

DIRECT TESTIMONY

OF

DANIEL G. KAHLE

Accountant
Accounting Department
Financial Analysis Division
Illinois Commerce Commission

Ameren Illinois Company

d/b/a Ameren Illinois

Reconciliation of Revenues Collected Under
Power Procurement Riders with
Actual Costs Associated with Power
Procurement Expenditures

Docket No. 12-0548

January 28, 2014

1 **Witness Identification**

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

3 A. My name is Daniel G. Kahle. My business address is 527 East Capitol Avenue,
4 Springfield, Illinois 62701.

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

6 A. I am employed as an Accountant in the Accounting Department of the Financial
7 Analysis Division of the Illinois Commerce Commission ("Commission").

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

9 A. I have a Bachelor of Science degree in Accountancy from the University of
10 Illinois. I am a Certified Public Accountant, licensed to practice in the State of
11 Illinois. My accounting experience extends over seventeen years as an internal
12 auditor for the State of Illinois, including four years as Chief Auditor at the
13 Department of Commerce and Economic Opportunity ("DCEO"), five years as an
14 Accounting Office Manager at DCEO, and two years as an Assurance Services
15 Manager in a Public accounting firm. I joined the Staff of the Illinois Commerce
16 Commission ("Staff") in April 2006.

17 Q. **Have you previously testified before this Commission?**

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

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

20 A. I have reviewed and analyzed Ameren Illinois Company's ("Ameren" or the
21 "Company") reconciliations of revenues collected under Rider PER and Rider

22 HSS with the costs incurred in connection with power procurement activities as
23 defined in the tariffs of each of the Company's three rate zones. My testimony
24 presents the results of that review for each rate zone.

25 **Schedule Identification**

26 **Q. Are you sponsoring any schedules as part of ICC Staff Exhibit 1.0?**

27 A. Yes. I am sponsoring Schedules 1.01 for each of the Company's three rate
28 zones that present the reconciliations for the period June 1, 2010 through May
29 31, 2011. The schedules are identified with the associated Docket Number as
30 well as Schedule numbers, i.e., 1.01 RZ I, 1.01 RZ II, and 1.01 RZ III.

31 **Q. Describe Schedule 1.01 for each utility.**

32 A. Page 1 of each Schedule 1.01 presents a summary of the reconciliation per Staff
33 for the various components of Rider PER and Rider HSS.

34 **Adjustments**

35 **Q. Describe the adjustments you are proposing?**

36 A. I am not proposing any adjustments.

37 **Recommendations for the Commission**

38 **Q. Please summarize your recommendations.**

39 A. The reconciliation in this proceeding does not require an Ordered Reconciliation
40 Factor O refund.

41 I recommend the Commission accept the reconciliation presented on my
42 Schedules 1.01 (RZ I, RZ II and RZ III) as the reconciliation of Rider PER and
43 Rider HSS for the year ended May 31, 2011 for each Ameren rate zone. Further,
44 I recommend that each Schedule 1.01 be attached as Appendices presented to
45 the Order entered by the Commission.

46 **Conclusion**

47 **Q. Does this question end your prepared direct testimony?**

48 **A. Yes.**

Ameren Illinois Company - Rate Zone I (CIPS)
Power Procurement Reconciliation
For the Year Ended May 31, 2011

<u>Line No.</u>	<u>Description</u> (a)	<u>PER</u> (b)	<u>HSS</u> (c)	<u>Total</u> (d)
PER Under/(Over) Recovery From Prior Years				
1	Under/(Over) Recovery from Prior Years (11-0354/0355/0356)	\$ (9,657,458)	\$ (1,054,715)	\$ (10,712,173)
2	Factor O 10-0272/0273/0274 (Order 8/15/2012)	(731,036)	(1)	(731,037)
3	Factor O 11-0354/0355/0356 (Order 7/31/2013)	(1,143,760)	39,624	(1,104,136)
4	Under/(Over) Recovery from Prior Years (sum of lines 1 through 3)	<u>\$ (11,532,254)</u>	<u>\$ (1,015,092)</u>	<u>\$ (12,547,346)</u>
PER Under/(Over) Recovery From Current Year				
5	2010 - 2011 PER Recoverable Costs	\$ 279,678,605	\$ 38,131,619	\$ 317,810,224
6	2010 - 2011 PER Revenues	(283,746,021)	(38,655,253)	(322,401,274)
7	Separately Reported 2010 - 2011 Other Adjustments	(69,551)	(130,894)	(\$200,445)
8	March 2011 Factor A Adjustments	(6,813,080)	(25,844)	(6,838,924)
9	Monthly Interest at 0.5%	(38,249)	(4,522)	(42,771)
10	Under/(Over) Recovery from Current Year (sum of lines 5 through 9)	<u>\$ (10,988,296)</u>	<u>\$ (684,894)</u>	<u>\$ (11,673,190)</u>
11	Cumulative Under/(Over) Recovery For Reconciliation Year (sum of lines 4 and 10)	<u>\$ (22,520,550)</u>	<u>\$ (1,699,986)</u>	<u>\$ (24,220,536)</u>
Disposition of Cumulative Under/(Over) Recovery				
12	Total Adjustments To Electric Costs (Amortized Portion) Included In Monthly PER/HSS Filings	\$ (7,828,514) ¹	\$ (719,843)	\$ (8,548,357)
13	Unamortized Balance, End of Reconciliation Year (May 31, 2011)	(12,817,240)	(1,019,766)	(13,837,006)
14	Factor O 10-0272/0273/0274 (Order 8/15/2012)	(731,036)	(1)	(731,037)
15	Factor O 11-0354/0355/0356 (Order 7/31/2013)	(1,143,760)	39,624	(1,104,136)
16	Factor O Collection/(Refund) (line 11 - line 12 - line 13 - line 14 - line 15)	<u>-</u>	<u>-</u>	<u>-</u>
17	Cumulative Under/(Over) Recovery For Reconciliation Year (sum of lines 12 through 16)	<u>\$ (22,520,550)</u>	<u>\$ (1,699,986)</u>	<u>\$ (24,220,536)</u>

¹ \$1 added for rounding

Ameren Illinois Company - Rate Zone II (CILCO)
Power Procurement Reconciliation
For the Year Ended May 31, 2011

<u>Line No.</u>	<u>Description</u> (a)	<u>PER</u> (b)	<u>HSS</u> (c)	<u>Total</u> (d)
PER Under/(Over) Recovery From Prior Years				
1	Under/(Over) Recovery from Prior Years (11-0354/0355/0356)	\$ (17,510,236)	\$ 1,205,941	\$ (16,304,295)
2	Factor O 10-0272/0273/0274 (Order 8/15/2012)	(429,695)	(867,633)	(1,297,328)
3	Factor O 11-0354/0355/0356 (Order 7/31/2013)	(439,415)	31,621	(407,794)
4	Under/(Over) Recovery from Prior Years (sum of lines 1 through 3)	<u>\$ (18,379,346)</u>	<u>\$ 369,929</u>	<u>\$ (18,009,417)</u>
PER Under/(Over) Recovery From Current Year				
5	2010 - 2011 PER Recoverable Costs	\$ 133,686,883	\$ 7,455,896 ¹	\$ 141,142,779
6	2010 - 2011 PER Revenues	(136,932,458)	(7,293,701)	(144,226,159)
7	Separately Reported 2010 - 2011 Other Adjustments	(64,905)	(2,042,522)	(\$2,107,427)
8	March 2011 Factor A Adjustments	(3,693,968)	(244,783)	(3,938,751)
9	Monthly Interest at 0.5%	(55,448)	(3,784)	(59,232)
10	Under/(Over) Recovery from Current Year (sum of lines 5 through 9)	<u>\$ (7,059,896)</u>	<u>\$ (2,128,894)</u>	<u>\$ (9,188,790)</u>
11	Cumulative Under/(Over) Recovery For Reconciliation Year (sum of lines 4 and 10)	<u>\$ (25,439,242)</u>	<u>\$ (1,758,965)</u>	<u>\$ (27,198,207)</u>
Disposition of Cumulative Under/(Over) Recovery				
12	Total Adjustments To Electric Costs (Amortized Portion) Included In Monthly PER/HSS Filings	\$ (7,717,910)	\$ (250,729)	\$ (7,968,639)
13	Unamortized Balance, End of Reconciliation Year (May 31, 2011)	(16,852,222)	(672,224)	(17,524,446)
14	Factor O 10-0272/0273/0274 (Order 8/15/2012)	(429,695)	(867,633)	(1,297,328)
15	Factor O 11-0354/0355/0356 (Order 7/31/2013)	(439,415)	31,621	(407,794)
16	Factor O Collection/(Refund) (line 11 - line 12 - line 13 - line 14 - line 15)	<u>-</u>	<u>-</u>	<u>-</u>
17	Cumulative Under/(Over) Recovery For Reconciliation Year (sum of lines 12 through 16)	<u>\$ (25,439,242)</u>	<u>\$ (1,758,965)</u>	<u>\$ (27,198,207)</u>

¹ \$1 added for rounding

Ameren Illinois Company - Rate Zone III (IP)
Power Procurement Reconciliation
For the Year Ended May 31, 2011

<u>Line No.</u>	<u>Description</u> (a)	<u>PER</u> (b)	<u>HSS</u> (c)	<u>Total</u> (d)
PER Under/(Over) Recovery From Prior Years				
1	Under/(Over) Recovery from Prior Years (11-0354/0355/0356)	\$ (10,583,214)	\$ (488,756)	\$ (11,071,970)
2	Factor O 10-0272/0273/0274 (Order 8/15/2012)	(1,536,616)	-	(1,536,616)
3	Factor O 11-0354/0355/0356 (Order 7/31/2013)	(2,038,375)	(152,379)	(2,190,754)
4	Under/(Over) Recovery from Prior Years (sum of lines 1 through 3)	<u>\$ (14,158,205)</u>	<u>\$ (641,135)</u>	<u>\$ (14,799,340)</u>
PER Under/(Over) Recovery From Current Year				
5	2010 - 2011 PER Recoverable Costs	\$ 390,086,333	\$ 18,856,615	\$ 408,942,948
6	2010 - 2011 PER Revenues	(406,207,815)	(20,008,043)	(426,215,858)
7	Separately Reported 2010 - 2011 Other Adjustments	(295,817)	(22,820)	(\$318,637)
8	March 2011 Factor A Adjustments	(4,748,189)	104,106	(4,644,083)
9	Monthly Interest at 0.5%	(55,476)	(3,152)	(58,628)
10	Under/(Over) Recovery from Current Year (sum of lines 5 through 9)	<u>\$ (21,220,964)</u>	<u>\$ (1,073,294)</u>	<u>\$ (22,294,258)</u>
11	Cumulative Under/(Over) Recovery For Reconciliation Year (sum of lines 4 and 10)	<u>\$ (35,379,169)</u>	<u>\$ (1,714,429)</u>	<u>\$ (37,093,598)</u>
Disposition of Cumulative Under/(Over) Recovery				
12	Total Adjustments To Electric Costs (Amortized Portion) Included In Monthly PER/HSS Filings	\$ (12,252,403)	\$ (460,213)	\$ (12,712,616)
13	Unamortized Balance, End of Reconciliation Year (May 31, 2011)	(19,551,776)	(1,101,837)	(20,653,613)
14	Factor O 10-0272/0273/0274 (Order 8/15/2012)	(1,536,616)	-	(1,536,616)
15	Factor O 11-0354/0355/0356 (Order 7/31/2013)	(2,038,374)	(152,379)	(2,190,753)
16	Factor O Collection/(Refund) (line 11 - line 12 - line 13 - line 14 - line 15)	<u>-</u>	<u>-</u>	<u>-</u>
17	Cumulative Under/(Over) Recovery For Reconciliation Year (sum of lines 12 through 16)	<u>\$ (35,379,169)</u>	<u>\$ (1,714,429)</u>	<u>\$ (37,093,598)</u>