

**STATE OF ILLINOIS
ILLINOIS COMMERCE COMMISSION**

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| AMEREN ILLINOIS COMPANY |) | |
| d/b/a Ameren Illinois, |) | |
| Petitioner |) | Docket No. 13-0301 |
| |) | |
| Rate MAP-P Modernization Action Plan - |) | |
| Pricing Annual Update Filing |) | |

REPLY BRIEF OF THE CITIZENS UTILITY BOARD

THE CITIZENS UTILITY BOARD
Julie Soderna, Director of Litigation
Christie Hicks, Attorney
309 W. Washington, Ste. 800
Chicago, Illinois 60606
(312) 263-4282

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Now comes the Citizens Utility Board (“CUB”), pursuant to Rules of Practice of the Illinois Commerce Commission (“ICC” or “the Commission”), 83 Ill. Admin. Code Part 200.800, and pursuant to the briefing schedule established by the Administrative Law Judges (“ALJs”), to hereby file this Reply Brief in the above-captioned proceeding.

I. INTRODUCTION
A. Overview

The instant proceeding is the second full reconciliation pursuant to the Electric Infrastructure Modernization Act (“EIMA”), 220 ILCS 5/16-108.5, for Ameren Illinois Company d/b/a Ameren Illinois (“Ameren,” “AIC” or “the Company”). While the result of this proceeding will be a fairly large rate decrease for Ameren’s electric customers, whether or not the Commission adopts the recommendations of Commission Staff (“Staff”), CUB and the People of the State of Illinois by Attorney General Lisa Madigan (“AG”), the Commission must apply the same scrutiny to the proposed adjustments here that it would apply to any other rate proceeding, as required in both Sections 16-108.5 and 9-201 of the Public Utilities Act (“PUA”). 220 ILCS 5/16-108.5(d)(3); 220 ILCS 5/9-201. Because of the required level of investment for those utilities electing to participate in EIMA, Ameren’s customers can expect steady rate increases in the years to come. Some of the issues addressed herein have been addressed by the

Commission in previous reconciliation dockets¹, and where there is no change in facts to alter the Commission's analysis, those issues should be decided in a similar manner. The determinations in this proceeding will have increasingly larger effect as the rates continue to rise. The Commission must ensure that only just and reasonable utility costs are passed on to ratepayers, who are funding these extraordinary investments.

II. RATE BASE

B. Contested Issues

1. Cash Working Capital

a. Pass Through Taxes

Ameren continues to advocate for a cash working capital ("CWC") calculation that uses the Company's chosen remittance schedule rather than the statutorily-required schedule. Ameren also remarkably requests that, if the Commission does adopt the Staff, AG, CUB, and Commission-approved Ameren electric methodology, it defer implementation of its decision until AIC's next gas rate proceeding. AIC Init. Br. at 8. Such a deferral is unnecessary and inappropriate. No deferral took place in Ameren's own previous electric formula rate cases. Regardless of the Commission's decision in this case, there is no need for the Company to alter its remittance practices. It is free to continue making actual remittance in accordance with current practice. The only issue here is the rate making calculation.

The Company's actual remittance schedule is not what is in question here. It is uncontested that the Company chooses to remit pass-through taxes based on billing rather than remitting after collection as required. Rather, the issue is the appropriate ratemaking treatment for a tax that the Company chooses to remit early. Or, put another way, whether the CWC calculation should reflect the amount of time that Ameren could hold pass-through taxes, or the amount of time it does hold those taxes before remittance. CUB, the AG, Staff, and the

¹ See, e.g., *Ameren Illinois Company d/b/a Ameren Illinois*, Rate MAP-P Modernization Action Plan – Pricing Annual Update Filing, ICC Docket No. 12-0293, December 5, 2012 Order (*12-0293 Order*).

Commission in its previous decisions, have demonstrated that the most equitable calculation is that which does not penalize ratepayers for the Company's choice to remit the taxes earlier than they are actually due. ICC Docket No. 11-0721 Final Order (May 29, 2012) at 46. Ameren, on the other hand, advocates for ignoring the statutorily-mandated remittance schedule and the Commission's practice in its Ameren's most recent two electric formula rate cases

The Commission should base the Company's pass-through tax lead days on when the taxes are actually due, not when they were remitted by Ameren.

b. Income Tax Expense Lead Days

The Company acknowledges Mr. Brosch's proposal to recognize that AIC is not currently paying income taxes as a result of deferrals, but does not attempt to rebut that assertion. AIC Init. Br. at 8. Instead, Ameren argues that the Commission has considered this issue and found differently in the past. *Id.* at 8-9. The Company relies primarily on the Commission's past practice, rather than providing a substantive response to Mr. Brosch's expert evaluation.

AIC admits that it combines income taxes with deferred taxes. *Id.* at 8. The facts in this record also show that, to calculate the lead days for that combined tax group, the Company uses a hypothetical approach that computes the statutory installment "Tax Due Date," rather than any actual payment data. AG Ex. 1.0C at 30:660-65. That is not appropriate given that Ameren does not expect to pay any federal income taxes until after 2014. *Id.* at 29:644-45. The Company's calculation imputes a cash working capital requirement where none exists – there can be no CWC requirement for expenses that it is not paying. *Id.* at 30:656-57.

The Commission should adopt the adjustment proposed by AG witness Mr. Brosch to assign zero revenue lag and expense lead days to deferred income tax expenses.

3. Accrued Vacation Reserve

Ameren claims that, “The accrued vacation reserve represents *time* owed to employees, not dollars owed. It is not a cash reserve that AIC can access to fund its operations.” Ameren Init. Br. at 10. That argument contradicts the Company’s book-keeping, which shows that the average reserve for accrued vacation over the course of 2012 was \$13,237,000. AG Ex. 2.0 at 8:168. The Company’s response to AG Data Request AG 1.05 (Attachment B), however, shows a constant balance of funds held in reserve. Staff Ex. 2.0 at 13:248-50. As Staff witness Mr. Ostrander explained, the total balance of that reserve may go up or down, but it is never completely depleted. *Id.* at 13:250-51. Ameren’s claims are thus obviously without merit. For ratemaking purposes, there is an account with a continuing, permanent balance.

The Commission’s previous decisions – in ICC Docket Nos. 11-0721, 12-0001, 12-0293 and 12-0321 – should be given deference here. Though Commission decisions are not *res judicata*, (*Finkl*, 250 Ill. App. 3d at 323), they are entitled to less deference when they drastically depart from past practice. The Commission’s previous decisions have been very clear that accrued vacation is a continuing, permanent balance. Ameren Illinois Company d/b/a Ameren Illinois, Rate MAP-P Modernization Action Plan – Pricing Annual Update Filing. ICC Docket No. 12-0293, December 5, 2012 Final Order (“*12-0293 Order*”) at 13. The Commission has previously considered all of Ameren’s arguments and properly rejected them. However, unlike Ameren’s arguments with respect to CWC – Income Tax Expense Lead Days, CUB, the AG and Staff do not rely solely on the Commission’s past decisions as evidence for the appropriateness of treating the accrued liability for accumulated vacation as an operating reserve. There is ample evidence in this record to support that conclusion.

The Commission should adopt the adjustment proposed by AG witness Mr. Effron to treat the accrued vacation pay as an operating reserve and deduct it from rate base.

4. ADIT for Metro East Transfer

The Company attempts to divert attention from the real issue here – the ratemaking *effect* of the transfer – and instead focuses on the *cause* of that inequity (the Commission-approved transfer). The Company also asserts that there is no “net” increase to rate base because AIC’s books presently contain more Accumulated Deferred Income Taxes (“ADIT”) on the assets than they would have before the transfer. Ameren Init. Br. at 13. The Company acknowledges that when Union Electric’s assets were transferred to CIPS, the ADIT on UE’s books did not follow the assets, effectively increasing the value of those assets in CIPS’s rate base. *Id.* at 14. However, Ameren claims that because the ADIT on the assets at Union Electric did not follow the assets to CIPS, ADIT started accumulating deferred income taxes anew on CIPS’s books following the transfer- in an amount that “*exceeds* the vintage ADIT from Union Electric.” *Id.* That argument is a red herring and has no impact on the true issue here – that the result of the transfer was that the value of the assets included in the rate base of CIPS was greater than the assets had been when on the books of Union Electric. AG Ex. 2.0 at 5:110-6:113.

Ameren incorrectly describes the long-term ADIT impact as an offset to the (admitted) increase in CIPS’s rate base, apparently believing that the two things are linked because they both concern ADIT on these assets. Ameren Init. Br. at 15. However, the Company fails to mention that ratepayers can and should receive the “benefit” they discuss (nothing more than normal accounting treatment of starting over the tax depreciation) whether or not Ameren is allowed to collect for a higher rate base than is appropriate. In Ameren’s scenario, the “new ADIT” is an offset to the appropriate rate base. In Ameren’s own words, that “does not go far

enough.” *Id.* at 14. For truly equitable ratemaking, the rate base should be appropriately set and the “new ADIT” should be counted. This is not an either/or proposition, as Ameren attempts to frame it.

The following example is analogous to Ameren’s proposition in this case. John Doe owns a house in Shadyville. Shadyville charges a 2% tax rate on homes, and John Doe’s home was assessed at \$100,000 last year, so he paid \$2,000 in taxes. This year, Shadyville lowered its tax rate to 1%. But, when John sent his check for \$1,000, Shadyville sent it back, and said he owed \$1,500 because his home was now valued at \$150,000. John could not believe that his home had increased so much and disputed his home’s value. Shadyville told John that he was right- his home was still only worth \$100,000. But, they said, since he was paying less in taxes than he did last year, he should stop complaining.

Like John, ratepayers should not receive only one part of the benefit they are owed. The asset’s value should be appropriately set, and the tax treatment should be appropriate. Ameren admits that the transfer resulted in an increase in rate base. Ameren Init. Br. at 14. That cannot be ignored simply because other, normal accounting practices result in decreases to rate base by other means. The transfer of assets should not result in an increase to the net value of the assets included in rate base. AG Ex. 2.0 at 5:110-6:113. Ameren admits that such an increase did occur, and the Commission should adjust the Company’s rate base to correct the effect of that ratemaking inequity.

Of additional concern to CUB is the suggestion in Ameren’s brief that the AG/CUB and Staff proposal would be “Double-Counting ADIT—Giving Ratepayers an Undeserved Windfall.” Ameren Init. Br. at 16. As explained above, the AG, CUB, and Staff adjustment is not double-counting – it sets an appropriate rate base, and allows normal accounting procedures

to continue. But more than that, the dramatic statement that the Commission should not give ratepayers an “undeserved windfall” – is truly telling of Ameren’s position. Though it is a regulated monopoly, its primary goal is to maximize returns for investors. It must provide safe and reliable utility service, but its concern for its ratepayers apparently ends there. It is preposterous to even put “ratepayers” and “undeserved windfall” in the same sentence, given the extreme inequities that exist between the utility/shareholders and its ratepayers. Ameren can rest assured that ratepayers will not, as a result of this or any adjustment, receive any “undeserved windfall.”

The Commission should adopt the adjustment proposed by the AG and Staff.

III. OPERATING REVENUES AND EXPENSES

B. Contested Issues

1. Miscellaneous Operating Revenues – ARES

In its Initial Brief, Ameren argues that 100% of the \$1,285,000 in 2012 payments from cell phone companies for decommissioned microwave frequencies that AIC vacated and sold to the cell phone companies should be allocated to AIC’s transmission function, with 0% of these revenues allocated to distribution. AIC Init. Br. at 31. Ameren could not definitively show, however, that the microwave frequencies at issue were 100% related to transmission service: “AIC explained that it was not possible to associate the revenues with specific transmission service.” AIC Init. Br. at 31. Ameren suggests that, “*if* the microwave frequencies were needed to transmit transmission data, they are FERC jurisdictional and must be addressed by FERC, not by the Commission.” *Id.* (emphasis supplied). Ameren relies on this hypothetical in lieu of evidence that these assets did not relate in any way to the distribution function.

Ameren’s Initial Brief attempts to reverse the burden of proof in this proceeding, which unequivocally lies on the Company, not CUB or the AG or Staff. 220 ILCS 5/9-201. Without

conclusive evidence that these frequencies were not related in any way to distribution service, AIC has failed its burden to show that none of these revenues should be allocated to distribution. 220 ILCS 5/9-201(c); 220 ILCS 5/16-108.5(d)(3). The appropriate treatment for these revenues is, thus, use of a net plant allocation factor, as recommended by AG witness Brosch. AG Ex. 3.0 at 6:124-126, AG Ex. 1.3 at page 1.

Ameren acknowledges that the revenues associated with the sale of microwave frequencies have not yet been credited to ratepayers under FERC jurisdiction, and may not be. AIC Ex. 9.0 at 39 (“AIC intends to explore whether the appropriate revenues can be credited to ratepayers under the formula in the Company’s next FERC jurisdictional filing.”); tr. at 267:6-11. Mr. Stafford also made clear on cross-examination that these revenues cannot be included in 2012 revenues in the Company’s next FERC filing and could not say whether these revenues would ever be credited against FERC jurisdictional rates. Tr. at 267:25 to 268:4. Thus, Ameren’s shareholders will be reaping the benefits of this revenue without an offset in rates, if these revenues are not recognized in either jurisdiction.

Ameren next claims that Mr. Brosch’s adjustment should be rejected because it does not consider costs associated with the sale of these decommissioned microwave frequencies. AIC Init. Br. at 32. Yet, Ameren did not even attempt to claim or show that it incurred any costs in vacating and selling these assets. Thus, its suggestion that Mr. Brosch’s adjustment is inconsistent because of its failure to include these phantom costs should be disregarded. Ameren failed its burden to demonstrate that these revenues are not related to distribution service, or that these revenues were already (or will be) credited against FERC rates, and therefore the Commission should adopt the adjustment of AG witness Brosch and credit \$1,028,000. AG Ex. 1.3 at 1.

3. Purchases – Other (Account 588)

While Ameren admits similar types of expenses were disallowed in its prior formula rate reconciliation, Docket No. 12-0293, and that the Commission’s Order in that proceeding “frames the debate for reviewing employee purchases in this docket,” Ameren claims that the Commission should not disallow a similar type of expenses previously disallowed, if “additional support” is provided justifying the expense. AIC Init. Br. at 39. On the flip side, Ameren admits that Staff’s proposed disallowances correlate to specific purchases it finds objectionable, but Ameren then criticizes Staff’s evidentiary support for its recommended disallowances of these purchases as “less than clear.” *Id.* at 39-40. Staff’s analysis is no more deficient than the Company’s supposed “explanations.” Moreover, it is Ameren that carries the burden of proof in this proceeding, not Staff. Therefore, Ameren’s criticisms of the evidence Staff bases its recommend disallowance of these expenses should be rejected.

In Docket No. 12-0293, the Commission determined the following with regard to certain purchases made by AIC allegedly in support of its distribution business:

But in light of some of the descriptions included in Attachment A to Staff Ex. 8.0R-C and given the nature of some of the retailers at which the P-Card was used, the Commission has identified some specific P-Card purchases which it finds questionable. The listed P-Card charges are questionable because the expenses at some retailers are arguably excessive and/or not reasonably related to the provisioning of delivery services. In the absence of better support for these charges, the Commission finds that recovery from delivery service customers is unreasonable.

12-0293 Order at 67. The costs Staff proposes be disallowed in this proceeding echo loudly of the same type of costs the Commission previously disallowed as “questionable,” “arguably excessive,” and/or “not reasonably related to the provisioning of delivery services.” *Id.* Costs relating to Company insignias emblazoned on Lands End sport clothing are exactly the type of

employee perquisites the Commission disallowed in its *12-0293 Order*. Likewise, purchasing flower arrangements for sick employees is laudable, but the question before the Commission is whether ratepayers should be saddled with those costs.

There does not appear to be any dispute about the purpose or nature of the expenses at issue in this docket. The only identifiable difference between the Company's request for cost recovery of these expenses in this case and that with Docket No. 12-0293 is the supposed additional support Ameren has provided in the instant docket. The "extra support" Ameren alleges it has provided comes in the form of its Ex. 19.1 and testimony from Mr. Ronald Pate, which allegedly demonstrates that "the purchases are reasonable in amount, prudently incurred and supportive of electric delivery service." AIC Init. Br. at 38. The "explanations" of the expenses provided in AIC Ex. 19.1, however, only provide a general classification of the type of expense. While these "explanations" describe the type of expense at issue, they hardly provide a justification for why these costs should be included in delivery rates. Mr. Pate's testimony alleges that such expenses have a "business justification" because they are "ordinary expenses incurred by every private employee." AIC Ex. 19.0 at 18:369-372. Aside from lacking any basis in fact, other than Mr. Pate's bald statement, Ameren does not claim that such expenses are part of employees' salaries or benefits package, the cost of which are already borne by ratepayers.

The gist of Mr. Pate's testimony and exhibit 19.1 is that the expenses are reasonable because the Company deems them so. One example is. "Safety Recognition/Achievement Award - Tangible Personal Property," which represents a large portion of these purchases. These "safety awards" consist of, for example, iPods, Kindles, Nooks, personal space heaters, digital cameras, etc. AIC Ex. 19.1. Because the Company already provides its employees with safety-related incentive compensation, these "safety" events are excessive and unreasonable costs.

Staff Ex. 6.0 at 13:246-56. Furthermore, no in-depth, line-by-line analysis is necessary to reasonably conclude that these types of gifts, while nice gestures, are not related to the Company's delivery service function. Furthermore, Ameren's additional "explanations" in Mr. Pate's testimony (AIC Ex. 19.0 at 7-25) do not cure the problem inherent in these expenses, which is that they are excessive and not reasonably related to the provisioning of delivery services.

Mr. Pate acknowledges the obvious that the "determination of the necessity or benefit for a particular purchase is subjective." AIC Ex. 19.0 at 9:174. The Commission must, then, impose its own judgment in determining whether these costs reasonably relate to the provision of delivery service. CUB urges the Commission to remain consistent with its determinations in Docket No. 12-0293 and find that the expenses identified by Staff are unreasonable because they are discretionary, excessive, and do not relate to the Company's delivery service function.

4. Other Credit Card Expenses

While acknowledging that it covers such expenses as flowers, Ameren continues to vehemently argue for ratepayer recover of its credit card expenses, claiming that "each business charge does, in fact, provide a ratepayer benefit related to the provision of delivery service." Ameren Init. Br. at 49. Any employee benefits from such charges are "minimal," and "fringe benefits," says Ameren. *Id.* Amazingly, Ameren mentions its flower expenses several times throughout its arguments on this issue. For example, it claims that flower purchases were only disallowed in ICC Docket 12-0293 because they were used to decorate an informational booth. Ameren Init. Br. at 51. Because Ameren's flower purchases were not used for that purpose in 2012, Ameren seeks ratepayer recovery for them. *Id.* Ameren cannot seriously claim that such expenses serve "a legitimate utility purpose." Ameren Init. Br. at 48.

CUB echoes the thorough analysis provided in the ICC Staff's Initial Brief at 28-36. The Commission should adopt the adjustment proposed by Ms. Pearce and disallow unreasonable costs such as cakes and decorations for parties, coffee mugs, coasters, and flowers.

5. Sponsorship Expense (Account 930.1)

CUB supports the adjustment proposed by ICC Staff to disallow sponsorship expense that is not necessary for the provision of utility service and/or provides no benefit to ratepayers. Staff Init. Br. at 36. In the almost 11 pages Ameren devoted to this approximately \$94,000 adjustment in its initial brief, the Company has failed to justify recovery of this expense. A simple review of several of the Company's sponsorships easily demonstrates that a disallowance is appropriate. For example, the Company seeks recovery for a "Whale Float" in the City of East Peoria's Festival of Lights Parade, where Company sponsored a parade float and appeared in the parade booklet. Ameren Ex. 24.1 at 2. The Company claims that expense is "necessary for delivery service" because it provides "Energy Efficiency awareness." *Id.* The Company's identified ratepayer benefit is "Act-On-Energy Program Knowledge," and the Company claims its intended audience is "AIC customers attending event." *Id.* Not only does the Company have a separate rider for recover of Energy Efficiency advertising, but a connection between a "whale float" and a meaningful message about energy efficiency is dubious at best.

Another example is the Company's sponsorship of a "Fireworks Celebration" in Pekin, Illinois. Ameren Ex. 24.1 at 6. The Company claims this is an allowable 501(c)(3) contribution. The Company makes no claim of any ratepayer benefits, or how any Ameren safety or welfare message was conveyed through its sponsorship of fireworks. *Id.* The same is true of the Company's sponsorship of a "Santa Claus Parade Under the Sea Float." Ameren Ex. 35.1 at 9. The Company provides no justification for sponsoring an Under the Sea Float in a Santa Claus

parade other than “non-501c3 contribution,” with an apparent “Public Welfare” benefit. *Id.* These are but a few examples in a long list of sponsorships for which the Company makes odd connections between its sponsorships and the so-called ratepayer benefits associated with them.

The Company is free to continue spending as much as it likes on its sponsorships. Given “AIC’s mission to enhance the quality of life in local communities,” the Company should be more than happy to use shareholder dollars to fund the activities it describes. Ameren Init. Br. at 62. However, ratepayer recovery of 100% of this expense is not appropriate or justified.

Staff witness Mr. Knepler proposed a reasonable reduction to the Company’s sponsorships expense by disallowing unsupported sponsorship and community outreach expenses. The Commission should adopt his adjustment.

- 7. Advertising and Public Relations Expense**
 - a. Potentially Comparable Simantel Expense (Account 909)**
 - b. Potentially Comparable Simantel Expense (Account 930.2)**

Ameren continues to seek recovery of expenses it identified as potentially comparable to expenses disallowed in ICC Docket No. 12-0293. For production, print and media costs, charged in Account 909, Ameren claims that using outside agencies for these costs manages operating expenses and internal labor, without jeopardizing the quality and efficiency customer education materials. Ameren Init. Br. at 69. Section 9-225 of the Public Utilities Act does not allow recovery of promotional, political, institutional or goodwill advertising unless it is in the best interest of consumers or is a specifically-authorized category. 220 ILCS 5/9-225(2). Ameren does not identify any specifically-authorized category under which these expenses fall, nor has it adequately rebutted Staff’s demonstration that certain amounts are “either goodwill or promotional in nature.” ICC Staff Ex. 5.0 at 6:127. As Ameren acknowledges (Ameren Init. Br. at 71), Staff’s disallowance is based on a review of each specific expense. As Staff’s Initial

Brief describes, individual invoices were analyzed, and Staff's disallowance is based on that voucher-by-voucher analysis. Staff Init. Br. at 39-40. Ameren's claims that Staff's analyses were not specific enough are debunked in Staff's Brief.

c. Other Simantel Expenses (Account 930.2)

AG witness Mr. Brosch identified specific Simantel charges that are not reasonable for ratepayer recovery. He noted Company expenditures for on-line reputation management plan, developing graphics for Twitter accounts, developing Ameren corporate holiday card, and creating design for Ameren Volunteer shirt. AG Ex. 3.0C at 25:537-26:549. Ameren errs in claiming that Mr. Brosch's approach cannot be adopted by the Commission because it is based on a 50 percent disallowance rather than disallowing specific, individual invoices. Ameren Init. Br. at 76. Mr. Brosch's review is based on the Company-provided sample of Simantel's work products, and his analysis included a line-by-line review – of the sample of Simantel's work products that Ameren produced. AG Ex. 3.0C at 26:553-59. Mr. Brosch's review of a sample is a reasonable approach, and the Commission can – and should – base a disallowance on that review.

d. Other Public Relations Expense (Account 930.2)

In its Initial Brief, Ameren repeats the arguments made in its testimony that the costs of Karen Foss LLC, a local celebrity who apparently consulted for Ameren on “media training,” provided voice-overs for Company videos, and served as MC for certain Ameren events. Ameren Init. Br. at 79, AG Ex. 1.0 at 35:814-19, AG Ex. 3.0C at 22:476-78. What continues to be absent from Ameren's arguments is any connection between a number of Karen Foss LLC's expenses – the voice-overs and MC duties, for example – and any allowable exception to Section 9-225's prohibition against promotional, institutional or goodwill advertising. Ameren makes no

attempt to explain what “tools and techniques” their personnel gleaned from such activities. *See* Ameren Init. Br. at 79. Ameren also has not and cannot explain why its own personnel could not handle such functions. AG Ex. 3.0C at 23:483-88.

With respect to the “Corporate Social Responsibility” report costs of Obata Design, Ameren makes the unsupported and confusing statement that “many independent studies have concluded that customers are interested in hearing about what their regulated utilities are doing to minimize the environmental impact of their services, including delivery services.” Ameren Init. Br. at 79. Whatever the supposed purpose of the report, that expense is the very definition of promotional, goodwill and institutional advertising. If Ameren is so convinced that its customers are interested in that information, despite its lack of any delivery services benefits, then its shareholders are free to continue funding such activities. Additionally, Mr. Brosch’s adjustment is very conservative, disallowing only the formatting that was done by Obata to prepare the CSR report. AG Ex. 3.0C at 24:501-503.

As with the two expenses described above, Ameren also cannot justify costs of a St. Louis Business Journal Annual Women’s Conference. Ameren claims that the cost is recoverable in rates because the conference offered “educational opportunities and enhancement” to Ameren personnel. Ameren Init. Br. at 80. Ameren admits, however, that the event provided AIC with an exhibit area where it presented information on its energy efficiency programs. Ameren does not explain why that cost is included here rather than through its energy efficiency rider, or why presenting information on its energy efficiency programs at a newspaper-sponsored women’s conference is not promotional, goodwill or institutional advertising. In light of Mr. Brosch’s review of this cost, the Commission must disallow this expense as not recoverable under Section 9-225 of the PUA. *See* 220 ILCS 5/9-225.

XI. CONCLUSION

WHEREFORE, CUB respectfully request that the Commission adopt the positions and adjustments set forth in this Reply Brief and adjust AIC's revenue requirement accordingly.

Dated: October 11, 2013

Respectfully Submitted,

THE CITIZENS UTILITY BOARD

Christie Hicks

Christie Hicks, Senior Attorney

Julie L. Soderna

Director of Litigation

CITIZENS UTILITY BOARD

309 W. Washington, Ste. 800

Chicago, IL 60606

(312) 263-4282 x112

(312) 263-4329 fax

crhicks@citizensutilityboard.org