

**STATE OF ILLINOIS**

**ILLINOIS COMMERCE COMMISSION**

**Ameren Illinois Company d/b/a** :  
**Ameren Illinois** :  
: **14-0443**  
**Petition for Approval of the Rider** :  
**CCA-Clean Coal Adjustment** :

**ORDER**

By the Commission:

In compliance with the Orders in Illinois Commerce Commission (“Commission”) Docket Nos. 12-0544 and 13-0034, and the Amendatory Order in Docket No. 12-0544, Ameren Illinois Company d/b/a Ameren Illinois (“AIC”) filed on June 30, 2014 a petition seeking approval of its Rider CCA – Clean Coal Adjustment (“Rider CCA”). Rider CCA provides for the full recovery of all costs AIC incurs, or will incur, in connection with the Unit Contingent Power Purchase Agreement (“Agreement”) executed by AIC and FutureGen Industrial Alliance, Inc. (“FutureGen”) in accordance with Section 16-111.5(l) of the Public Utilities Act (“Act”), 220 ILCS 5/1-101 et seq., which provides as follows:

(l) An electric utility shall recover its costs incurred under this Section, including, but not limited to, the costs of procuring power and energy demand-response resources under this Section. The utility shall file with the initial procurement plan its proposed tariffs through which its costs of procuring power that are incurred pursuant to a Commission-approved procurement plan and those other costs identified in this subsection (l), will be recovered. The tariffs shall include a formula rate or charge designed to pass through both the costs incurred by the utility in procuring a supply of electric power and energy for the applicable customer classes with no mark-up or return on the price paid by the utility for that supply, plus any just and reasonable costs that the utility incurs in arranging and providing for the supply of electric power and energy. The formula rate or charge shall also contain provisions that ensure that its application does not result in over or under recovery due to changes in customer usage and demand patterns, and that provide for the correction, on at least an annual basis, of any accounting errors that may occur. A utility shall recover through the tariff all reasonable costs incurred to implement or comply with any procurement plan that is developed and put into effect pursuant to Section 1-75 of the Illinois Power Agency Act and this Section, including any fees assessed by the Illinois Power Agency, costs associated with load balancing, and contingency plan costs. The electric utility shall also recover its full costs of procuring electric supply for which it contracted before the effective date of this Section in conjunction with the provision of full requirements service under fixed-price

bundled service tariffs subsequent to December 31, 2006. All such costs shall be deemed to have been prudently incurred. The pass-through tariffs that are filed and approved pursuant to this Section shall not be subject to review under, or in any way limited by, Section 16-111(i) of this Act.

Pursuant to due notice required by law and by the rules and regulations of the Commission, hearings were held before a duly authorized Administrative Law Judge ("ALJ") of the Commission at its offices in Springfield, Illinois on July 22, 2014, August 5, 2014, and August 26, 2014. FutureGen, the Illinois Competitive Energy Association ("ICEA"), and the Illinois Industrial Energy Consumers each filed a petition to intervene, which the ALJ granted. Counsel entered appearances on behalf of AIC, FutureGen, ICEA, and Commission Staff ("Staff"). AIC offered the testimony of Karen Althoff, a Supervisor of Rates and Analysis. No other party offered testimony. At the close of the August 26, 2014 evidentiary hearing, the ALJ marked the record "Heard and Taken." With AIC's acceptance of a modification proposed by Staff, there are no contested issues in this matter. No party filed a legal brief.

Ms. Althoff explained the components of Rider CCA in her testimony. She testified that the rider consists of the following components: 1) Clean Coal Costs ("CCC"); 2) any Automatic Reconciliation Adjustment ("ARA"), which will be determined monthly; and 3) any Ordered Reconciliation Adjustment ("ORA") divided by Forecasted Total Retail Load in kilowatt-hours ("kWh"). The CCC will be established by the Seller for a consecutive 12-month period beginning June 1 through May 31 ("Contract Year") except that if the commercial operation date does not occur on June 1, then the first Contract Year will run from the commercial operation date through the immediately following May.

The costs included in the CCC component of Rider CCA are equal to the sum of the monthly expenditures AIC expects to incur in connection with the Agreement. In addition to the above expenditures, additional expenditures may include but are not limited to the following: (1) the total cost, including return on any unamortized balances, relating to information technology and programming costs associated with modifications to AIC's billing system for application of Rider CCA; (2) administrative and general costs associated with AIC's obligations in connection with the Agreement; (3) legal and consultant fees associated with the implementation and administration of the Agreement; and (4) costs of working capital used to satisfy AIC's obligations under the Agreement. The information technology and programming cost adjustment factor and the working capital adjustment factor will be established by the Commission in AIC's electric delivery services rate cases, or formula rate proceeding pursuant to Section 16-108.5 of the Act, whichever is applicable, and subsequently revised after each such proceeding. Ms. Althoff testified the capitalized costs, net of accumulated depreciation and accumulated deferred income tax, would be amortized over five years.

The purpose of the ARA component, Ms. Althoff explained, is to balance the Rider CCA revenue billed with the actual CCC costs each month and to bill or credit any such under-or-over amounts to retail customers in the subsequent month. The ARA will be determined based on the following equation:

$$ARA = (ACCC_{rm} + ARA_{rmb} + ORA_{rmb} - CCCR_{rmb}) \times (1 + i)$$

The specifics of these components are: 1) Actual Clean Coal Costs ("ACCC")<sub>rm</sub>; 2) prior ARA<sub>rmb</sub>; 3) prior ORA<sub>rmb</sub>; and 4) Clean Coal Cost Recoveries<sub>rmb</sub> ("CCCR") multiplied by one plus the applicable interest rate established by the Commission in accordance with Section 280.70(e)(1) of 83 Ill. Admin. Code 280, "Procedures for Gas, Electric, Water and Sanitary Sewer Utilities Governing Eligibility for Service, Deposits, Payment Practices and Discontinuance Of Service."

Ms. Althoff further testified that informational filings related to Rider CCA will be handled similarly to AIC's other informational filings. Specifically, informational filings to Rider CCA will be filed with the Commission no later than the 20th day of the month preceding the effective month of the adjustment. The informational filing shall be accompanied by work papers showing the calculation of the adjustment. A new adjustment shall become effective on the first billing cycle of the billing period. An adjustment shall continue in effect until replaced by a subsequent informational filing.

An annual audit will be completed subsequent to a Contract Year and the determination of the ARA. AIC will conduct an audit of its costs and recoveries arising from Rider CCA with the audit also determining if: 1) the adjustments are properly billed to customer bills; 2) the adjustments are properly calculated; 3) costs recovered through Rider CCA are recorded in the appropriate accounts; and 4) costs recovered through Rider CCA are properly reflected in the calculation of the adjustments and the annual reconciliation. This audit report must be submitted to the Commission in an informational filing, with copies of such report provided to the Manager of the Staff's Accounting Department. The audit, as verified by an officer of AIC, shall be submitted no later than November 1 following the completion of a Contract Year and annually thereafter.

Ms. Althoff testified that AIC must request that the Commission initiate a Rider CAA reconciliation proceeding within 90 calendar days after AIC submits the report outlined above. At the conclusion of such proceeding, the Commission will determine the amount and timing of an ORA, if any, to include in the determination of subsequent adjustments determined in accordance with the provisions provided in the Determination of the Clean Coal Adjustment section of Rider CCA in order to correct for errors in adjustments applied during the June through May billing periods addressed in the proceeding. Any such ORA will be determined to the extent that any such error has not been already reflected in an applicable ARA or ORA determined by AIC. After any such ORA is determined by the Commission, AIC must reflect such ORA in the determination of adjustments in accordance with an order entered by the Commission that provides the terms under which the ORA is to be reflected in the determination of adjustments. The monthly adjustment per kWh will be the same for each retail customer and will appear as a separate line on monthly bills somewhere other than the Supply Charges or Delivery Charges sections of the bill.

Ms. Althoff stated that customers' bills for service under Rider CCA shall be rendered and payments due in accordance with the Payment of Bills and Late Payments section of AIC's Customer Terms and Conditions. Service under Rider CCA is subject to the Customer Terms and Conditions, Standards and Qualifications for Electric Service, Tax Additions, and Supplemental Customer Charge Tariffs of this Schedule, as well as any other applicable rates, riders, taxes, adjustments, fees, or charges that may be approved by the Commission from time to time and are in effect. Revenues associated with the application of Rider CCA must be recorded separately by AIC.

The Commission, having considered the entire record and being fully advised in the premises, is of the opinion and finds that:

- (1) AIC is a corporation engaged in the distribution of electricity to the public in Illinois and, as such, is a public utility within the meaning of the Act
- (2) the Commission has jurisdiction over AIC and the subject matter herein;
- (3) the recitals 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) Rider CCA provides for the full recovery of all costs AIC incurs, or will incur, as mandated by Section 16-111.5(l) in connection with the Agreement executed by AIC and FutureGen;
- (5) the implementation and approval of AIC's Rider CCA to recover all costs pursuant to Section 16-111.5(l), as reflected in the Appendix hereto, should be approved; and
- (6) AIC should be directed to make a tariff compliance filing consistent with the content of the Appendix hereto within seven business days of the entry of this Order while Staff should be given ten business days after AIC has made the filing to review to confirm compliance.

IT IS THEREFORE ORDERED by the Illinois Commerce Commission that Ameren Illinois Company d/b/a Ameren Illinois' Rider CCA – Clean Coal Adjustment, as reflected in the Appendix hereto, is found to be in accordance with 220 ILCS 5/16-111.5(l) and is hereby approved.

IT IS FURTHER ORDERED that Ameren Illinois Company d/b/a Ameren Illinois shall file Rider CCA – Clean Coal Adjustment in compliance with Finding (6) and Commission Staff shall review Rider CCA - Clean Coal Adjustment in compliance with Finding (6).

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 7th day of October, 2014.

(SIGNED) DOUGLAS P. SCOTT

Chairman