

**STATE OF ILLINOIS  
ILLINOIS COMMERCE COMMISSION**

AMEREN ILLINOIS COMPANY, )  
d/b/a AMEREN ILLINOIS )  
 ) Docket No. 12-0503  
Verified petition for review and )  
reconciliation under Rider EUA and )  
Rider GUA )

**[DRAFT] PROPOSED ORDER**

By order of the Illinois Commerce Commission (“Commission”):

**I. INTRODUCTION AND BACKGROUND**

On August 31, 2012, Ameren Illinois Company (“Ameren Illinois”) filed with the Commission its *Verified Petition for Review and Reconciliation under Rider EUA and Rider GUA* seeking the reconciliation of revenues collected pursuant to Rider EUA – Electric Uncollectible Adjustment (“Rider EUA”) and Rider GUA – Gas Uncollectible Adjustment (“Rider GUA”) for reporting year 2010. This is the second reconciliation proceeding for Rider EUA and Rider GUA.

On August 16, 2013, Ameren Illinois filed the Direct Testimony of Melanie Brown (Ameren Ex. 1.0), Nancy Gudeman (Ameren Ex. 2.0, 2.1-2.4), and Leonard Mans (Ameren Ex. 3.0, 3.1-3.2). On January 13, 2014, Staff of the Illinois Commerce Commission (“Staff”) filed the Direct Testimony of Theresa Ebrey (Staff Ex. 1.0, Schedules 1.1, 1.2), with accompanying affidavit (Staff Ex. 3.0), and the Direct Testimony of Joan Howard (Staff Ex. 2.0), with accompanying affidavit (Staff Ex. 4.0). On February 11, 2014, Ameren Illinois filed affidavits of witnesses Melanie Brown (Ameren Ex. 1.1), Nancy Gudeman (Ameren Ex. 2.5), and Leonard Mans (Ameren Ex. 3.3). No petitions to intervene were received.

Pursuant to due notice given in accordance with the law and the rules and regulations of the Commission, a pre-hearing conference was held before a duly authorized Administrative Law Judge (“ALJ”) of the Commission at its offices in Springfield, Illinois. An evidentiary hearing was held on February 6, 2014. At the evidentiary hearing, attorneys from Ameren Illinois and Staff appeared and Staff Exhibits 1.0-4.0 and Ameren Exhibits 1.0-3.3 were entered into evidence without objection. At the hearing it was confirmed that Ameren Illinois and Staff were in agreement on the reconciliation statements at issue in this docket. The record was marked heard and taken on February 6, 2014. A proposed order was served. No briefs on exceptions were filed.

**II. PETITIONER POSITION**

As explained in the verified petition, AIC’s Riders EUA and GUA were originally approved by the Commission pursuant to Sections 16-111.8 and 19-145 of the Public Utilities

Act (the “Act” ) in the Final Order of Docket No 09-0399 (Feb. 2, 2010). Rider EUA applies to customers taking delivery service or taking power and energy supply service from AIC; Rider GUA applies to customers taking delivery service or taking natural gas supply service from AIC. The purpose of Riders EUA and GUA are to recover the incremental difference between: (1) AIC’s actual uncollectible amount as set forth in Account 904 in AIC’s most recent annual Federal Energy Regulatory Commission (FERC) Form 1 for electricity and Form 21 ILCC for natural gas, and (2) the uncollectible amount included in AIC’s rates for the period reported in such annual FERC Form 1 and Form 21 ILCC. Riders EUA and GUA accordingly provide for, among other things, (1) the calculation of electric and natural gas delivery and supply “Uncollectible Adjustments” (charges or credits to customers’ bills accounting for the difference between AIC’s actual uncollectible expenses and uncollectible expenses recovered through rates); (2) annual internal audits and accompanying verified reports to be filed with the Commission; (3) an annual petition, filed by August 31, 2012 for 2010, to initiate Commission review to reconcile all amounts collected with the actual uncollectible amount in the prior period.

As noted above, Ameren Illinois filed testimony in support of its petition. Ms. Brown testified that AIC acted reasonably and prudently when it minimized and collected uncollectibles during reporting year 2010. She testified that the evidence shows that AIC accurately reconciled the amounts collected under Riders EUA and GUA, and explained that the activities Ameren Illinois undertook to minimize and collect amounts that eventually became uncollectibles were reasonable and prudent.

Ms. Gudeman testified that the purpose of the electric and natural gas uncollectible riders is to provide for monthly incremental uncollectible adjustments to customer bills to account for over- or under-recoveries of AIC’s actual uncollectible expense amounts for a reporting year. She explained that the riders recover the difference between AIC’s actual uncollectible amount and the uncollectible amount included in AIC’s rates for the reporting period.

Ms. Gudeman testified about changes to the tariff language for both Riders EUA and GUA in Docket No. 11-0603. She explained that Ameren Illinois and Staff did not entirely agree on how the Automatic Balancing (“AB”) component in the tariff language for the riders was to be calculated; however, the parties worked together to identify language that clarified the tariffs, and the Commission approved the changes in the revised tariffs. Ms. Gudeman further explained that Factor O adjustments did not impact the 2010 reconciliation, but will be included in the 2011 reconciliation and will be discussed at that time.

Ms. Gudeman testified that Ameren Illinois conducted internal audits of the costs and recovers of such costs pursuant to Rider EUA and Rider GUA for reporting year 2010. She explained that while the Internal Audits identified certain errors in the 2008 rates that were carried forward to the AB component in 2010, this issue was resolved in Docket No. 11-0603.

Mr. Mans provided testimony and exhibits reflecting Ameren Illinois’ uncollectibles expense for reporting year 2010, as well as the Company’s reconciliation schedules.

### **III. STAFF POSITION**

Ms. Ebrey testified about the reconciliations under Riders EUA and GUA provided by Ameren Illinois to reconcile 2010 uncollectible costs with actual recoveries during the relevant period. Ms. Ebrey testified that her calculations agree with those of the Company, and she did not recommend a Commission Ordered Adjustment for Rider EUA or Rider GUA. Consistent with testimony offered by Ameren Illinois, she recommended that the Commission approve Staff's reconciliations as set forth in Staff Exhibit 1.0, Schedule 1.1 and Schedule 1.2.

Ms. Howard testified that Ameren Illinois' actions to pursue minimization and collection of collectibles during the reconciliation period generally appear to be reasonable and prudent. In summary, Ms. Howard further summarized that Ameren Illinois' actions include, as required by Section 16-111.8(c) and Section 19-145(c), (1) identifying customers with late payments; (2) contacting customers in an effort to obtain payment; (3) providing delinquent customers with information about possible payment options; (4) serving disconnection notices; (5) implementing disconnections based on the level of uncollectibles; and (6) pursuing collection activities based on the level of uncollectibles.

### **IV. COMMISSION CONCLUSIONS, FINDINGS AND ORDERING PARAGRAPHS**

The Commission notes that Staff and Ameren Illinois are in agreement on the issues in this docket. Based on the evidence submitted, the record establishes that, for reporting year 2010, Ameren Illinois acted reasonably and prudently in its recovery of costs pursuant to Riders EUA and GUA. Further, the record supports a finding that the reconciliation of costs and revenues collected pursuant to these riders for reporting year 2010, as set forth in Staff Exhibit 1.0, Schedule 1.1 and Schedule 1.2 (attached hereto), should be approved.

Having reviewed the record, and being fully advised in the premises, the Commission finds that:

- 1) during the reconciliation period, Ameren Illinois was a corporation engaged in the transmission, distribution, and sale of electricity to the public in Illinois and is a public utility as defined in Section 3-105 of the Public Utilities Act;
- 2) the Commission has jurisdiction over the parties and the subject matter of this proceeding;
- 3) the statements of fact set forth in the prefatory portion of this Order are supported by the record and are hereby adopted as findings of fact;
- 4) Ameren Illinois acted reasonably and prudently in its recovery of costs pursuant to Riders EUA and GUA for reporting year 2010; and
- 5) for the reporting period of 2010, the reconciliations of revenues collected under the above referenced tariffs with the actual costs incurred, as shown in statements of Riders EUA and GUA for reporting year 2010, as set forth in Staff Exhibit 1.0, Schedule 1.1 and Schedule 1.2 (attached hereto), are accurate and approved.

IT IS THEREFORE ORDERED that for reporting year 2010, the reconciliation of revenues collected under the above referenced Riders EUA and GUA with actual costs incurred in connection with uncollectible expense as defined therein, as shown in Staff Exhibit 1.0, Schedule 1.1 and Schedule 1.2, which are attached to this Order as Appendices A and B, are hereby approved.

IT IS FURTHER ORDERED that subject to the provisions of Section 10-113 of the Public Utilities Act and 83 Ill. Adm. Code 200.880, this Order is final; it is not subject to the Administrative Review Law.

By order of the Commission this \_\_\_ day of \_\_\_\_\_, 2014.

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