)	(Sch.)	(Sch.)	Total Operating Statement Adjustments
	(a)	(r)	(s)	(t)	(u)	(v)	(w)	(x)	(y)
1	Operating Revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2	Other Revenues	-	-	-	-	-	-	-	-
3		-	-	-	-	-	-	-	-
4		-	-	-	-	-	-	-	-
5	Total Operating Revenue	-	-	-	-	-	-	-	-
6	Uncollectibles Expense	1,289	-	-	-	-	-	-	1,289
7	Distribution	(173)	-	-	(2)	-	-	-	(175)
8	Customer Accounts	-	-	-	-	-	-	-	-
9	Customer Services and Informational Services	-	-	-	-	-	-	-	-
10	Sales	-	-	-	-	-	-	-	-
11	Administrative and General	(529)	(24)	(183)	-	(109)	-	-	(845)
12	Depreciation and Amortization	-	-	-	-	-	-	-	-
13	Taxes Other Than Income	-	-	-	-	-	-	-	-
14	Regulatory Asset Amortization	(29)	-	-	-	-	-	-	(29)
15	Pension Asset Funding Cost	-	-	-	-	-	-	-	-
16	Other Expense Adjs	-	-	-	-	-	-	-	-
17	Total Operating Expense								
18	Before Income Taxes	558	(24)	(183)	(2)	(109)	-	-	240
19	State Income Tax	(81)	2	17	-	10	-	-	(52)
20	Federal Income Tax	(274)	8	58	1	35	-	-	(172)
21	Deferred Taxes and ITCs Net	-	-	-	-	-	-	-	-
22	Total Operating Expenses	203	(14)	(108)	(1)	(64)	-	-	16
23	NET OPERATING INCOME	\$ (203)	\$ 14	\$ 108	\$ 1	\$ 64	\$ -	\$ -	\$ (16)

Ameren Illinois Company
Rate Base
For the Reconciliation Year Ending December 31, 2012
(In Thousands)

Line No.	Description	Pro Forma Jurisdictional Rate Base (Co Rev Sch B-1 Recon)	Adjustments (Sch 6.04 RY)	Reconciliation Year Rate Base (Col. b+c)
	(a)	(b)	(c)	(d)
1	Distribution Plant	\$ 4,787,724	\$ -	\$ 4,787,724
2	G & I Plant	311,220	-	311,220
3	Accumulated Depreciation on Distribution Plant	(2,276,633)	-	(2,276,633)
4	Accumulated Depreciation on G & I Plant	(113,740)	-	(113,740)
5	Net Plant	2,708,571	-	2,708,571
6	Additions to Rate Base			
7	Materials and Supplies	38,381	-	38,381
8	Construction Work in Progress	594	(36)	558
9	Plant Held for Future Use	373	-	373
10	Deferred Debits	1,406	(1,406)	-
11	Cash Working Capital	12,203	(1,699)	10,504
12	Other Deferred Charges	-	-	-
13	Deductions From Rate Base			
14	Accumulated Deferred Income Taxes	(699,303)	(109)	(699,412)
15	Accrued Vacation Reserve	-	(11,989)	(11,989)
16		-	-	-
17		-	-	-
18	Accumulated Misc. Operating Provisions	-	-	-
19	Asset Retirement Obligation	-	-	-
20	Other Deferred Credits	-	-	-
21	Customer Advances	(22,807)	-	(22,807)
22	Customer Deposits	(30,339)	-	(30,339)
23		-	-	-
24	Rate Base at End of Year	\$ 2,009,079	\$ (15,239)	\$ 1,993,840

Ameren Illinois Company
Adjustments to Rate Base
For the Reconciliation Year Ending December 31, 2012
(In Thousands)

Line No.	Description	CWIP Accounts Payable (Sch 7.01)	Cash Working Capital (Sch 7.02 RY)	Accrued Vacation Reserve (Sch. 7.03)	Metro East Asset Transfer (Sch. 7.04)	Depreciation Expense (Sch. 7.05)	(Sch.)	Remove OPEB Contra Liability (Sch. 8.01)	Total Rate Base Adjustments
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
1	Distribution Plant	\$ -	\$ -				\$ -	\$ -	\$ -
2	G & I Plant	-	-	\$ -					\$ -
3	Accumulated Depreciation on Distribution Plant	-	-	-			-	-	-
4	Accumulated Depreciation on G & I Plant	-	-	-			-	-	-
5	Net Plant	-	-	-	-	-	-	-	-
6	Additions to Rate Base								
7	Materials and Supplies	-	-	-	-	-	-	-	-
8	Construction Work in Progress	(36)	-	-	-	-	-	-	(36)
9	Plant Held for Future Use	-	-	-	-	-	-	-	-
10	Deferred Debits	-	-	-	-	-	-	(1,406)	(1,406)
11	Cash Working Capital	-	(1,699)	-	-	-	-	-	(1,699)
12	Other Deferred Charges	-	-	-	-	-	-	-	-
13	Deductions From Rate Base	-	-	-	-	-	-	-	-
14	Accumulated Deferred Income Taxes	-	-	4,936	(5,624)	-	-	579	(109)
15	Accrued Vacation Reserve	-	-	(11,989)	-	-	-	-	(11,989)
16		-	-	-	-	-	-	-	-
17		-	-	-	-	-	-	-	-
18	Accumulated Misc. Operating Provisions	-	-	-	-	-	-	-	-
19	Asset Retirement Obligation	-	-	-	-	-	-	-	-
20	Other Deferred Credits	-	-	-	-	-	-	-	-
21	Customer Advances	-	-	-	-	-	-	-	-
22	Customer Deposits	-	-	-	-	-	-	-	-
23		-	-	-	-	-	-	-	-
24	Rate Base at End of Year	<u>\$ (36)</u>	<u>\$ (1,699)</u>	<u>\$ (7,053)</u>	<u>\$ (5,624)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (827)</u>	<u>\$ (15,239)</u>

Ameren Illinois Company
Revenue Effect of Adjustments
 For the Reconciliation Year Ending December 31, 2012
 (In Thousands)

Line No.	Description (a)	AIC's Proposal (b)	Adjustments (c)	Per Staff (d)
1	Summary			
2	Current Revenues	\$ 862,598		\$ 862,598
3	Proposed Increase	<u>(47,558)</u>	<u>(7,286) #</u>	<u>(54,844)</u>
4	Proposed Revenue Requirement	<u>\$ 815,040</u>	<u>\$ (7,286)</u>	<u>\$ 807,754</u>
5	Percentage Increase	-5.51%	-0.85%	-6.36%
6	Effect of Each Adjustment			
7	Rate of Return		\$ (5,235)	
8	Accrued Vacation Reserve		\$ (800)	
9	Metro East Asset Transfer		\$ (638)	
10	Interest Synchronization		\$ (578)	
11	Miscellaneous General Expenses		\$ (197)	
12	Cash Working Capital		\$ (193)	
13	Incentive Compensation Derivative Costs		\$ (185)	
14	Outside Professional Service		\$ (157)	
15	Account 588		\$ (142)	
16	Strategic Intl Group Consulting		\$ (110)	
17	Advertising Expense - Sponsorships		\$ (94)	
18	Remove OPEB Contra Liability		\$ (94)	
19	FEFL Advertising		\$ (68)	
20	Rate Case Expense		\$ (50)	
21	Ameren Credit Card Expense		\$ (24)	
22	UCB/POR Capitalized Costs		\$ (12)	
23	Industry Association Dues		\$ (7)	
24	Customer Assistance Expense		\$ (7)	
25	CWIP Accounts Payable		\$ (4)	
26	Miscellaneous Distribution Expense		\$ (2)	
27	Gross Revenue Conversion Factor		\$ -	
28	Uncollectibles Expense		\$ 1,299	
29				
30				
31			-	
32				
33				
34				
35				
36				
37	Rounding		<u>12</u>	
38	Effect of Adjustments		<u>\$ (7,286) #</u>	
39	Reconciliation to Appendix B, p. 1			
40	Column (c), line 5.		-	
41	Column (f), line 5.		-	
42	Column (h), line 5.		<u>(7,286)</u>	
43	Total Effect of Adjustments		<u>\$ (7,286) #</u>	

Ameren Illinois Company
Interest Synchronization Adjustment
 For the Reconciliation Year Ending December 31, 2012
 (In Thousands)

Line No.	Description (a)	Amount (b)
1	Rate Base	\$ 1,993,840 ⁽¹⁾
2	Weighted Cost of Debt	<u>3.42%</u> ⁽²⁾
3	Synchronized Interest (Line 1 x Line 2)	68,189
4	Company Interest Expense	<u>67,879</u> ⁽³⁾
5	Increase (Decrease) in Interest Expense	<u>310</u>
6	Increase (Decrease) in State Income Tax Expense	
7	at 9.500%	<u>\$ (29)</u>
8	Increase (Decrease) in Federal Income Tax Expense	
9	at 35.000%	<u>\$ (98)</u>

(1) Source: Sch 6.03 RY, column (d), line 26
 (2) Source: ICC Staff Exhibit 4.0
 (3) Source: Company Schedule C-5.4 line 3

Ameren Illinois Company
Gross Revenue Conversion Factor
 For the Reconciliation Year Ending December 31, 2012
 (In Thousands)

Line No.	Description	Rate	With Bad Debts	Without Bad Debts
	(a)	(b)	(c)	(d)
1	Revenues		1.000000	1.000000
2	Uncollectibles	0.6807%	<u>0.006807</u>	
3	State Taxable Income		0.993193	
4	State Income Tax	9.5000%	<u>0.094400</u>	<u>0.095000</u>
5	Federal Taxable Income		0.898793	0.905000
6	Federal Income Tax	35.0000%	<u>0.314578</u>	<u>0.316750</u>
7	Operating Income		<u>0.584215</u>	<u>0.588250</u>
8	Gross Revenue Conversion Factor (Line 1 / Line 7)		<u>1.711699</u>	<u>1.699958</u>

Ameren Illinois Company
 Adjustment for Account 588, Miscellaneous Distribution Expense
 For the Year Ending December 31, 2012
 (In Thousands)

Line No.	Description (a)	Amount (b)	Amount (c)	Source (d)
1	Account 588 Costs per Staff		\$ -	
2	Excessive Relocation Costs	\$ 68		Schedule 6.11, page 2
3	Unreasonable Purchases - Other	<u>73</u>		Workpaper Schedule 6.11 (Confidential)
4	Account 588 Costs per Company		<u>\$ 141</u>	Sum of Column (b)
5	Staff Proposed Adjustment to Account 588		<u><u>\$ (141)</u></u>	Line 1 minus line 4

Ameren Illinois Company
 Adjustment for Account 588, Miscellaneous Distribution Expense
 For the Year Ending December 31, 2012
 (In Dollars)

Line No.	Description	Amount	Amount	Source
	(a)	(b)	(c)	(d)
1	Company identified adjustment		18,350	Ameren Exhibit 11.0, p. 12, lines 245-247
2	Loss on Sale Costs		<u>39,500</u>	Company response to TEE 10.08 Attach
3	Total Staff disallowed relocation expense		\$ 57,850	Line 1 plus line 2
4	Total Company relocation expense		488,112	Ameren Exhibit 11.1
5	% of disallowance		11.85%	Line 3 divided by line 4
6	Payroll Upload per Company		<u>84,990</u>	Ameren Exhibit 11.1
7	Adjustment to Payroll Upload		<u>\$ 10,073</u>	line 5 times line 6
8	Staff total adjustment for relocation Expense		<u><u>\$ 67,923</u></u>	Line 3 plus line 7

Ameren Illinois Company
Adjustment for Company Use Of Fuels
For the Year Ending December 31, 2012
(In Thousands)

Line No.	Description (a)	Amount (b)	Amount (c)	Source (d)
1	Total Therms	2,004,366		Company workpaper WPC-2.3
2	Electric Labor w/ A&G Allocator	<u>68.6076%</u>		Company response to TEE 8.03 Attach
3	Total Electric Therms		1,375,147	Line 1 times line 2
4	Average Cost Per Therm		<u>0.51789</u>	Company workpaper WPC-2.3
5	Company Use adjustment per Staff		\$ 712	(Line 3 times line 4)/1000
6	Company Use Adjustment per Company		<u>723</u>	Company Schedule C-2.3
7	Staff proposed adjustment for Company Use of Fuel		<u><u>\$ (11)</u></u>	Line 5 minus line 6

Ameren Illinois Company
Adjustment for Incentive Compensation Derivative Amounts
For the Year Ending December 31, 2012
(In Thousands)

Line No.	Description (a)	Amount (b)	Amount (c)	Source (d)
1	Derivative Expense per Staff		\$ -	
2	Payroll Tax Expense	\$ 80		Company response to TEE 6.04
3	Pension Expense	<u>103</u>		Company response to TEE 6.05
4	Derivative Expense per Company		<u>183</u>	Line 2 plus line 3
5	Staff Proposed Adjustment to A&G Expense		<u><u>\$ (183)</u></u>	Line 1 minus line 4