Ameren Exhibit 31.0

ILLINOIS COMMERCE COMMISSION

DOCKET No. 15-0142

REBUTTAL TESTIMONY

OF

MARLA J. LANGENHORST

Submitted on Behalf

Of

AMEREN ILLINOIS COMPANY
d/b/a Ameren Illinois

July 8, 2015

TABLE OF CONTENTS

ILLINOIS COMMERCE COMMISSION

DOCKET No. 15-0142

REBUTTAL TESTIMONY

OF

MARLA J. LANGENHORST

Submitted on Behalf Of

Ameren Illinois

I. INTRODUCTION

A. Witness Identification

Q. Please state your name and business address.

A. My name is Marla J. Langenhorst. My business address is 1901 Chouteau Avenue, St. Louis, Missouri, 63103.

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

A. I am employed by Ameren Services Company (AMS), a subsidiary of Ameren Corporation (Ameren), as Director of Benefits & Human Resources Technology.

Q. Please describe your education and relevant work experience.

A. See my Statement of Qualifications, attached as an Appendix to this testimony.

B. Purpose, Scope, and Identification of Exhibits

Q. What is the purpose of your rebuttal testimony?

A. The purpose of my rebuttal testimony is to respond to the direct testimony of Mr. Sebastian Coppola, witness for the Office of the Attorney General on behalf of the People of the State of Illinois (AG Ex. 2.0). Specifically, I respond to Mr. Coppola's proposed adjustments to

Ameren Illinois Company's (AIC or Company) forecasted non-union wage increases and the Company's forecasted non-qualified retirement benefits expenses. Ameren witnesses, Messrs. Ronald D. Stafford and Michael J. Getz also respond to Mr. Coppola's non-union wage increase adjustment, and Mr. Stafford and Ameren witness Mr. Randall K. Lynn also respond to Mr. Coppola's adjustment to non-qualified retirement benefits expenses.

Q. Are you sponsoring any exhibits in support of your rebuttal testimony?

A. Yes, I am sponsoring Ameren Exhibit 31.1, which shows historical AIC and AMS non-union wage increase data for 2011 through June 16, 2015.

II. RESPONSE TO AG WITNESS COPPOLA

A. Non-Union Wage Increase

Q. Are you generally familiar with the subject matter of this proceeding?

A. Yes. It is my understanding that this proceeding concerns the request that AIC has filed with the Illinois Commerce Commission (Commission) to approve an increase in AIC's natural gas delivery rates.

Q. Are you generally familiar with the concept of a future test year and the test year that AIC has selected for this proceeding?

A. Yes. As I understand it, the Commission allows utilities to base requests for rate increases on a 12-month period of forecasted data called a future test year, and AIC has selected to base its pending request for a gas rate increase on forecasted costs for 2016.

Q. Are you generally familiar with the percentage increase in non-union wages that AIC has forecasted for 2016 for its natural gas utility in this proceeding?

A. Yes. AIC projects that non-union salaries and wages will increase 4% in 2016 over 2015 levels. The projected 2015 increase is 3%.

Q. What are the components of non-union wages included in the forecasted 2016 percentage increase?

A. The various components of non-union wages that factor into that forecasted increase include management exempt and non-exempt employee base wages as well as the Ameren Leadership Team (ALT) base wages. Also included are increases in pay due to merit increases, promotions, market pay adjustments, job classification changes, and job reclassifications.

Q. What are the assumptions underlying AIC's forecasted 2016 percentage increase for those components of non-union wages?

A. The forecasted non-union wage percentage increase in the 2016 test year assumes that management employee merit increases will total 3% and all other increases, such as promotions, pay adjustments, job classification changes, and job reclassifications, will total 1%, resulting in an overall approximate 4% increase in non-union wages from 2015 to 2016.

Q. Why is the forecasted 2015 percentage increase lower?

A. The 2015 increase percentage is lower since the effective date of merit increases for non-ALT management co-workers was moved up three months from April to January. Mr. Getz, explains this.

Q. Please describe the compensation department's role in developing the assumptions underlying the forecasted non-union wage increase.

A. The role of the compensation function is to analyze our own historical data related to merit and other pay adjustments as well as comprehensive market survey data and best practice compensation policies. Based on that analysis, a recommendation is made for forecasted non-union wage increase percentages.

Q. Please describe how the 2016 3% non-union wage increase assumption for merit adjustments was developed.

A. To develop the test year 3% merit budget recommendation, Ameren relied on comprehensive third-party survey data. For a number of years, we have utilized anywhere from 4 to 8 reliable, well-known, third party survey sources to establish a competitive data point for consideration. The salary survey data and merit increase survey data on which the Company relies are very extensive, and are a trusted resource for developing budget forecasts throughout the industry. Using these trusted resources provides a high level of confidence that AIC pay levels and merit increases are prudent and reasonable and are in line with market conditions and best practices.

For the purpose of developing the merit budget for 2016, we relied on salary budget surveys from WorldatWork, AonHewitt, EmpSight International, Culpepper Compensation Surveys and Practices, Compensation & Benefits Network/AAIM Employers' Association (CBN/AAIM), Buck Consultants, and EAP Data Information Solutions (EAPDIS). In the past, we have also used sources such as the Corporate Leadership Council, Hay Group, and Mercer. Using a variety of sources is considered a best practice as it reduces over-reliance on a single data point.

At the time the test year forecast was prepared, the most recent data available from the relevant surveys was from 2014, and it shows the following average salary budget estimates:

SOURCE	NO. OF COMPANIES RESPONDING	CURRENT SALARY BUDGETS
WorldatWork	2043	3.0%
Culpepper	1649	3.0%
CBN/AAIM (St. Louis region survey)	24	2.9%
AonHewitt	1064	3.0%
EmpSight International	272	3.0%
Buck Consultants	365	3.0%
EAPDIS (utility specific survey)	56	3.0%

As you can see from this table, there is a strong and compelling trend for companies to budget and plan for a 3% merit increase. This data tells us that thousands of other employers are using a 3% budgeting factor to plan for upcoming merit cycles for their employees.

Q. Why is this information relevant to AIC?

A. A best practice to attract and retain employees is to consider this information when setting budgets for AIC. To do otherwise puts AIC at risk for attracting and/or losing the talent needed to ensure continuity of operations. The data also confirms that a 3% merit increase is in line with not only the market, but also our own needs based on historical analysis.

Q. What historical analysis supports the forecasted 3% merit increase?

A. Ameren Exhibit 31.1 shows the actual non-union wage increases for AIC and AMS for the period of 2011 through 2014, and 2015 through June 16, 2015. (The 2011-2014 information was provided in AIC's response to data request AG 4.19, and 2015 data through March 25, 2015 was provided in AIC's response to data request AG 1.39.) The historical data shows that in each year from 2011-2015 to date, a 4% overall increase in pay levels was necessary to ensure the stable workforce needed to deliver safe and reliable natural gas service to customers. Of the 4% overall increase, approximately 3% was necessary for merit pay increases, and 1% for promotions and other pay adjustments. This consistent approach over the 4-year period is clear and compelling as to the level of pay necessary to attract, retain and motivate talent, for it is through the knowledge, skills, and abilities of the Ameren employee population that AIC is successful in delivering safe, reliable, affordable, and quality service to our gas customers.

Q. How does AIC's projection compare to the collectively-bargained union wage increases for 2015-2016?

A. The AIC union pay increases for 2015 and 2016 were collectively bargained in 2012, and the general wage increases for that population were set at that time. While this is not an exclusive consideration in the setting of non-union pay increases, it is a valid data point to consider in the process. The bargaining contract provides for an across-the-board 2.5% wage increase for 2015 and 2016. This data point must be considered in the context of attracting, retaining and engaging a highly-motivated non-union workforce. The non-union employees are not provided with an across-the-board wage increase such as the union workforce, but instead are awarded pay for performance and expertise in their role. Each individual employee may receive more or less than the budgeted amount, according to factors such as performance, time in role, and pay relative to market levels. Providing non-union employees with a pay increase opportunity at least as attractive to that of the union population is an important aspect of employee engagement and motivation.

Q. Do you have any additional comments related to the 3% non-union merit increase assumption?

A. Yes. In addition to the above, it is important to recognize in the context of this discussion that Ameren uses a market-based pay system to establish pay for each of its non-union roles. As explained by Ameren witness Mr. Scott Verbest, to support this system, Ameren uses reliable, reputable, third-party market data to determine competitive compensation levels for each position, thus ensuring that the Company's compensation costs are prudent and reasonable. Each year, AIC participates in numerous salary surveys with third-party consulting firms such as Towers Watson, AonHewitt, Buck, and Culpepper. AIC, along with many peer companies, submits data regarding the compensation package (base, incentive, and total compensation) of incumbents in specific positions defined by the surveys. The consulting firms review this information carefully and follow-up to ask questions and validate the information. They then analyze the data and develop detailed reports that help companies understand the compensation package for each of the reported positions. Data is reported in aggregate and also is broken out by factors such as revenue, geographic location, and discipline. The rigorous process that we engage in to obtain valid market data and to apply that information ensures that AIC's compensation costs are prudent and reasonable while being market competitive. This market-based pay practice allows AIC to attract and retain solid employee talent, which ensures continuity of service for customers.

In sum, AIC's non-union wages are at the median of the market, and a 3% merit increase budget is reasonable and appropriate to ensure the market-based pay philosophy can be managed effectively. AIC believes that providing our non-union employees with anything less than a 3%

budget would hamper our ability to attract and retain the talent needed to run our business at a high level.

Q. Does this mean that every Ameren employee will receive a 3% merit-based base pay increase in 2016?

A. No. The 3% merit increase is a comprehensive AIC merit rate increase. Individual employee merit adjustments, however, are determined by each leader, taking into consideration factors such as performance, time in role, and current pay position relative to the market rate. This means that some employees may receive more than a 3% base pay increase, while others may receive less than a 3% increase, or even no increase, depending on the factors outlined.

Q. Please describe how AIC developed the 1% non-union wage increase assumption for all other adjustments.

A. Regarding the additional 1% for pay adjustments for all other reasons (including promotions, pay adjustments, job classification changes, and job reclassifications), the recommended increase was developed using internal historical data. At the ALT level, the historical trend has been somewhat higher. These kinds of adjustments are necessary to ensure that employees are willing to accept promotions, transfers, and classification changes within the organization. AIC must have the funds available for such adjustments to ensure continuity of operations.

Q. What historical analysis supports the forecasted 1% other adjustments?

A. The actual non-union wage increases for AIC and AMS for the period 2011-2015 to date, shown in Ameren Exhibit 31.1, supports the forecasted increase. This solid historical trend strongly suggests that the 1% pay adjustment is necessary to effectively manage pay toward market levels in order to attract and retain employees to support business and customer needs.

Q. Is AIC's approach to forecasting non-union wage increases reasonable?

A. Yes. The combined total 2016 forecasted increase of 4% - consisting of 3% merit pay increase, and 1% for all other adjustments - is reasonable and appropriate. As explained, AIC's approach is based on actual historical data as well as comprehensive, validated market data. Furthermore, AIC's approach is common in the market and is a recognized compensation practice among our peers within the industry.

Q. Have you reviewed Mr. Coppola's adjustment to AIC's forecasted 2016 non-union wages?

A. Yes. I have reviewed the specific portions of Mr. Coppola's direct testimony concerning his adjustment to AIC's forecasted non-union wages (AG Ex. 2.0, pp. 7-8), including AMS non-union wages allocable to AIC (AG Ex. 2.0, pp. 35-36).

Q. Did you review any other materials in preparing your rebuttal testimony in response to Mr. Coppola's adjustment to non-union wages?

A. Yes. In addition to the specific portions of Mr. Coppola's direct testimony noted above, I reviewed AIC's responses to data requests that I sponsored in this proceeding regarding AIC's non-union wages forecast, TEE 14.02 and AG 1.39, and I reviewed the Company's response to data request AG 4.19, which was sponsored by Mr. Getz. I also reviewed Mr. Coppola's responses to certain data requests issued to him in this proceeding. And I reviewed the results of the 2014-2015 World at Work Salary Budget Survey published August 2014. Every year, we also study and analyze salary planning data from various sources including, but not limited to, the World at Work Salary Budget survey, Buck Consulting, the AonHewitt Salary Planning survey, the EmpSight International Salary Increase Analysis survey, the Culpepper Salary Budget Update survey, the CBN/AAIM Overall 2014-2015 Compensation Trend Survey Report, and the EAPDIS 2014-2015 Merit Budget survey.

Q. What adjustment to AIC's forecasted non-union wages does Mr. Coppola propose?

A. Mr. Coppola recommends a 2% rate of increase for non-union salary and wages for AIC employees. As I understand it, he also proposes that a 2% rate of increase be used to escalate AMS labor costs allocated to AIC. In each instance, he uses the 2% rate of increase to increase non-union salaries and wages from 2013 to 2016. It appears that his proposed 2% increase is a total increase that includes not only base pay merit increases, but also promotions, market pay adjustments, job classification changes, and job reclassifications for each year.

Q. Has any other party proposed an adjustment to the forecasted increase in non-union salaries and wages in this proceeding?

A. No.

Q. On what does Mr. Coppola base his proposed 2% non-union wages increase?

A. Mr. Coppola says that a 2% increase is in line with historical wage increases for 2012-2014, as reported by "IHS Economics" in an April 2015 report. Mr. Coppola also suggests that U.S. Census Bureau Illinois median household income data supports his proposed 2% increase.

Q. Do you agree with Mr. Coppola's proposal?

A. No. His single reliance on the "IHS Economics" report is misplaced, as is his reliance on U.S. Census Bureau household income data. His proposal demonstrates a fundamental misunderstanding of the importance to AIC's gas customers for AIC to be able to attract and retain a skilled and knowledgeable workforce through competitive compensation. Mr. Coppola doesn't appear to understand how important this aspect of effective pay management is in attracting and retaining the workforce, and the risk of losing employees to the thousands of other employers offering a more competitive pay package.

Q. Do you have any general observations regarding Mr. Coppola's proposal?

A. Yes. As an initial matter, I note that he's provided no analysis and very little background to substantiate his proposal to use some benchmark other than the extensive, reliable competitive market compensation data, such as the salary survey data and merit increase survey data that I explained above, and AIC's actual experience to develop pay recommendations and philosophies. While Mr. Coppola's benchmarks may be helpful in assessing the overall economic environment, they have little relevance in setting pay levels, pay increases, and pay philosophies at a specific company. Information such as the salary budget benchmarks and market salary surveys outlined earlier, from Towers Watson, Buck Consultants, Culpepper, and others, must be utilized in order to ensure that AIC is able to attract and retain the talented workforce needed to serve customer needs.

Q. Are you familiar with "IHS Economics" or the April 2015 report that Mr. Coppola cites at page 7 of his direct testimony?

A. No. "IHS Economics" is not one of the reliable providers of extensive compensation market data used by AIC to benchmark best pay practices.

Q. What "historical wage increases" does Mr. Coppola say that "IHS Economics" has reported?

A. On page seven of his direct testimony, Mr. Coppola indicates that the "IHS Economics" report shows an Employment Cost Index for 2012, 2013, and 2013 [sic] of 2%, 1.9%, and 2.1%, respectively. (AG Ex. 2.0, p. 7, n.4.)

Q. What is your understanding of the Employment Cost Index?

A. As I understand it, the Employment Cost Index is a quarterly report from the U.S. Department of Labor, Bureau of Labor Statistics, that tracks movement in the cost of labor, including wages, fringe benefits, and bonuses for employees. It is reported in a variety of ways, including by compensation, industry, and occupation type. It measures the change in the cost of labor, free from the influence of employment shifts among occupations and industries. It is my understanding that it is an index watched by economists as an indicator of cost pressures within companies that could lead to price inflation for finished goods and services. But it is not intended to be a measure directly related to or predictive of changes in employment wages, nor is it reflective of how companies are planning for merit-based wage increases in the future.

Q. What compensation, industry, and occupation type do the numbers reported by "IHS Economics" reflect?

A. It is unknown. AIC asked Mr. Coppola for a copy of the "IHS Economics" April 2015 report, but he only provided a single page excerpt. (AG response to data request AIC-AG 1.05.) It's my understanding from counsel that Mr. Coppola cannot provide the complete report.

Q. Why is Mr. Coppola's reliance on the "IHS Economics" report misplaced?

A. There are several reasons. First, singular reliance on one data point does not comport with industry best practices for establishing compensation budgets. Next, it is not clear what the "IHS Economic" data is reflective of - what industry and worker type, or whether it reflects merit increases, other adjustments, or something else. Also, while the Employment Cost Index may be a useful tool in understanding inflation and the overall economic climate, it should not be the sole determinant of a wage increase. It is a blend of wages, salaries, and benefits across industries and occupation types, so alone it is not meaningful in determining merit increases at a specific company. Finally, using this index would not allow AIC to effectively attract, retain, and motivate employees to accomplish business goals, to provide resources to positions that may have fallen behind the respective labor markets, or to reward the high performers that are critical to an organization's success. These factors are at least as important, if not more important, than broad economic indicators in determining an appropriate labor increase budget for AIC, and they allow AIC to manage pay for a variety of conditions, as well as provide for an annual merit budget.

Q. What information should be considered?

A. The market data and actual AIC experience that I explained above. The September 2011 Workspan article "What to Consider When Setting your Merit Budget" points out that "one of the many objectives organizations have for their merit pools is to keep employees at least 'whole' with inflation." But the article continues on to say that there are other objectives to be considered as well, as a part of any good merit budget decision. The reality is that setting an appropriate merit budget recommendation depends on a blend of influences. "The most obvious measures include salary survey information and turnover. With today's salary surveys you can determine with impressive precision exactly how far from the market your organization is paying for specific jobs. You can use this data to model the delta between your current workforce payroll and a similar profile of jobs in the marketplace." (Workspan, 9/11, p.1.) It is this kind of information that is an integral part of AIC's budget-setting process for non-union employee wage increases.

Q. How does Mr. Coppola rely on U.S. Census Bureau data?

A. Mr. Coppola says that U.S. Census Bureau data regarding median household income in Illinois suggests economic stagnation and that Illinois residents have experienced lower household income "in the past few years." Compared to this, he claims, AIC's actual and forecasted rate of base pay increase is excessive. He believes that "AIC has granted *annual* base pay increases in excess of 4%." (AG Ex. 2.0, p. 7:120 (emphasis in original).)

Q. Is that right?

A. No. Mr. Coppola mischaracterizes, or at best misunderstands, the compensation process when he says that AIC has granted "annual base pay increases in excess of 4%." Although a budget of 4% is available for managing pay, only 3% is available for annual base pay increases on a broad basis. Each individual employee may receive more - or less - than the 3% budget, based on his or her leader's assessment of the employee's performance, time in role, value to the organization, etc. The remaining 1% is available to adjust an individual's pay for a promotion, job reclassification, market pay adjustment, etc. Managing pay effectively is an important goal of AIC, in order to attract and retain a high performing workforce to achieve customer satisfaction and other goals of the corporation. Simply put, AIC's forecasted non-union wage increases are not excessive - they are anchored in extensive market data analyses and in AIC's actual historical experience, as I've explained. Compared to the benchmarks - that is, the market specific to the utility industry and pay increases broadly, in addition to environmental and other considerations - the increases are reasonable and appropriate.

Q. Do you have any other comments in this regard?

A. Yes. Related, Mr. Coppola also appears to believe that AIC's historical total company non-union wage increases since 2011 "accumulate[s] to more than 26% in higher base pay." (AG Ex. 2.0, p. 7:114-16.) But again, that is wrong. That position is too simplistic. It ignores that employees have left the Company since 2011, and new ones have joined. In general, new employees start lower in the pay scale than the employees that they replace. Certainly, over time, employees become more valuable to the Company, and their compensation is accordingly increased - and for new employees this adjustment moves pay closer to the market median to reflect the value that they add. But they generally do not start at the pay level of the employee replaced, as Mr. Coppola seems to suggest. And there is not a static base of employees that has received a 4% base pay increase year-over-year since 2011, as he suggests.

Q. Is it appropriate to rely on U.S. Census Bureau data to forecast AIC's expected test year increase in non-union wages?

A. No. There is no basis in best-practice pay management for this comparison. The U.S. Census Bureau data used by Mr. Coppola is related to median household income in Illinois, and there are many reasons that the median household income in Illinois is down from prior periods. Additionally, because some of the same factors that influence median household income could also influence the market pay indicators that are considered, these realities are already factored in to our process in other more meaningful benchmarks. Adding in an artificial pay reduction not only double-counts the economic reality of the state, but also damages our ability to attract and retain the talent needed to operate the business effectively. Finally, we must be competitive for talent and hiring across the nation, not just in the state of Illinois, and our pay package is part of an overall value proposition to be sure the company is successful in hiring and retaining the talent needed to achieve goals and objectives.

Q. Why is it more accurate to rely on the historical data in Ameren Exhibit 31.1 in forecasting a 2016 level of non-union wages?

A. In this instance, the historic trend of the level of non-union wages AIC actually incurs is a more accurate and reliable indicator of total future non-union wage expense requirements than historical Employment Cost Index or median household income data. In fact, the Employment Cost Index is a broad, aggregate measure regarding the cost of labor and doesn't at all speak to an organization's need to effectively monitor and address pay as the business and environment changes throughout the year. This happens regularly during each year, such as when vacancies occur and an employee promotes to a higher level position, or when the pay level is too low to retain an employee due to their valuable experience, or if the market pay level has shifted due to the overall demand for labor. These situations arise every year, and are the reason a separate budget is a requirement for effective pay management. This approach has led to a solid track record of meeting the needs of the organization to maintain its long-term workforce. Utilizing a different system of establishing pay increases runs afoul of ensuring an effective market-based pay system, established competitive pay practices, and attracting the talent needed to achieve company goals, including safety and customer satisfaction. To that end, our pay for performance philosophy has remained consistent over the years, and continuing this into 2016 enables AIC to effectively reward performers for their expertise and contributions, and supports the mission of our company.

Q. Does the U.S. Census Bureau information that Mr. Coppola relies on support his position?

A. It does not. In data request AIC-AG 1.04, AIC asked Mr. Coppola to provide the U.S. Census Bureau information that he says supports his position that median household income in Illinois "has been relatively stagnant" since 2010. (AG Ex. 2.0, p. 7:118-20.) In response, Mr. Coppola provided about two pages of what appears to be information related to historical household income, but there is no citation or any other indication of the source of the information. Regardless, the information shows that both in Illinois and nationally, median household income has been increasing year-over-year since 2011. In fact, as I understand it, it shows that median household income for Illinois has increased 6.11% since 2010. I do not point this out because it is relevant to AIC's forecasted increase, but merely to show that the "support" for Mr. Coppola's position doesn't appear to actually support it.

Q. What is the relevance, then, of U.S. Census Bureau information?

A. It's not relevant. But, as I understand it, in Mr. Coppola's opinion, it should translate to AIC reducing employee pay. In other words, I believe that he is suggesting that AIC and AMS employees absorb fluctuations in other costs to the business by receiving substantially below-market merit-based pay increases or salary adjustments due to promotions.

Q. Is this a reasonable position?

A. No, not at all. It is important for AIC to effectively reward employees. Mr. Coppola's position would result in AIC not being able to attract, retain, and motivate employees to achieve company goals and to have the workforce available to provide optimal gas service to Illinois customers.

Q. Why is it important for AIC to effectively reward employees, including top performers?

A. It is critical for AIC to offer compensation, including merit increases and other pay adjustments, that will allow it to both attract and retain entry-level and experienced employees. AIC's ability to motivate and reward its employees for superior performance ensures the Company does just that. Ultimately, a competent, stable, focused, and motivated workforce is critical to providing excellent service to our customers.

Q. Do you have any other comments in response to Mr. Coppola's proposal to limit non-union wage increases to 2%?

A. Yes. It is my understanding that his dollar adjustment is overstated because his calculations are erroneous. Messrs. Stafford and Getz address this.

B. Adjustment to Non-qualified Pension Expenses

Q. Does Mr. Coppola propose an adjustment to non-qualified pension expenses?

A. Yes. He proposes that the Commission disallow recovery of $176,492 of test year non-qualified pension expenses.

Q. What is the basis for his objection?

A. It appears to be two-fold. First, he contends that non-qualified retirement plans apply to only a few highly paid executives and "customers should not pay for costs that benefit only a select few highly-paid employees of the Company." (AG Ex. 2.0, p. 23:435-36.) Second, he states that many (albeit unspecified) regulatory commissions do not allow recovery of costs related to such plans.

Q. What is your response?

A. I disagree. For one, Mr. Coppola does not address any specific aspects of AIC's non-qualified plans - instead, he appears to be just generally opposed to recovery of these types of costs. In fact, as I discuss below, he is not correct about who participates in AIC's plan. Moreover, as I explain, the employees covered by these benefits provide important services to both ratepayers and the Company, so it is appropriate to recover their costs. Mr. Coppola may also be misunderstanding the overall purpose of the AIC non-qualified retirement plan.

Q. What is a non-qualified retirement plan?

A. A non-qualified retirement plan is a type of benefit plan that falls outside of Employee Retirement Income Security Act guidelines. Non-qualified plans are designed to meet specialized retirement needs for key executives and other select employees.

Q. Why does AIC offer such plans?

A. The non-qualified retirement plan is considered a "restoration plan," which means that the principle objective is to restore benefits which would have been earned in the qualified retirement plan (the same plan available to all other AIC employees), but because of limitations in the Internal Revenue Code, the employee's benefit in the qualified plan is reduced. In other words, the plan is designed to ensure that the eligible employees receive the same benefit as all other AIC employees.

Q. How do these types of plans benefit ratepayers?

A. A plan such as this is very common both in and outside of the industry, and is provided to ensure that AIC can attract, retain, and motivate an executive population to achieve superior customer satisfaction and company performance. Offering a benefit package that is less generous than all the other non-union populations would not allow AIC to attract and retain executives needed to operate the company successfully.

Q. Is it correct to say that non-qualified retirement plans apply to only a few highly paid executives?

A. No. The non-qualified retirement plan applies to any employee whose qualified benefit is limited by Internal Revenue Code provisions, and as such, includes more employees than higher-paid executives.

Q. Is the treatment of non-qualified pension costs by other regulatory commissions an appropriate basis for disallowance for these types of costs?

A. No. As I have explained, AIC's non-qualified plan benefits both AIC and its customers. And as Mr. Stafford indicates, these costs have been routinely recovered in AIC's rates going back many rate cases. Mr. Coppola's vague concerns about these costs are not a basis to overturn that longstanding treatment. There is a high degree of variability in how these plans work among other companies, and this may be an important distinction as to differing treatment in other states. A basic restoration plan (a plan that restores value in a retirement plan benefit which is otherwise lost due to Internal Revenue Service limitations), like AIC's, is very different than a plan that provides additional value to top executives at another company. At AIC, this non-qualified retirement plan is a restoration plan. In fact, were it not for the Internal Revenue Code limitations, these benefits would accrue under the same terms and conditions as all other AIC non-union employees - all of which have been allowed costs in the rate case proceedings.

III. CONCLUSION

Q. Does this conclude your rebuttal testimony?

A. Yes, it does.

APPENDIX

STATEMENT OF QUALIFICATIONS
MARLA J. LANGENHORST

My name is Marla J. Langenhorst. My business address is One Ameren Plaza, 1901 Chouteau Avenue, St. Louis, Missouri, 63103. I am employed by Ameren Services Company as Director, Benefits & HR Technology. As Director of Benefits & HR Technology, I am responsible for overseeing the strategy, design and delivery of broad-based benefit programs for Ameren and its subsidiary companies. This includes qualified, non-qualified and executive benefit programs such as pension, 401(k), medical, employee wellness and life insurance, along with broader human resources strategy planning; human resources technology strategy and planning; and other HR, compensation and benefits-related responsibilities.

I received my Bachelor of Science degree in Education, in 1991 from Southern Illinois University in Carbondale, Illinois, and a Masters in Business Administration in 2011, from the same university. In addition to my academic training, I have over twenty-five years of experience in employee benefits and human resources-related activities, in roles of increasing scope and responsibility throughout this time period. I have attended many continuing education programs related to human resources, benefits and compensation. I obtained a Senior Professional in Human Resources (SPHR) certification in 2005 from the Society of Human Resources Management. In addition, I have earned the Senior Certified Professional (SCP) from the same organization during 2015. I maintain both of these certifications today.

I began my professional career as a Benefits Analyst in Ameren's Employee Benefits Department in 1992, providing analysis and design support for qualified, non-qualified and executive benefit programs. I continued in this role until 1996, when I became a Supervisor in

Employee Benefits, overseeing the healthcare and life insurance benefits. In 1998, I became General Supervisor, and in 2000, I was named Manager of the department. I continued in the Employee Benefits Manager role until 2011, and during that time led many strategic projects, including the HR and benefits integration project for the CILCO and Illinois Power acquisitions.

In 2011, I was named Manager (now Director) of Total Rewards and responsible for broad-based compensation programs and employee performance, in addition to my benefits role. Details of the broad-based compensation responsibilities include overseeing compensation strategy, design and delivery, including the annual short-term incentive plans for non-executive management and bargaining unit employees. In 2014, I was named Director, Benefits & HR Technology, to develop the analysis, strategy and planning for critical HR technology projects for the organization.