Ameren Illinois Company's
Response to Illinois Office of Attorney General Data Requests
Docket No. 14-0317
Rate MAP-P Modernization Action Plan - Pricing Annual Update Filing (2014)
Data Request Response Date: 8/13/2014

AG 6.07

Referring to Ameren Ex. 13.0, pages 14-15, lines 302-309, please explain why a taxable gain was recognized on the transfer of assets between affiliates.

RESPONSE

Prepared By: Ronald D. Stafford
Title: Director, Regulatory Accounting
Phone Number: 314-206-0584

The sale price was higher than the tax basis of the assets that were transferred from Union Electric to Central Illinois Public Service Company. Since this sale was between companies in the same consolidated group, the intercompany gain was deferred and is being recognized over the life of the assets in the hands of the new owner per IRS Regulation §1.1502-13.

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Rate MAP-P Modernization Action Plan - Pricing Annual Update Filing (2014)
Revised Response Date: 8/28/2014

AG 8.01R

Ref: Staff Data Request MHE 3.04 in Docket No. 13-0192. Please provide the answer you provided in response to Staff Data Request MHE 3.04 in Docket No. 13-0192:

> With respect to the response provided in MHE 3.04 [sic; likely intended to be "MHE 3.03"] indicate the disposition of the federal and state Accumulated Deferred Income Taxes that were recorded on the books of UE when the assets were transferred from UE to CIPS.

RESPONSE

Prepared By: Brenda J. Menke
Title: Director, Income Tax
Phone Number: 314-554-2938

The accumulated deferred income taxes recorded on the books of UE were reversed at the time of the transfer of the assets from UE to AmerenCIPS. At the same time, a deferred tax liability related to the deferred intercompany tax gain on the transfer was set up on the books of UE. The net impact on total deferred taxes on the books of UE was zero.

Please see AG 8.01R Attach for the specific entries. However, please note that Docket 13-0192 was AIC's gas rate case, and the response AIC provided to Staff Data Request MHE 3.04 in Docket 13-0192 pertained to gas operations. AG 8.01R Attach is substantially the same as AIC's response to Staff Data Request MHE 3.04 in Docket 13-0192, but has been revised to reflect information for AIC's electric distribution operations.

MET Transfer
UEC Electric Calculation
May 2, 2005

		Book	Tax	Diff	DIT
Cr	102/108	(107,734,777)	(65,277,731)	42,457,046	16,176,135
Cr	Other Assets	(16,404,942)	(16,404,942)	-	-
Db	Other Liab	3,221,270	3,221,270	-	-
Cr	182 - Reg Asset	(2,781,691)	-	2,781,691	1,059,824
Db	254 - Prop	385,840	-	(385,840)	(147,005)
Db	254 - ITC	3,379,227	-	(3,379,227)	(1,287,485)
Db	255 - ITC	5,490,138	-	(5,490,138)	(2,091,743)
Db	N/R	57,222,468	57,222,468	35,983,532	13,709,726
Db	R/E	57,222,468	21,238,936		
		-	-		

Selling Price Calculation:

Boot	
N/R	57,222,468
R/E	57,222,468
Liab Assumed	
254	3,765,067
255	5,490,138
Other	3,221,270
	126,921,410

PTBI Calc:

Selling Price	126,921,410
Book Basis	126,921,410
Book Gain	-

Taxable income Calc:

PTBI	-
Sch M - Rev Temp Diff	35,983,532
Sch M - DIG	(35,983,532)
Taxable Income	-

Tax entries:

Db 410	13,709,726	
Cr 283		13,709,726
Db 190/282/283	13,709,726	
Cr 411		13,709,726

Db	1-20-410-375	12,018,500	
Db	1-20-410-376	1,691,226	
Cr	1-20-283-375		12,018,500
Cr	1-20-283-376		1,691,226

To set up DIT related to Deferred Intercompany Tax Gain on MET transfer

Db	1-20-410-102	385,840	
Db	1-20-410-100	3,379,227	
Db	1-20-282-100	2,781,691	
Db	1-20-282-111	12,546,212	
Db	1-20-282-112	2,146,890	
Cr	1-20-411-100		2,781,691
Cr	1-20-411-111		12,546,212
Cr	1-20-411-112		2,146,890
Cr	1-20-282-102		385,840
Cr	1-20-190-100		3,379,227

To amortize DIT related to temporary differences on property transferred

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AG 8.02R

Ref: Staff Data Request MHE 5.01 in Docket No. 13-0192. Please provide the answer you provided in response to Staff Data Request MHE 5.01 in Docket No. 13-0192:

> With respect to the transfer of Metro East assets from Union Electric to Central Illinois Public Service Company ("CIPS") please provide the tax basis of the property transferred to CIPS that was recognized on the books of Union Electric.

RESPONSE

Prepared By: Brenda J. Menke
Title: Director, Income Tax
Phone Number: 314-554-2938

Docket 13-0192 was AIC's 2013 gas rate case, and the response AIC provided to Staff Data Request MHE 5.01 in Docket 13-0192 pertained to gas operations. The following response is substantially the same the same as AIC's response to Staff Data Request MHE 5.01 in Docket 13-0192, but has been revised to reflect information for AIC's electric distribution operations.

The tax basis of the property transferred from Union Electric to CIPS that was recognized on the books of Union Electric was $65,277,731, as shown in AG 8.01R Attach. Please note that AG 8.01R Attach contains data regarding electric operations.

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AG 8.03R

Ref: Staff Data Request MHE 5.02 in Docket No. 13-0192. Please provide the answer you provided in response to Staff Data Request MHE 5.02 in Docket No. 13-0192:

> With respect to the transfer of Metro East assets from Union Electric to CIPS please provide the tax basis of the property transferred to CIPS that was recognized on the books of CIPS.

RESPONSE

Prepared By: Brenda J. Menke
Title: Director, Income Tax
Phone Number: 314-554-2938

Docket 13-0192 was AIC's 2013 gas rate case, and the response AIC provided to Staff Data Request MHE 5.02 in Docket 13-0192 pertained to gas operations. The following response, and its attachment, are substantially the same as AIC's response to Staff Data Request MHE 5.02 in Docket 13-0192, but have been revised to reflect information for AIC's electric distribution operations.

The tax basis of the property transferred from Union Electric to CIPS that was recognized on the books of CIPS was equal to the purchase price of $126,921,410, as shown in AG 8.03R Attach. Again, please note that AG 8.03R Attach contains data regarding electric operations.

MET Transfer
CIP Electric Calculation
May 2, 2005

		Book	Tax	Diff	DIT
Db	102/108	107,734,777	65,277,731	(42,457,046)	(16,855,447)
Db	Other Assets	16,404,942	16,404,942	-	-
Cr	Other Liab	(3,221,270)	(3,221,270)	-	-
Db	182 - Reg Asset	2,781,691	-	(2,781,691)	(1,104,331)
Cr	254 - Prop	(385,840)	-	385,840	153,178
Cr	254 - ITC	(3,379,227)	-	3,379,227	1,341,553
Cr	255 - ITC	(5,490,138)	-	5,490,138	2,179,585
Cr	N/P	(57,222,468)	(57,222,468)	(35,983,532)	(14,285,462)
Cr	Misc Paid in Cap	(57,222,468)	(21,238,936)		
		-	-		

Selling Price Calculation:

Boot	
N/R	57,222,468
R/E	57,222,468
Liab Assumed	
254	3,765,067
255	5,490,138
Other	3,221,270
	126,921,410

PTBI Calc:

Selling Price	126,921,410
Book Basis	126,921,410
Book Gain	-

Taxable income Calc:

PTBI	-
Sch M - Rev Temp Diff	(35,983,532)
Sch M - DIG	35,983,532
Taxable Income	-

Tax entries:

Db 410	14,285,462	
Cr 190/282/283		14,285,462
Db 190	14,285,462	
Cr 411		14,285,462

Db	1-40-190-365	11,658,664	
Db	1-40-190-366	2,626,798	
Cr	1-40-411-365		11,658,664
Cr	1-40-411-366		2,626,798

To set up DIT related to the Basis Step-up on MET transfer

Db	1-40-282-102	385,840	
Db	1-40-190-100	3,379,227	
Db	1-40-410-100	3,357,427	
Db	1-40-410-111	12,546,212	
Db	1-40-410-112	2,146,890	
Cr	1-40-282-100		3,357,427
Cr	1-40-282-111		12,546,212
Cr	1-40-282-112		2,146,890
Cr	1-40-411-102		385,840
Cr	1-40-411-100		3,379,227

To amortize DIT related to temporary differences on property transferred

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AG 8.04R

Ref: Staff Data Request MHE 5.04 in Docket No. 13-0192. Please provide the answer you provided in response to Staff Data Request MHE 5.04 in Docket No. 13-0192:

> With respect to the transfer of Metro East assets from Union Electric to CIPS, please provide the amount of deferred income taxes recognized on the books of CIPS associated with the transferred Metro East assets by Account number at the time of the transfer.

RESPONSE

Prepared By: Brenda J. Menke
Title: Director, Income Tax
Phone Number: 314-554-2938

Docket 13-0192 was AIC's 2013 gas rate case, and the response AIC provided to Staff Data Request MHE 5.04 in Docket 13-0192 pertained to gas operations. The following response is substantially the same as AIC's response to Staff Data Request MHE 5.04 in Docket 13-0192, but has been revised to reflect information for AIC's electric distribution operations.

The amount of deferred income taxes recognized on the books of CIPS associated with the transferred Metro East assets, by account number, at the time of the transfer are as follows:

190-365	$11,658,664 - Debit
190-366	2,626,798 - Debit
282-102	385,840 - Debit
190-100	3,379,227 - Debit
282-100	3,357,427 - Credit
282-111	12,546,212 - Credit
282-112	2,146,890 - Credit
Net Total	$0

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AG 8.05R

Ref: Staff Data Request MHE 5.05 in Docket No. 13-0192. Please provide the answer you provided in response to Staff Data Request MHE 5.05 in Docket No. 13-0192:

> With respect to the transfer of Metro East assets from Union Electric to CIPS, please provide the reason for any difference between the amount of deferred income taxes on the books of UE related to the transferred Metro East assets at the time of transfer and the amount of deferred income taxes for the Metro East assets recognized on the books of CIPS at the time of transfer.

RESPONSE

Prepared By: Brenda J. Menke
Title: Director, Income Tax
Phone Number: 314-554-2938

Docket 13-0192 was AIC's 2013 gas rate case, and the response AIC provided to Staff Data Request MHE 5.05 in Docket 13-0192 pertained to gas operations. The following response is substantially the same as AIC's response to Staff Data Request MHE 5.05 in Docket 13-0192, but has been revised to reflect information for AIC's electric distribution operations.

Since book basis was equal to tax basis for CIPS, the net deferred tax recognized on CIPS books was zero at the time of the transfer of the Metro East assets.

For Union Electric, the book-tax difference at the time of the transfer was the deferred intercompany tax gain. The related deferred tax liability was $13,709,726. There were no other deferred taxes remaining on the books of Union Electric, since the Metro East assets were no longer owned by Union Electric.

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AG 8.06R

Ref: Staff Data Request MHE 10.01 in Docket No. 13-0192. Please provide the answer you provided in response to Staff Data Request MHE 10.01 in Docket No. 13-0192:

> Referring to the journal entries provided in the response labeled “MHE 3.02 Attach,” please indicate the company’s agreement or disagreement with the following table regarding the effect of the Metro East Transfer on CIPS’ rate base:
>
> For each rate base component shown with which the Company disagrees, please provide a corrected version of this table and fully explain why the revision is necessary.

RESPONSE

Prepared By: Brenda J. Menke
Title: Director, Income Tax
Phone Number: 314-554-2938

Docket No. 13-0192 was AIC's 2013 gas rate case, and the table to which Staff Data Request MHE 10.01 referred incorporated data regarding gas operations. The following table displays the same information as the table in Staff Data Request MHE 10.01, but has been revised to reflect information for AIC's electric distribution operations:

Description	Amount Before Transaction	Amount After Transaction Prior to Offsetting DIT Entry	Amount After Transaction with Offsetting DIT Entry
Plant in Service (Account 102 only) Debit to USOA Acct. 102	$0	$107,734,777	$107,734,777
Deferred Taxes related to Plant Account 102 Credit to USOA Acct. 190/282/283	$0	$(16,855,447)	$16,855,447
“Offsetting Entry” Debit to USOA Acct. 190	0	$0	$(16,855,447)
Total Rate Base		$90,879,330	$107,734,777

Supplementing its response to Staff Data Request MHE 10.01 in Docket 13-0192, AIC agrees with the effect on rate base for the components shown in the table above, but notes that the effect on rate base for the components shown in the table above is correct at the time of the transfer. Since the transfer, additional deferred income taxes on the transferred assets have been recorded, resulting in a reduction to rate base, and a net benefit to ratepayers, as discussed further the direct and rebuttal testimonies of Mr. Stafford. Also, since the transfer, deferred income taxes related to the Basis Step-Up are being amortized over the tax lives of the underlying assets (See AG 8.10R Attach), and other deferred income tax balances have changed as a result of changes, since the transfer, in the underlying balance of the asset, or liability, giving rise to the deferred tax balance shown above. Finally, since the transfer, the net Plant in Service balance shown above would continue to be reduced as additional depreciation expense is recorded on transferred assets that have not been retired or otherwise disposed of.

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AG 8.07R

Ref: Staff Data Request MHE 10.02 in Docket No. 13-0192. Please provide the answer you provided in response to Staff Data Request MHE 10.02 in Docket No. 13-0192:

> Referring to the journal entries provided in the response labeled "MHE 3.02 Attach," please provide the same information requested in MHE 10.01 regarding the effect of the Metro East Transfer on UE's rate base.
>
> For each rate base component with which the Company disagrees in the table above, please provide a corrected version of this table and fully explain why the revision is necessary.

RESPONSE

Prepared By: Brenda J. Menke
Title: Director, Income Tax
Phone Number: 314-554-2938

Docket 13-0192 was AIC's 2013 gas rate case, and the response AIC provided to Staff Data Request MHE 10.02 in Docket 13-0192 pertained to gas operations. The following response is substantially the same as AIC's response to Staff Data Request MHE 10.02 in Docket 13-0192, but has been revised to reflect information for AIC's electric distribution operations.

Below is the impact of the transaction on Union Electric's rate base:

Description	Amount Before Transaction	Amount After Transaction
Plant in Service (Account 102 only) Credit to USOA Acct. 102	$107,734,777	$0
Deferred Taxes related to Plant Account 102 Debit to USOA Acct. 190/282/283	$(13,709,726)	$0
"Offsetting Amount" Credit to USOA Acct. 190	$0	$0
Total Rate Base	$94,025,051	$0

After the sale of the Metro East assets, the rate base for Union Electric does not include anything related to these assets, as they are no longer owned by Union Electric.

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AG 8.08R

Ref: Staff Data Request MHE 10.03 in Docket No. 13-0192. Please provide the answer you provided in response to Staff Data Request MHE 10.03 in Docket No. 13-0192:

> Referring to the response to Staff data request MHE 5.03, please describe in more detail the effect to Union Electric of the "deferred intercompany tax gain for income tax purposes". Specifically, describe the ultimate disposition of the "deferred intercompany tax gain for income tax purposes" to UE and to the consolidated Ameren income tax return.
>
> For each rate base component with which the Company disagrees in the table above, please provide a corrected version of this table and fully explain why the revision is necessary.

RESPONSE

Prepared By: Brenda J. Menke
Title: Director, Income Tax
Phone Number: 314-554-2938

Under the consolidated return regulations, the Union Electric's deferred intercompany tax gain is recognized as the higher tax basis (step-up) is depreciated for tax purposes by Ameren Illinois. The step-up basis for Ameren Illinois and the deferred intercompany tax gain for Union Electric are being amortized over the tax lives of the underlying assets. There is no impact on consolidated taxable income.

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AG 8.09R

Ref: Staff Data Request MHE 12.01 in Docket No. 13-0192. Please provide the answer you provided in response to Staff Data Request MHE 12.01 in Docket No. 13-0192:

> Please provide in detail each journal entry in which ADIT was accrued on the Metro East Assets transferred from UE to CIPS (separate from other assets) prior to the transfer.

RESPONSE

Prepared By: Brenda J. Menke
Title: Director, Income Tax
Phone Number: 314-554-2938

Objection: The request seeks information that is not in the possession of Ameren Illinois or Ameren Services in the format requested and not readily available. A special study would need to be initiated to determine whether the requested data could be segregated and compiled. Subject to that objection, AIC provides the following response sponsored by Ms. Menke.

The income tax records for the Metro East assets were not maintained separately and therefore we could not separate the ADIT entries related to those assets. A special study would be required to create some approximation of the data in the manner suggested by the request and there is insufficient time to prepare such data for this proceeding. To the extent there is a desire to examine potential alternative means of ascertaining the information Staff requires, Ms. Everson may contact the sponsor for further discussion.

As a supplement to AIC's response to Staff Data Request MHE 12.01 in Docket 13-0192, see Ameren Exhibits 2.6 and13.5R for additional analysis that have been performed in the current formula rate update proceeding to further analyze and support a conclusion that ratepayers are benefitting from the transfer.

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AG 8.10R

Ref: Staff Data Request MHE 12.02 in Docket No. 13-0192. Please provide the answer you provided in response to Staff Data Request MHE 12.02 in Docket No. 13-0192:

> Please provide in detail each journal entry in which ADIT was accrued on the Metro East Assets transferred from UE to CIPS (separate from other assets) subsequent to the transfer.

RESPONSE

Prepared By: Brenda J. Menke
Title: Director, Income Tax
Phone Number: 314-554-2938

Objection. The request seeks information that is not in the possession of Ameren Illinois or Ameren Services in the format requested and not readily available. A special study would need to be initiated to determine whether the requested data could be segregated and compiled.

In addition, Docket 13-0192 was AIC's gas rate case, and the response AIC provided to Staff Data Request MHE 12.02 in Docket 13-0192 pertained to gas operations. The following response, and its attachment, are substantially the same as AIC's response to Staff Data Request MHE 12.02 in Docket 13-0192, but have been revised to reflect information for AIC's electric distribution operations. Subject to that objection, AIC provides the following response sponsored by Ms. Menke.

See AG 8.10R Attach which shows summary annual journal entry activity for ADIT accounts 190-365 and 190-366 related to the step-up portion of the tax basis on the Metro East assets transferred to CIPS. The offset to these accounts are Account 410 or 411.

The remainder of the information requested relates to the offsetting deferred tax liabilities recorded in Account 282. The information requested is not in the possession of Ameren Illinois or Ameren Services. The income tax records in Account 282 were not maintained separately for the Metro East assets; therefore, we could not separate the ADIT entries related to those assets. A special study would be required to create some approximation of the data in the manner suggested by the request, and there is insufficient time to prepare such data for this proceeding. To the extent there is a desire to examine potential alternative means of ascertaining the information Staff requires, Ms. Everson may contact the sponsor for further discussion.

As a supplement to AIC's response to Staff Data Request MHE 12.02 in Docket 13-0192, see Ameren Exhibits 2.6 and13.5R for additional analysis that have been performed in the current formula rate update proceeding to further analyze and support a conclusion that ratepayers are benefitting from the transfer.

	190-365	190-366	Total
Balance 12/31/2004	-	-	-
Transfer 05/02/2005	11,658,664	2,626,798	14,285,462
Activity 2005	(218,600)	(49,253)	(267,853)
Balance 12/31/2005	11,440,064	2,577,545	14,017,609
Activity 2006	(2,969,520)	(669,059)	(3,638,579)
Balance 12/31/2006	8,470,544	1,908,486	10,379,030
Activity 2007	645,866	145,520	791,386
Balance 12/31/2007	9,116,410	2,054,006	11,170,416
Activity 2008	(971,916)	(218,929)	(1,190,845)
Balance 12/31/2008	8,144,494	1,835,077	9,979,571
Activity 2009	(647,711)	(145,987)	(793,698)
Balance 12/31/2009	7,496,783	1,689,090	9,185,873
Activity 2010	(549,063)	(123,537)	(672,600)
Balance 12/31/2010	6,947,720	1,565,553	8,513,273
Activity 2011	(798,034)	(11,987)	(810,021)
Balance 12/31/2011	6,149,686	1,553,566	7,703,252
Activity 2012	(520,169)	(152,648)	(672,817)
Balance 12/31/2012	5,629,517	1,400,918	7,030,435
Activity 2013	(474,023)	(140,456)	(614,479)
Balance 12/31/2013	5,155,494	1,260,462	6,415,956

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AG 9.02

Ref: AIC Ex. 13.0R at lines 197-198. At the referenced lines, Mr. Stafford states that "[t]he only thing that the transfer changed was the timing of those [deferred tax] benefits." In Mr. Stafford's opinion, if a person is to receive a monetary "benefit" of a known nominal dollar amount, which timing is preferable: receiving it sooner, or later?

RESPONSE

Prepared By: Ronald D. Stafford
Title: Director, Regulatory Accounting
Phone Number: 314-206-0584

Receipt of a monetary "benefit" of a known nominal dollar amount sooner or later is dependent on other direct or indirect variables, such as, but not necessarily limit to, costs incurred and/or savings realized from receipt of such monetary "benefit", whether such monetary "benefit" is conditional or restricted in some form, and whether such monetary "benefit" includes a return on investment and whether such return is above or below returns that could be achieved on alternative opportunities. With regard specifically to the above statement referenced at lines 197-198, see also the discussion provided at pages 25-27 of Ameren Exhibit 2.0R for a more complete discussion regarding Metro East ADIT. It should be noted that testimony discussion regarding this topic is limited to only one component of revenue requirement and does not consider other benefits realized by Metro East ratepayers as a result of the transfer.

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AG 9.03

<u>Ref: AIC Ex. 13.0R at lines 223-231.</u> At the referenced lines, Mr. Stafford describes how the three asset groupings in his analysis shown in AIC Exhibit 13.5 were selected.

a) For Account 364 only, please state what percent of all Metro East electric distribution assets in that account are of vintage year 1984 (sic), 1985, 1986, and so forth, up through 2014.
b) Among all Metro East electric distribution assets, please state what percent are of vintage year 1984 (sic), 1985, 1986, and so forth, up through 2014.
c) For Account 364 only, please state the top five most common “book lives” (e.g. fifteen years, twenty years, etc.) for all Metro East electric distribution assets in that account. Please indicate what percent of all electric distribution assets in that account are represented by each of those five book life lengths.
d) Among all Metro East electric distribution assets, please state the top five most common “book lives” (e.g. fifteen years, twenty years, etc.). Please indicate what percent of all Metro East electric distribution assets are represented by each of those five book life lengths.
e) For Account 364 electric distribution assets in Metro East, what is the average original cost of all 1984- (sic) vintage assets? Please state the same for vintage years 1985, 1986, and so forth, up through 2014.
f) Among all Metro East electric distribution assets, what is the average original cost of all 1984- (sic) vintage assets? Please state the same for vintage years 1985, 1986, and so forth, up through 2014.

<u>RESPONSE</u>

Prepared By: Ronald D. Stafford
Title: Director, Regulatory Accounting
Phone Number: 314-206-0584

The following responses refer to Ameren Exhibit 13.5R rather than Ameren Exhibit 13.5.

a) AG 9.03 Attach 1 presents the percentage of all transferred Metro East electric distribution assets in Account 364 for the vintage years prior to 1984, 1984, 1985, 1986, and through 2005. The Metro East Transfer was in 2005 and no assets were transferred after that date.
b) See AG 9.03 Attach 2 for the percentage of all transferred Metro East electric distribution assets, for vintage years prior to 1984, 1984, 1985, 1986, and through 2005. The Metro East Transfer was in 2005 and no assets were transferred after that date.
c) AIC objects to this request as vague because the term “book lives” is not defined. Notwithstanding the objection, the Company is interpreting “book lives” to be equivalent to the average service lives of the underlying assets, as reported in FERC Form 1. AIC does not

differentiate "book lives" by the assets within an account. The average service life shown for the account is for all assets of that account. AG 9.03 Attach 3 at line 5 presents the average service life for Account 364 for Union Electric (UEC) 1994-2007 (used post transfer by CIPS until 2008), CIPS 2008, AIC 2011, and AIC 2013. AIC understands the second sentence of the question to specifically refer to transferred Metro East electric distribution assets for Account 364. As indicated on the attachment, there less than five book life lengths listed for Account 364.

d) AIC objects to this request as vague because the term "book lives" is not defined. Notwithstanding the objection, the Company is interpreting "book lives" to be equivalent to the average service lives of the underlying assets, as reported in FERC Form 1. AIC does not differentiate "book lives" by the assets within an account. The average service life shown for the account is for all assets of that account. AG 9.03 Attach 3 presents the average service life for each Metro East electric distribution account. The average service lives presented are UEC 1994-2007 (used post transfer by CIPS until 2008), CIPS 2008, AIC 2011, and AIC 2013. For each column, average service lives common to more than one account have been grouped to determine the percent of all transferred Metro East electric distribution assets with common service lives for each column. UEC FERC Form 1 page 337 used for the 1994-2007 column was provided in AG6.02 Attach. See AG 9.03 Attach 4 and Attach 5 for a copy of the FERC Form 1 page 337 for average service lives used for the 2008 and 2011 columns, respectively. The AIC 2013 FERC Form 1 was provided in AG 1.03 Attach. Page 337 of the AIC FERC Form 1 was used for the 2013 column.

e) See AG 9.03 Attach 6 for average original cost for vintage years prior to 1984, 1984, 1985, 1986, and through 2005 for all transferred Metro East electric distribution assets in Account 364. The Metro East Transfer was in 2005 and no assets were transferred after that date.

f) See AG 9.03 Attach 7 for average original cost for vintage years prior to 1984, 1984, 1985, 1986, and through 2005 for all transferred Metro East electric distribution assets. The Metro East Transfer was in 2005 and no assets were transferred after that date.

Ameren Illinois Company

Summary Metro East Electric Distribution Account 364 Assets % by Vintage Year

Line #	Vintage Year		Transferred from UEC to CIPS	% of total
1	Total Account 364	$	38,922,961	
2	Prior 1984		13,816,878	35.50%
3	1984		667,392	1.71%
4	1985		637,534	1.64%
5	1986		719,204	1.85%
6	1987		825,560	2.12%
7	1988		671,357	1.72%
8	1989		648,197	1.67%
9	1990		1,604,450	4.12%
10	1991		1,061,370	2.73%
11	1992		942,184	2.42%
12	1993		1,106,313	2.84%
13	1994		1,214,493	3.12%
14	1995		1,369,954	3.52%
15	1996		1,119,649	2.88%
16	1997		1,256,743	3.23%
17	1998		1,358,994	3.49%
18	1999		1,542,071	3.96%
19	2000		1,212,871	3.12%
20	2001		1,538,807	3.95%
21	2002		2,581,221	6.63%
22	2003		1,190,633	3.06%
23	2004		1,359,143	3.49%
24	2005(1)		477,942	1.23%
25	Grand Total	$	38,922,961	100.00%

Note:
(1)The Metro East Transfer was in 2005. No assets were transferred after that date.

Ameren Illinois Company

Summary Metro East Electric Distribution Account 360-374 Assets % by Vintage Year

Line #	Vintage Year	Transferred from UEC to CIPS		% of total
1	Prior 1984	$	66,323,942	40.29%
2	1984		2,786,901	1.69%
3	1985		3,200,810	1.94%
4	1986		3,727,115	2.26%
5	1987		3,729,407	2.27%
6	1988		2,483,744	1.51%
7	1989		3,480,586	2.11%
8	1990		4,699,973	2.86%
9	1991		4,358,513	2.65%
10	1992		3,497,767	2.12%
11	1993		4,433,489	2.69%
12	1994		5,602,908	3.40%
13	1995		6,002,199	3.65%
14	1996		4,841,679	2.94%
15	1997		6,414,880	3.90%
16	1998		5,160,557	3.13%
17	1999		5,759,827	3.50%
18	2000		4,389,978	2.67%
19	2001		5,768,196	3.50%
20	2002		6,790,124	4.12%
21	2003		4,412,380	2.68%
22	2004		5,132,308	3.12%
23	2005		1,617,266	0.98%
24	Grand Total	$	164,614,547	100.00%

Note:

(1)The Metro East Transfer was in 2005. No assets were transferred after that date.

Ameren Illinois Company
Summary Metro East Electric Distribution Account 360-374 Common Book Lives

Line #	Account	FERC Form 1 Average Service Life 1994-2007	2008	2011 (1)	2013	Account 369 Value by Minor at Transfer	Transfer to CIPS Value of assets By Account
	(A)	(B)	(C)	(D)	(E)	(F)	(G)
1	360	-	65.00	65.00	75.00		$ 555,548
2	361	61.00	60.00	60.00	60.00		520,109
3	362	44.00	50.00	50.00	54.00		19,191,002
4	363	-	-	-	-		
5	364	34.00	40.00	40.00	47.00		38,922,961
6	365	36.00	40.00	40.00	47.00		45,119,051
7	366	84.00	50.00	50.00	60.00		2,411,543
8	367	45.00	38.00	40.00	45.00		12,294,274
9	368	40.00	35.00	39.00	43.00		13,868,852
10	369 (2)		30.00	30.00	39.00		14,507,167
11	369-1 (2)	36.00	-	-	-	$ 10,714,385	
12	369-2 (2)	45.00	-	-	-	3,792,783	
13	370	36.00	30.00	30.00	18.00		7,181,927
14	371	45.00	25.00	25.00	25.00		118,896
15	372	-	-	-	-		
16	373	23.00	17.00	27.00	25.00		9,923,217
17	374	-	-	-	-		
18					Total		$ 164,614,547

Line #	Avg. Service Life	1994-2007	2008	2011 (1)	2013	Source
	(A)	(B)	(C)	(D)	(E)	(F)
19	25 year				6%	Ln 14, 16, 18
20	30 year		13%	13%		Ln 10, 13, 18
21	36 year	38%				Ln 6, 11, 13, 18
22	40 year		59%	59%		Ln 5, 6, 8, 18
23	45 year	10%				Ln 8, 12, 14, 18
24	47 year				51%	Ln 5, 6, 18
25	50 year		13%	13%		Ln 3, 7, 18
26	60 year				2%	Ln 2, 7, 18

Notes:
(1) Merged AIC depreciation rates shown in the 2010 FERC Form 1 became effective January 2011
(2) Account 369 at time of transfer was comprised of balances for 369-1 and 369-2.

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Central Illinois Public Service Company	(1) [X] An Original (2) [ ] A Resubmission	04/17/2009	End of 2008/Q4

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DEPRECIATION AND AMORTIZATION OF ELECTRIC PLANT (Continued)

C. Factors Used in Estimating Depreciation Charges

Line No.	Account No. (a)	Depreciable Plant Base (In Thousands) (b)	Estimated Avg. Service Life (c)	Net Salvage (Percent) (d)	Applied Depr. rates (Percent) (e)	Mortality Curve Type (f)	Average Remaining Life (g)
12	350	18,687	65.00		1.73	R4	38.90
13	352	2,738	40.00		3.31	R2.5	22.30
14	353	143,803	45.00		2.10	R0.5	32.60
15	354	25,158	65.00	-0.11	0.85	R2.5	36.40
16	355	69,198	55.00	-0.84	2.51	R2	41.70
17	356	93,153	55.00		1.31	R1.5	38.40
18							
19	360	5,711	65.00		1.85	R4	41.10
20	361	3,426	60.00		1.18	R3	34.10
21	362	194,488	50.00	-0.07	1.48	R2	31.00
22	364	284,544	40.00	-3.01	5.62	R4	24.20
23	365	285,720	40.00	-1.44	4.31	R3	25.60
24	366	6,783	50.00	-0.12	2.58	R2.5	39.30
25	367	146,277	38.00	-0.23	2.57	R4	26.10
26	368	154,654	35.00		2.24	S1	19.60
27	369	82,370	30.00	-3.66	7.32	R2	20.10
28	370	47,466	30.00		3.99	R2.5	17.50
29	371	122	25.00		20.76	R2	3.90
30	373	42,732	17.00	-1.88	6.57	S1.5	8.70
31							
32	390	33,751	55.00	0.07	1.41	O1	45.20
33	391	5,608	20.00		5.71	SQ	8.40
34	391.2	2,478	5.00		18.91	SQ	1.80
35	391.3	2,093	10.00		8.72	SQ	3.70
36	392	41,274	12.00	0.35	3.14	L1.5	7.60
37	393	1,725	20.00		9.31	SQ	5.40
38	394	4,590	20.00		8.38	SQ	10.40
39	395	4,394	20.00		10.69	SQ	8.20
40	396	4,216	25.00	0.74	2.22	R1.5	16.80
41	397	27,844	15.00		6.55	SQ	6.30
42	398	22	20.00		6.18	SQ	18.00
43							
44							
45							
46							
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48							
49							
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AG 9.03 Attach 5
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DEPRECIATION AND AMORTIZATION OF ELECTRIC PLANT (Continued)

C. Factors Used in Estimating Depreciation Charges

Line No.	Account No. (a)	Depreciable Plant Base (In Thousands) (b)	Estimated Avg. Service Life (c)	Net Salvage (Percent) (d)	Applied Depr. rates (Percent) (e)	Mortality Curve Type (f)	Average Remaining Life (g)
12	350	34,496	70.00		1.05	R4	
13	352	12,695	50.00		2.16	R4	
14	353	353,384	45.00		1.89	R1	
15	354	61,995	64.00		1.29	R3	
16	355	194,916	48.00		2.54	R2	
17	356	194,968	54.00		1.65	S2	
18	357	235	50.00		1.63	R2.5	
19	358	713	35.00		2.90	R2.5	
20	359	91	60.00		1.12	R4	
21	360	9,614	65.00		0.61	R4	
22	361	23,995	60.00		1.97	R3	
23	362	696,948	50.00		1.92	R2	
24	364	994,647	40.00		4.18	R2	
25	365	923,393	40.00		3.46	R1.5	
26	366	95,936	50.00		2.06	R2.5	
27	367	527,772	40.00		2.61	R2	
28	368	538,385	39.00		2.46	S2	
29	369	339,448	30.00		5.11	R3	
30	370	136,500	30.00		3.40	R1	
31	371	122	25.00		20.76	R2	
32	373	192,651	27.00		4.31	S1	
33	390	138,878	55.00		1.58	O1	
34	391	19,944	15.00		5.29	SQ	
35	391.1	3,268	5.00		4.62	SQ	
36	391.2	29,261	5.00		10.31	SQ	
37	391.3	1,381	10.00		8.77	SQ	
38	392	91,799	12.00		5.40	L1.5	
39	393	2,928	20.00		6.87	SQ	
40	394	17,039	20.00		5.78	SQ	
41	395	4,194	20.00		7.79	SQ	
42	396	8,367	16.00		4.02	L2	
43	397	60,348	15.00		6.97	SQ	
44	398	2,044	20.00		5.39	SQ	
45							
46							
47							
48							
49							
50							

Ameren Illinois Company

Summary Metro East Electric Distribution Account 364 Avg Original Cost

Line #	Vintage Year(1)	Transfer Amount	# of Assets	Avg original cost
1	Prior 1984	$ 13,816,878	624	$ 22,142
2	1984	667,392	20	33,370
3	1985	637,534	15	42,502
4	1986	719,204	21	34,248
5	1987	825,560	16	51,597
6	1988	671,357	18	37,298
7	1989	648,197	17	38,129
8	1990	1,604,450	31	51,756
9	1991	1,061,370	18	58,965
10	1992	942,184	19	49,589
11	1993	1,106,313	19	58,227
12	1994	1,214,493	16	75,906
13	1995	1,369,954	19	72,103
14	1996	1,119,649	18	62,203
15	1997	1,256,743	21	59,845
16	1998	1,358,994	18	75,500
17	1999	1,542,071	21	73,432
18	2000	1,212,871	14	86,634
19	2001	1,538,807	15	102,587
20	2002	2,581,221	20	129,061
21	2003	1,190,633	18	66,146
22	2004	1,359,143	17	79,950
23	2005	477,942	13	36,765
24	Grand Total	$ 38,922,961	1028	

Notes:
(1) Metro East Transfer in 2005. No assets acquired after that date.

Ameren Illinois Company

Summary Metro East Electric Distribution Account 360-374(2) Avg Original Cost

Line #	Vintage Year(1)	Transfer Amount	# of Assets	Avg original cost
1	Prior 1984	$ 66,323,942	5003	$ 13,257
2	1984	2,786,901	97	28,731
3	1985	3,200,810	110	29,098
4	1986	3,727,115	128	29,118
5	1987	3,729,407	108	34,532
6	1988	2,483,744	98	25,344
7	1989	3,480,586	113	30,802
8	1990	4,699,973	112	41,964
9	1991	4,358,513	114	38,233
10	1992	3,497,767	84	41,640
11	1993	4,433,489	106	41,825
12	1994	5,602,908	142	39,457
13	1995	6,002,199	114	52,651
14	1996	4,841,679	87	55,651
15	1997	6,414,880	111	57,792
16	1998	5,160,557	103	50,102
17	1999	5,759,827	117	49,229
18	2000	4,389,978	121	36,281
19	2001	5,768,196	118	48,883
20	2002	6,790,124	106	64,058
21	2003	4,412,380	126	35,019
22	2004	5,132,308	113	45,419
23	2005	1,617,266	59	27,411
24	Grand Total	$ 164,614,547	7,390	

Notes:

(1) Metro East Transfer in 2005. No assets acquired after that date.

(2) No balance in account 374

Ameren Illinois Company's
Response to Illinois Office of Attorney General Data Requests
Docket No. 14-0317
Rate MAP-P Modernization Action Plan - Pricing Annual Update Filing (2014)
Data Request Response Date: 9/2/2014

AG 9.06

<u>Ref: AIC Ex. 13.0R at lines 276-282.</u> At the cited lines of his rebuttal testimony, Mr. Stafford alleges that Mr. Effron's proposal would result in "double-counting".

a) Please confirm that the Metro East-related ADIT that has accumulated on AIC's books since the transfer represents nine years' worth of tax-vs-book depreciation timing differences.
b) How many years' worth of tax-vs-book depreciation timing differences were embodied in the amount of Metro East-related ADIT that had accumulated on the books of Union Electric immediately before the transfer?
c) What was the amount of electric-jurisdictional Metro East-related ADIT on the books of Union Electric immediately before the transfer? Please provide all calculations and data supporting your answer.
d) According to AIC Exhibit 2.6, how much new electric-jurisdictional Metro East-related ADIT has accumulated on AIC's books since the transfer?
e) Hypothetically, following the transfer, if the Commission had not recognized, for its regulatory purposes, the step-up in basis and related resetting of tax depreciation, would Metro East-related ADIT on the books of AIC have continued to increase? When would it have begun decreasing? Please provide all data and calculations supportive of your answer. If you can only provide estimates, please provide detailed justifications for your estimates.
f) Is (i) the amount of ADIT that accumulated on AIC's books related to the Metro East asset since the 2005 transfer until 12/31/2013 *plus* the amortized value of the Account 190 Metro East Step-Up deferred tax liability as of 12/31/2013 greater than (ii) the amount of Metro East-related ADIT that would hypothetically be on AIC's books as of 12/31/2013 if the Commission had not recognized, for its regulatory purposes, the step-up in basis and related resetting of tax depreciation? Please provide all calculations supportive of your answer.

<u>RESPONSE</u>

Prepared By: Ronald D. Stafford
Title: Director, Regulatory Accounting
Phone Number: 314-206-0584

a) As of year-end 2013, the Metro East-related ADIT that has accumulated on AIC's books since the transfer represents eight and one half years' worth of tax-vs-book depreciation timing differences.
b) Metro East transferred assets dated back to the year 2013 on the workpapers provided in support of Ameren Exhibit 2.6. Thus, tax-vs-book depreciation timing differences date back to the latter of 2013 or the first calendar or fiscal year in which accelerated depreciation benefits were recognized in the calculation of Ameren (or its predecessors) income tax returns.
c) As shown on AG 8.10 Attach, the electric-jurisdictional Metro East-related ADIT on the books of Union Electric at the time of the transfer was $14,285,462.

d) As shown on AIC Exhibit 2.6, $18,094,000 of electric-jurisdictional Metro East-related ADIT has accumulated on AIC's books since the transfer.

e) AIC objects to this request as presenting an improper hypothetical when it assumes the Commission could not recognize, for its regulatory purposes, the step-up in basis and related resetting of tax depreciation related to the transfer, and/or as vague and calling for speculation because no specifics for the hypothetical transfer are provided.

f) AIC objects to this request as presenting an improper hypothetical when it assumes the Commission could not recognize, for its regulatory purposes, the step-up in basis and related resetting of tax depreciation related to the transfer, and /or as vague and calling for speculation because no specifics for the hypothetical transfer are provided.