

REBUTTAL TESTIMONY

of

SCOTT TOLSDORF

Accounting Department

Financial Analysis Division

Illinois Commerce Commission

Ameren Illinois Company d/b/a Ameren Illinois  
Proposed General Increase in Gas Rates

Docket No. 15-0142

August 6, 2015

TABLE OF CONTENTS

**Witness Identification..... 1**  
**Schedule and Attachment Identification..... 1**  
**Revenue Requirement Schedules ..... 3**  
**Cash Working Capital.....5**  
**Charitable Contributions.....5**  
**Original Cost Determination ..... 12**  
**Conclusion ..... 13**

1 **Witness Identification**

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

3 A. My name is Scott Tolsdorf. My business address is 527 East Capitol  
4 Avenue, Springfield, Illinois 62701.

5 **Q. Are you the same Scott Tolsdorf who previously provided direct**  
6 **testimony in this proceeding?**

7 A. Yes. My direct testimony is ICC Staff Exhibit 1.0.

8 **Q. What is the purpose of your rebuttal testimony?**

9 A. The purpose of my rebuttal testimony is to present Staff's rebuttal revenue  
10 requirement schedules for Ameren Illinois Company ("Company" or "AIC").  
11 These schedules start with the Company's supplemental rebuttal testimony,  
12 specifically the work papers supporting Ameren Exhibit 32.2 and present  
13 Staff's adjustments thereto. I also present Staff's calculation of Cash  
14 Working Capital ("CWC") based on Staff's rebuttal revenue requirement. In  
15 addition, I present testimony responding to AIC witness Mr. Thomas  
16 Kennedy regarding charitable contributions (Ameren Ex. 21.0) and I  
17 address an original cost determination.

18 **Schedule and Attachment Identification**

19 **Q. Are you sponsoring any schedules as part of ICC Staff Exhibit 7.0?**

20 A. Yes. I prepared the following schedules for each of the Company's gas rate  
21 zones, which show data as of, or for, the year ending December 31, 2016:

22 **Revenue Requirement Schedules**

23 Schedule 7.01 – Statement of Operating Income with Adjustments

24 Schedule 7.02 – Adjustments to Operating Income

25 Schedule 7.03 – Rate Base

26 Schedule 7.04 – Adjustments to Rate Base

27 Schedule 7.05 – Revenue Effect of Adjustments

28 Schedule 7.06 – Interest Synchronization Adjustment

29 Schedule 7.07 – Gross Revenue Conversion Factor

30 **Adjustment Schedules**

31 Schedule 7.08 – Cash Working Capital

32 Schedule 7.09 – Charitable Contributions

33 The rate zone to which each schedule applies is identified by the following  
34 designations that follow each schedule number:

35 RZ I = Rate Zone I, Formerly AmerenCIPS

36 RZ II = Rate Zone II, Formerly AmerenCILCO

37 RZ III = Rate Zone III, Formerly AmerenIP

38 For example, Schedule 7.01 RZ I presents the Statement of Operating  
39 Income with Adjustments for Rate Zone I, which was formerly AmerenCIPS.

40 Any schedule without such a designation is applicable to all three rate  
41 zones.

42 **Q. Are you sponsoring any attachments as part of ICC Staff Exhibit 7.0?**

43 A. Yes. I am sponsoring one attachment labeled as Attachment A.

44 **Uncontested Adjustment**

45 **Q. Please identify any adjustments from your direct testimony to which**  
46 **the Company agrees.**

47 A. The Company has accepted the adjustment I proposed in my direct  
48 testimony, as reflected on ICC Staff Exhibit 1.0, Schedule 1.09, to remove  
49 asset retirement obligations (“AROs”) from rate base. (Ameren Ex. 17.0, 3.)

50 **Q. Has the Company reflected the removal of the AROs in its rebuttal**  
51 **revenue requirements?**

52 A. Yes. The Company has removed the AROs from its rebuttal revenue  
53 requirement. The Company has also appropriately removed some  
54 additional derivative impacts from the AROs which were not reflected in my  
55 direct testimony adjustment from its rebuttal revenue requirement. The  
56 calculations of these derivative impacts are shown in Ameren Exhibit 17.4.  
57 I agree with the derivative adjustments as calculated by the Company.

58 **Revenue Requirement Schedules**

59 **Q. Please describe Schedule 7.01, Statement of Operating Income with**  
60 **Adjustments.**

61 A. Schedule 7.01 for each rate zone is the same as ICC Staff Exhibit 1.0,  
62 Schedule 1.01 for each rate zone, described on pages 3 through 4 of ICC  
63 Staff Exhibit 1.0, except that the schedule incorporates Company  
64 supplemental rebuttal and Staff rebuttal positions.

65 **Q. Please describe Schedule 7.02, Adjustments to Operating Income.**

66 A. Schedule 7.02 for each rate zone identifies Staff's rebuttal adjustments to  
67 Operating Income. The source of each adjustment is shown in the heading  
68 of each column. The last column is carried forward to Schedule 7.01,  
69 column (c).

70 **Q. Please describe Schedule 7.03, Rate Base.**

71 A. Schedules 7.03 for each rate zone is the same as ICC Staff Exhibit 1.0,  
72 Schedule 1.03 described on page 4 of ICC Staff Exhibit 1.0, except that the  
73 schedule incorporates Company supplemental rebuttal and Staff rebuttal  
74 positions.

75 **Q. Please describe Schedule 7.04, Adjustments to Rate Base.**

76 A. Schedule 7.04 for each rate zone identifies Staff's adjustments to rate base.  
77 The source of each adjustment is shown in the heading of each column.  
78 The last column is carried forward to Schedule 7.03, column (c).

79 **Q. Please describe Schedule 7.05, Revenue Effect of Adjustments.**

80 A. Schedule 7.05 for each rate zone identifies the approximate effect of each  
81 proposed Staff adjustment on the Company's supplemental rebuttal  
82 revenue requirement. Schedule 7.05 is not the development of Staff's  
83 rebuttal revenue requirement. Rather, it is an analysis that is intended to  
84 assist in identifying the relative monetary significance of each Staff  
85 adjustment.

86 **Q. Please explain Schedule 7.06, Interest Synchronization Adjustment.**

87 A. Schedule 7.06 for each rate zone uses the same concept as does ICC Staff  
88 Exhibit 1.0, Schedule 1.06. The theory is discussed on ICC Staff Exhibit 1.0,  
89 page 5.

90 **Q. Please describe Schedule 7.07, Gross Revenue Conversion Factor.**

91 A. Schedules 7.07 for each rate zone uses the same concept as does ICC  
92 Staff Exhibit 1.0, Schedule 1.07. The theory is discussed on ICC Staff  
93 Exhibit 1.0, page 6.

94 **Cash Working Capital**

95 **Q. Please describe Schedule 7.08, Cash Working Capital.**

96 A. Schedule 7.08 for each rate zone presents my adjustment to calculate the  
97 Company's cash working capital component of rate base. This schedule is  
98 unchanged in methodology from my direct testimony but is updated to  
99 reflect CWC based on Staff's rebuttal revenue requirement. The final  
100 balance of CWC will be established using the revenue requirement and  
101 methodology ultimately approved by the Commission in this proceeding.

102 **Charitable Contributions**

103 **Q. Please describe Schedule 7.09, Charitable Contributions.**

104 A. Schedule 7.09 for each rate zone is the same adjustment I proposed in my  
105 direct testimony as presented on ICC Staff Exhibit 1.0, Schedule 1.10  
106 Charitable Contributions. The adjustment reduces the overall level of the  
107 Company's forecasted contributions to a 3-year average of actual

108 contributions (2012-2014) with a 2% increase for 2015 and for 2016. This is  
109 the same methodology that was accepted by the Commission in Ameren's  
110 most recent gas rate case, Docket No. 13-0192.

111 **Q. Does the Company acknowledge that this is the same methodology**  
112 **adopted by the Commission in Docket No. 13-0192?**

113 A. Yes. In the Company's response to Staff Data Request ("DR") ST 12.02R,  
114 the Company agreed that my adjustment is consistent with the adjustment  
115 approved by the Commission in Docket No. 13-0192.

116 **Q. Has the Company offered any reasons why this methodology should**  
117 **not be adopted by the Commission in this proceeding?**

118 A. The Company has offered several reasons why the Commission's accepted  
119 methodology should not be followed in this proceeding; however, in my  
120 opinion the reasons are not compelling. Some of the reasons the Company  
121 advanced include:

- 122 1) The Company has recovered essentially 100% of its actual  
123 charitable contributions included in the electric revenue requirements;
- 124 2) The Company has incurred more charitable contributions in 2014  
125 than what the Company is currently recovering in gas rates; and
- 126 3) The Company has the financial resources to support more charitable  
127 organizations.

128 **Q. Please explain why the recovery of essentially 100% of the actual**  
129 **contributions included in the electric revenue requirements is not a**  
130 **compelling reason to deviate from past Commission practice.**

131 A. The Company's witness, Mr. Kennedy, states:

132 In the past four electric formula rate cases (based on 2010,  
133 2011, 2012 and 2013 actual spending), AIC has recovered  
134 essentially 100% of the actual charitable contributions  
135 included in the electric revenue requirement.

136 (Ameren Ex. 21.0, 4:77-79.) By this statement, the Company incorrectly  
137 presumes that the treatment of charitable contributions in a formula rate  
138 case should be mirrored in a traditional rate case. This is not correct. In a  
139 traditional rate case such as the instant case, the Commission is not  
140 required to use the utility's actual charitable contributions. Rather, recovery  
141 of expenses in a traditional rate case is subject to 83 Ill. Adm. Code 285  
142 which allows utilities to use a future test year (which the Company has  
143 elected to use here) that relies upon projected expenses. In an electric  
144 formula rate case, however, the law specifically requires use of actual  
145 expense data from the most recently filed FERC Form 1 report of the utility.  
146 220 ILCS 5/16-108.5 (c). Thus, comparing the regulatory treatment of *actual*  
147 charitable contributions allocated to electric operations in a formula rate  
148 case to the regulatory treatment of *projected* charitable contributions  
149 allocated to gas operations in a traditional rate case is not a proper  
150 comparison.

151 In the pending formula rate proceeding for Ameren's electric operations, the  
152 Commission will consider whether the *actual charitable contributions*  
153 *expensed in 2014* are reasonable and in compliance with the Act. In the  
154 instant proceeding, the Commission will determine whether the *projected*

155 *level of charitable contributions for 2016* is reasonable. Thus, the  
156 percentage of charitable contributions allowed in a prior year's formula rate  
157 reconciliation to set electric rates has no relevance to the projected level of  
158 charitable contributions that should be allowed in a traditional rate case to  
159 set gas rates.

160 **Q. Please explain why the fact that the Company incurred a higher**  
161 **amount of charitable contributions in 2014 than the Company**  
162 **recovered through rates is not a compelling reason to deviate from**  
163 **past Commission practice.**

164 A. The Company stated:

165 AIC incurred a higher amount of gas-allocated charitable  
166 contributions in 2014 (\$400,000) than what the Company is  
167 currently recovering in gas rates (\$317,000).

168 (Ameren Ex. 21.0, 4:81-83.) According to the Company's response to Staff  
169 DR ST 12.01, the Company spent less on charitable contributions than the  
170 Company recovered for charitable contributions through rates in 2011,  
171 2012, and 2013. Per the Company's DR response ST 12.01 Attach, over  
172 the three-year period between 2011 and 2013, the Company made  
173 charitable donations allocated to gas of \$916,081<sup>1</sup> but collected from  
174 customers \$1,370,000<sup>2</sup> for that same purpose. That represents \$453,919 of  
175 ratepayer funds earmarked for charitable contributions that were never  
176 given to any charitable organization. Now, the Company would have the

---

<sup>1</sup> Attachment A

<sup>2</sup> Attachment A

177 Commission allow it to recover \$641,000 from ratepayers which is 59%<sup>3</sup>  
178 over its 2014 actual charitable contributions and 102%<sup>4</sup> over what it is  
179 currently recovering from ratepayers. Given the Company's history of giving  
180 far less to charity than the amount of charitable contributions expense it was  
181 allowed to recover from ratepayers over the past several years, the  
182 Company's proposal is not a just or reasonable one. Rather, the  
183 Commission should continue the practice it established in the Company's  
184 last gas rate case and use a 3-year average of actual contributions (2012-  
185 2014), increased annually by 2% for inflation.

186 **Q. Please explain why the Company's claim that it has sufficient**  
187 **resources to support more charitable organizations is not a**  
188 **compelling reason to deviate from past Commission practice.**

189 A. The Company stated:

190 AIC's senior leadership has approved an increase in the  
191 contribution budget for 2015 because the Company has the  
192 resources to financially support more charitable and public  
193 welfare causes in its service territory.

194 (Ameren Ex. 21.0, 4:88-90.) Later in his testimony, Mr. Kennedy expounds  
195 upon this rationale as follows:

196 The budget authorization shows that AIC is committed to  
197 continuing the trend of increasing the Company's annual  
198 charitable giving in its service territory, and it provides further  
199 evidence that an averaging approach that relies on lower,  
200 outdated spending amounts is inappropriate for determining a  
201 reasonable amount to include in gas rates in 2016. Spending

---

<sup>3</sup> Requested 2016 contributions \$641,000 (Ameren Schedule C-2.14) less 2014 actual contributions \$404,000(Ameren DR Response ST 3.03 Attach) = \$237,000. \$237,000/ \$404,000 = 59%.

<sup>4</sup> \$641,000 - \$317,000 = \$324,000. \$324,000/\$317,000 = 102%

202 in 2015 on charitable donations shows that the increase in  
203 2016 spending is in fact reasonable.

204 (Ameren Ex. 21.0, 6-7:136-140.) The Company is inferring that the  
205 Company's authorization of a budget is proof that said budget is reasonable.  
206 The argument also infers that Ameren will make the contributions for which  
207 the Company has budgeted. However, historically this has not been the  
208 case. In a prior gas rate case, Docket No. 11-0282, the Company proposed  
209 a 2012 future test year and anticipated making \$2,000,000 of charitable  
210 contributions of which \$775,000 would be allocated to gas. However, the  
211 contributions the Company actually made in 2012 allocated to gas was  
212 \$366,575. That amount is less than half of what the Company "budgeted"  
213 for charitable contributions for that year. In the Commission's Final Order  
214 in that docket, the Commission stated:

215 First, the Commission notes that by its own admission AIC  
216 reduced its charitable contributions in the past when its  
217 financial resources were constrained. AIC now apparently  
218 foresees a sufficiently improved financial situation to  
219 significantly increase discretionary donations (and gain the  
220 associated goodwill and positive publicity) with the  
221 expectation that ratepayers will provide the entire amount of  
222 the donations. The Commission is concerned that AIC's  
223 proposal would seem to reverse its decision to decrease  
224 charitable contributions when the full cost could not be  
225 effectively passed along to its ratepayers. For AIC to now  
226 expect others, some who may be in financial distress, to fund  
227 its donations in the name of charity is troubling to the  
228 Commission.

229 Ameren Illinois Company, ICC Order Docket No. 11-0282, 31 (January 10,  
230 2012). The Commission was concerned that the Company would reduce its  
231 contributions if those costs could not be entirely passed through to

232 customers which is exactly what the Company has done. By its own  
233 admission, the Company has reduced its charitable contributions when it  
234 didn't get the full amount it requested in rates. In its response to Staff DR  
235 ST 12.05, the Company states:

236           Regarding the amounts initially included in the Company's  
237           2012 forecasted test and the amounts actually incurred in  
238           2012 and 2013, as AIC stated in Docket 13-0192, after the  
239           Final Order in Docket 11-0282 was issued in January 2012,  
240           AIC reduced and realigned its 2012 contributions budget  
241           based on the amount authorized in Docket 11-0282.

242           (Ameren Resp. to Staff DR ST 12.05.) More importantly, however, in three  
243           of the last four years the Company has made *fewer* contributions than what  
244           the Company has collected from customers through rates for charitable  
245           contributions. Thus, there is no guarantee that granting the Company's  
246           requested 102% increase in the amount of charitable contributions currently  
247           reflected in its rates will result in more contributions finding their way to a  
248           charitable organization.

249           In contrast, my proposal strikes the proper balance between recognizing the  
250           value of charitable contributions to the affected communities and AIC's  
251           record of giving far less to charity than it collects from ratepayers for  
252           charitable contributions. My proposal to continue the Commission's practice  
253           in Docket No. 13-0192 of using a 3-year average of actual contributions  
254           increased by an inflation factor results in a 19% increase to the amount of  
255           charitable contributions currently reflected in rates.

256 **Original Cost Determination**

257 **Q. The Company requests that the Commission conclude and make a**  
258 **finding in the Order in this proceeding that AIC's plant balances as of**  
259 **December 31, 2013, as reflected on Ameren Exhibit 2.5, be approved**  
260 **for purposes of an original cost determination. (Ameren Exhibit 2.0,**  
261 **24) Do you agree with the Company's request?**

262 A. No. Staff proposed and the Company accepted an adjustment to remove  
263 electric AROs from gas plant. The adjustment to each rate zone should  
264 be reflected in the original cost determination.

265 **Q. What findings do you recommend the Commission make regarding**  
266 **AIC's original cost of plant in service in this proceeding?**

267 A. The Commission's Order in this proceeding should include the following  
268 Findings and Ordering paragraphs:

269 (x1) the Commission, based on AIC's gas Rate Zone I original  
270 cost of plant in service as of December 31, 2013, before  
271 adjustments, of \$451,217,000, and reflecting the  
272 Commission's determination adjusting that figure, approves  
273 \$448,103,000 as the original cost of plant for AIC's gas Rate  
274 Zone I as of said date;

275  
276 (x2) the Commission, based on AIC's gas Rate Zone II original  
277 cost of plant in service as of December 31, 2013, before  
278 adjustments, of \$628,131,000, and reflecting the  
279 Commission's determination adjusting that figure, approves  
280 \$623,768,000 as the original cost of plant for AIC's gas Rate  
281 Zone II as of said date; and

282  
283 (x3) the Commission, based on AIC's gas Rate Zone III original  
284 cost of plant in service as of December 31, 2013, before  
285 adjustments, of \$1,108,980,000, and reflecting the  
286 Commission's determination adjusting that figure, approves

287                   \$1,101,146,000 as the original cost of plant for AIC's gas  
288                   Rate Zone III as of said date.  
289

290    **Conclusion**

291    **Q.    Does this question end your prepared rebuttal testimony?**

292    **A.    Yes.**



**Ameren Illinois Company**  
**Adjustments to Operating Income**  
 For the Test Year Ending December 31, 2016  
 (In Thousands)

Line No.	Description	Interest Synchronization (Staff Ex. 7.0, Schedule 7.06)	Charitable Contributions (Staff Ex. 7.0, Schedule 7.09)	Gasoline Price Adjustment (Staff Ex. 11.0, Schedule 11.01)	Diesel Fuel Price Adjustment (Staff Ex. 11.0, Schedule 11.02)	(Source)	(Source)	(Source)	Total Operating Statement Adjustments
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
1	Gas Operating Revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2	Other Revenues	-	-	-	-	-	-	-	-
3	Total Operating Revenue	-	-	-	-	-	-	-	-
4	Uncollectible Accounts	-	-	-	-	-	-	-	-
5	Cost of Gas	-	-	-	-	-	-	-	-
6	Production Expenses	-	-	-	-	-	-	-	-
7	Storage, Term., and Proc. Expenses	-	-	-	(1)	-	-	-	(1)
8	Transmission Expenses	-	-	-	-	-	-	-	-
9	Distribution Expenses	-	-	(7)	(15)	-	-	-	(22)
10	Cust. Accounts, Service & Sales	-	-	-	(1)	-	-	-	(1)
11	Administrative and General Expenses	-	(63)	-	-	-	-	-	(63)
12	Depreciation and Amortization	-	-	-	-	-	-	-	-
13	Taxes and Other Income	-	-	-	-	-	-	-	-
14		-	-	-	-	-	-	-	-
15	Total Operating Expense								
16	Before Income Taxes	-	(63)	(7)	(17)	-	-	-	(87)
17	State Income Tax	2	5	1	1	-	-	-	9
18	Federal Income Tax	7	20	2	5	-	-	-	34
19	Deferred Taxes and ITCs Net	-	-	-	-	-	-	-	-
20	Total Operating Expenses	9	(38)	(4)	(11)	-	-	-	(44)
21	NET OPERATING INCOME	\$ (9)	\$ 38	\$ 4	\$ 11	\$ -	\$ -	\$ -	\$ 44

**Ameren Illinois Company**  
**Rate Base**  
For the Test Year Ending December 31, 2016  
(In Thousands)

Line No.	Description	Company Pro Forma Rate Base (AIC Ex. 32.2 WP Sch. 2)	Staff Adjustments (St. Ex. 7.0 Sch 7.04)	Staff Pro Forma Rate Base (Col. b+c)
	(a)	(b)	(c)	(d)
1	Gross Plant in Service	\$ 548,417	\$ (4)	\$ 548,413
2	Less Accum. Deprec. and Amort.	(230,613)	-	(230,613)
3	-	-	-	-
4	Net Plant	317,804	(4)	317,800
5	Additions to Rate Base			
6	Cash Working Capital	6,209	2	6,211
7	Materials & Supplies Inventory	15,520	(601)	14,919
8	-	-	-	-
9	-	-	-	-
10	-	-	-	-
11	-	-	-	-
12	-	-	-	-
13	-	-	-	-
14	-	-	-	-
15	-	-	-	-
16	Deductions From Rate Base	(56,508)	-	(56,508)
17	Accum. Deferred Income Taxes	(2,584)	-	(2,584)
18	Customer Advances for Construction	(2,497)	-	(2,497)
19	Customer Deposits	-	-	-
20	-	-	-	-
21	-	-	-	-
22	-	-	-	-
23	Rate Base	\$ 277,944	\$ (603)	\$ 277,341

**Ameren Illinois Company**  
**Adjustments to Rate Base**  
 For the Test Year Ending December 31, 2016  
 (In Thousands)

Line No.	Description	Cash Working Capital (Staff Ex. 7.0, Sch. 7.08)	Gas in Storage - Materials and Supplies (Staff Ex. 11.0, Sch. 11.03)	Capitalization of Fuel Cost (Staff Ex. 11.0, Sch. 11.04)	(Source)	(Source)	(Source)	(Source)	Total Rate Base Adjustments
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
1	Gross Plant in Service	\$ -	\$ -	\$ (4)	\$ -	\$ -	\$ -	\$ -	\$ (4)
2	Less Accum. Deprec. and Amort.	-	-	-	-	-	-	-	-
3		-	-	-	-	-	-	-	-
4	Net Plant	-	-	(4)	-	-	-	-	(4)
5	Additions to Rate Base								-
6	Cash Working Capital	2	-	-	-	-	-	-	2
7	Materials & Supplies Inventory	-	(601)	-	-	-	-	-	(601)
8		-	-	-	-	-	-	-	-
9		-	-	-	-	-	-	-	-
10		-	-	-	-	-	-	-	-
11		-	-	-	-	-	-	-	-
12		-	-	-	-	-	-	-	-
13		-	-	-	-	-	-	-	-
14		-	-	-	-	-	-	-	-
15		-	-	-	-	-	-	-	-
16	Deductions From Rate Base	-	-	-	-	-	-	-	-
17	Accum. Deferred Income Taxes	-	-	-	-	-	-	-	-
18	Customer Advances for Construction	-	-	-	-	-	-	-	-
19	Customer Deposits	-	-	-	-	-	-	-	-
20	Deferred Federal Income Taxes	-	-	-	-	-	-	-	-
21	Deferred State Income Taxes	-	-	-	-	-	-	-	-
22		-	-	-	-	-	-	-	-
23	Rate Base	<u>\$ 2</u>	<u>\$ (601)</u>	<u>\$ (4)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (603)</u>

**Ameren Illinois Company**  
**Revenue Effect of Adjustments**  
 For the Test Year Ending December 31, 2016  
 (In Thousands)

Line No.	Description	Per Company	Staff Adjustments	Per Staff
	(a)	(b)	(c)	(d)
1	Present Revenues	\$ 81,780 <sup>(1)</sup>	\$ -	\$ 81,780 <sup>(2)</sup>
2	Proposed Increase	<u>12,198 <sup>(3)</sup></u>	<u>(161) <sup>(4)</sup></u>	<u>12,037 <sup>(5)</sup></u>
3	Proposed Revenues	<u>\$ 93,978</u>	<u>\$ (161)</u>	<u>\$ 93,817</u>
4	% Increase	14.92%		14.72%
5	Staff Adjustments:			
6	Gas in Storage - Materials and Supplies		(66)	
7	Charitable Contributions		(64)	
8	Diesel Fuel Price Adjustment		(19)	
9	Rate of Return (Applied to Company Rate Base)		(10)	
10	Gasoline Price Adjustment		(7)	
11	Capitalization of Fuel Cost		-	
12	Gross Revenue Conversion Factor		-	
13	Cash Working Capital		-	
14	Rounding		1	
15	Interest Synchronization		<u>4</u>	
16	Total Revenue Effect of Staff Adjustments		<u>\$ (161)</u>	

Sources:

- (1) ICC Staff Exhibit 7.0, Schedule 7.01 RZ I, column (b), line 3
- (2) ICC Staff Exhibit 7.0, Schedule 7.01 RZ I, column (d), line 3
- (3) ICC Staff Exhibit 7.0, Schedule 7.01 RZ I, column (e), line 3
- (4) ICC Staff Exhibit 7.0, Schedule 7.01 RZ I, columns (f) + (h), line 3
- (5) ICC Staff Exhibit 7.0, Schedule 7.01 RZ I, column (i), line 24

**Ameren Illinois Company**  
**Interest Synchronization Adjustment**  
 For the Test Year Ending December 31, 2016  
 (In Thousands)

Line No.	Description	Amount
	(a)	(b)
1	Rate Base	\$ 277,341 (1)
2	Weighted Cost of Debt	2.79% (2)
3	Synchronized Interest Per Staff	7,744
4	Company Interest Expense	<u>7,766</u> (3)
5	Increase (Decrease) in Interest Expense	<u>(22)</u>
6	Increase (Decrease) in State Income Tax Expense	
7	at 7.750%	<u>\$ 2</u>
8	Increase (Decrease) in Federal Income Tax Expense	
9	at 35.000%	<u>\$ 7</u>

(1) Source: ICC Staff Ex. 7.0, Schedule 7.03 RZ I, Column (d).

(2) Source: ICC Staff Exhibit 9.0, Schedule 9.02.

(3) Source: Ameren Ex. 32.2 WP, Sch. 3

Ameren Illinois Company  
Gross Revenue Conversion Factor  
For the Test Year Ending December 31, 2016  
(In Thousands)

Line No.	Description	Rate	Per Staff With Bad Debts	Per Staff Without Bad Debts
	(a)	(b)	(c)	(d)
1	Revenues		1.000000	
2	Uncollectibles	0.9485%	<u>0.009485</u>	
3	State Taxable Income		0.990515	1.000000
4	State Income Tax	7.7500%	<u>0.076765</u>	<u>0.077500</u>
5	Federal Taxable Income		0.913750	0.922500
6	Federal Income Tax	35.0000%	<u>0.319813</u>	<u>0.322875</u>
7	Operating Income		<u>0.593937</u>	<u>0.599625</u>
8	Gross Revenue Conversion Factor Per Staff		<u>1.683680</u>	<u>1.667709</u>

Ameren Illinois Company - Rate Zone I  
 Adjustment to Cash Working Capital  
 For the Year Ending December 31, 2016  
 (In Thousands)

Line	Item (a)	Amount (b)	Lag (Lead) (c)	CWC Factor (d) (c/365)	CWC Requirement (e) (b*d)	Column b Source (f)
1	Revenues	\$ 152,523	55.68	0.15255	\$ 23,267	ICC Staff Ex. 7.0, Sch. 7.08 RZ I, p. 2, line 7
2	Pass-through Taxes	10,221	-	0.00000	-	Lines 12+14+15+17
3	Total Receipts	<u>\$ 162,744</u>			<u>\$ 23,267</u>	Line 1 + Line 2
4	Employee Benefits	\$ 2,878	(20.27)	(0.05553)	\$ (160)	
5	Base Payroll and Withholdings	22,762	(11.53)	(0.03159)	(719)	
6	PGA Purchases	87,168	(38.62)	(0.10581)	(9,223)	
7	Other Operations and Maintenance	22,647	(47.04)	(0.12888)	(2,919)	ICC Staff Ex. 7.0, Sch. 7.08 RZ I, p. 2, line 17
8	FICA	1,183	(13.13)	(0.03597)	(43)	
9	Federal Unemployment Tax	7	(76.38)	(0.20925)	(1)	
10	State Unemployment Tax	21	(76.38)	(0.20925)	(4)	
11	St. Louis Payroll Expense Tax	1	(87.33)	(0.23926)	-	
12	ICC Gross Revenue Tax	157	25.92	0.07101	11	
13	Illinois Invested Capital Tax	1,634	(30.13)	(0.08253)	(135)	
14	Municipal Utility Tax	3,064	(45.63)	(0.12501)	(383)	
15	Energy Assistance Charges	1,977	(45.66)	(0.12510)	(247)	
16	Corporation Franchise Tax	102	(193.45)	(0.53000)	(54)	
17	Illinois Gas Use and Gas Revenue Tax	5,023	(29.79)	(0.08162)	(410)	
18	Property/Real Estate Taxes	313	(387.27)	(1.06101)	(332)	
19	Interest Expense	7,627	(91.25)	(0.25000)	(1,907)	ICC Staff Ex. 7.0, Sch. 7.06 RZ I, line 3 less line 20 below
20	Bank Facility Costs	117	307.92	0.84362	99	
21	State Income Tax	1,174	(37.88)	(0.10377)	(122)	ICC Staff Ex. 7.0, Sch. 7.01 RZ I, Col. i, line 17
22	Federal Income Tax	4,889	(37.88)	(0.10377)	(507)	ICC Staff Ex. 7.0, Sch. 7.01 RZ I, Col. i, line 18
23	Total Outlays	<u>\$ 162,744</u>			<u>\$ (17,056)</u>	Sum of Lines 4 through 22
24	Cash Working Capital per Staff				\$ 6,211	Line 3 plus line 23
25	Cash Working Capital per Company				6,209	Ameren Exhibit 32.2 WP, Schedule 2, p. 3
26	Difference -- Adjustment per Staff				<u>\$ 2</u>	Line 24 minus Line 25

Note: Amount is from Ameren Ex. 32.2 WP, Schedule 2, Page 3, Column (B) except where noted in "Source" column  
 Lag (Lead) is from Ameren Ex. 32.2, Schedule 2, Page 3, Column (C)

**Ameren Illinois Company - Rate Zone I**  
**Adjustment to Cash Working Capital**  
 For the Year Ending December 31, 2016  
 (In Thousands)

<u>Line</u>	<u>Item</u> (a)	<u>Amount</u> (b)	<u>Source</u> (c)
1	Total Operating Revenues	\$ 93,817	ICC Staff Ex. 7.0, Schedule 7.01 RZ I, line 3
2	Uncollectible Accounts	(890)	ICC Staff Ex. 7.0, Schedule 7.01 RZ I, line 4
3	Depreciation & Amortization	(11,015)	ICC Staff Ex. 7.0, Schedule 7.01 RZ I, line 12
4	PGA	87,168	ICC Staff Ex. 7.0, Schedule 7.08 RZ I, p. 1, Line 6
5	Deferred Taxes and ITCs Net	(3,075)	ICC Staff Ex. 7.0, Schedule 7.01 RZ I, Col. i, line 19
6	Return on Equity	(13,482)	Line 10 below
7	Total Revenues for CWC Calculation	<u>\$ 152,523</u>	Sum of Lines 1 through 6
8	Total Rate Base	\$ 277,341	ICC Staff Ex. 7.0, Schedule 7.03 RZ I, line 23
9	Weighted Cost of Capital	4.861%	ICC Staff Ex. 9.0, Schedule 9.02
10	Return on Equity	<u>\$ 13,482</u>	Line 8 times Line 9
11	Operating Expense Before Income Taxes	\$ 63,453	ICC Staff Ex. 7.0, Schedule 7.01 RZ I, line 15
12	Employee Benefits Expense	(2,878)	Ameren Ex. 32.2 WP, Schedule 2, p. 3
13	Payroll Expense	(22,762)	Ameren Ex. 32.2 WP, Schedule 2, p. 3
14	Uncollectible Accounts	(890)	ICC Staff Ex. 7.0, Schedule 7.01 RZ I, line 4
15	Depreciation & Amortization	(11,015)	ICC Staff Ex. 7.0, Schedule 7.01 RZ I, line 12
16	Taxes Other Than Income	(3,261)	ICC Staff Ex. 7.0, Schedule 7.01 RZ I, line 13
17	Other Operations & Maintenance for CWC Calculation	<u>\$ 22,647</u>	Sum of Lines 10 through 16

**Ameren Illinois Company**  
**Charitable Contributions**  
 For the Test Year Ending December 31, 2016  
 (In Thousands)

Line No.	Description (a)	Amount (b)	Source (c)
1	Charitable Contributions per Staff	\$ 89	P. 2, Line 7
2	Charitable Contributions per Company	<u>152</u>	Schedule C-2.14 RZ-I
3	Difference - Staff Adjustment	<u><u>\$ (63)</u></u>	Line 1 - Line 2

Note: Staff Adjustment made to Administrative and General Expenses

**Ameren Illinois Company**  
**Charitable Contributions**  
 For the Test Year Ending December 31, 2016  
 (In Thousands)

Line No.	Description (a)	Amount (b)	Source (c)
1	2012 Actual Charitable Contributions	\$ 87	AIC DR Response ST 3_03 Attach
2	2013 Actual Charitable Contributions	75	AIC DR Response ST 3_03 Attach
3	2014 Actual Charitable Contributions	<u>96</u>	AIC DR Response ST 3_03 Attach
4	3 Year Average	<u>\$ 86</u>	Sum of Lines (1 - 3) / 3
5	Charitable Contributions with 2 % Inflation Factor - 2015	\$ 88	Line 4 * 1.02
6	Charitable Contributions with 2 % Inflation Factor - 2016	<u>89</u>	Line 5 * 1.02
7	Staff 2016 Rate Zone II Charitable Contributions	<u><u>\$ 89</u></u>	Line 6

**Ameren Illinois Company**  
**Statement of Operating Income with Adjustments**  
For the Test Year Ending December 31, 2016  
(In Thousands)

Line No.	Description	Company Pro Forma Present (AIC Ex. 32.2 WP Sch. 1)	Staff Adjustments (Staff Ex. 7.0, Schedule 7.02)	Staff Pro Forma Present (Cols. b+c)	Company Proposed Increase (AIC Ex. 32.2 WP Sch. 1)	Staff Gross Revenue Converion Factor	Proposed Rates With Staff Adjustments (Cols. d+e+f)	Adjustment To Proposed Increase	Staff Pro Forma Proposed (Cols. g+h)
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
1	Gas Operating Revenues	\$ 90,636	\$ -	\$ 90,636	\$ 11,030	\$ 1	\$ 101,667	\$ (208)	\$ 101,459
2	Other Revenues	<u>1,122</u>	<u>-</u>	<u>1,122</u>	<u>-</u>	<u>-</u>	<u>1,122</u>	<u>-</u>	<u>1,122</u>
3	Total Operating Revenue	91,758	-	91,758	11,030	\$ 1	102,789	(208)	102,581
4	Uncollectible Accounts	935	-	935	112	-	1,047	(2)	1,045
5	Cost of Gas	-	-	-	-	-	-	-	-
6	Production Expenses	772	-	772	-	-	772	-	772
7	Storage, Term., and Proc. Expenses	3,905	(1)	3,904	-	-	3,904	-	3,904
8	Transmission Expenses	1,744	-	1,744	-	-	1,744	-	1,744
9	Distribution Expenses	23,478	(23)	23,455	-	-	23,455	-	23,455
10	Cust. Accounts, Service & Sales	7,251	(1)	7,250	-	-	7,250	-	7,250
11	Administrative and General Expenses	15,337	(68)	15,269	-	-	15,269	-	15,269
12	Depreciation and Amortization	13,985	-	13,985	-	-	13,985	-	13,985
13	Taxes and Other Income	4,135	-	4,135	-	-	4,135	-	4,135
14	Rounding	-	-	-	-	-	-	-	-
15	Total Operating Expense								
16	Before Income Taxes	71,542	(93)	71,449	112	-	71,561	(2)	71,559
17	State Income Tax	281	9	290	846	-	1,136	(16)	1,120
18	Federal Income Tax	1,173	40	1,213	3,525	-	4,738	(67)	4,671
19	Deferred Taxes and ITCs Net	<u>3,395</u>	<u>-</u>	<u>3,395</u>	<u>-</u>	<u>-</u>	<u>3,395</u>	<u>-</u>	<u>3,395</u>
20	Total Operating Expenses	<u>76,391</u>	<u>(44)</u>	<u>76,347</u>	<u>4,483</u>	<u>-</u>	<u>80,830</u>	<u>(85)</u>	<u>80,745</u>
21	NET OPERATING INCOME	<u>\$ 15,367</u>	<u>\$ 44</u>	<u>\$ 15,411</u>	<u>\$ 6,547</u>	<u>\$ 1</u>	<u>\$ 21,959</u>	<u>\$ (123)</u>	<u>\$ 21,836</u>
22	Staff Rate Base (ICC Staff Exhibit 7.0, Schedule 7.03 RZ II, Column (d))								\$ 285,303
23	Staff Overall Rate of Return (ICC Staff Exhibit 9.0, Schedule 9.02)								7.65%
24	Revenue Change (Col. (i) Line 3 minus Col. (d), Line 3)								\$ 10,823
25	Percentage Revenue Change (Col. (i), Line 24 divided by Col. (d), Line 3)								11.80%

**Ameren Illinois Company**  
**Adjustments to Operating Income**  
 For the Test Year Ending December 31, 2016  
 (In Thousands)

Line No.	Description	Interest Synchronization (Staff Ex. 7.0, Schedule 7.06)	Charitable Contributions (Staff Ex. 7.0, Schedule 7.09)	Gasoline Price Adjustment (Staff Ex. 11.0, Schedule 11.01)	Diesel Fuel Price Adjustment (Staff Ex. 11.0, Schedule 11.02)	(Source)	(Source)	(Source)	Total Operating Statement Adjustments
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
1	Gas Operating Revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2	Other Revenues	-	-	-	-	-	-	-	-
3	Total Operating Revenue	-	-	-	-	-	-	-	-
4	Uncollectible Accounts	-	-	-	-	-	-	-	-
5	Cost of Gas	-	-	-	-	-	-	-	-
6	Production Expenses	-	-	-	-	-	-	-	-
7	Storage, Term., and Proc. Expenses	-	-	-	(1)	-	-	-	(1)
8	Transmission Expenses	-	-	-	-	-	-	-	-
9	Distribution Expenses	-	-	(7)	(16)	-	-	-	(23)
10	Cust. Accounts, Service & Sales	-	-	-	(1)	-	-	-	(1)
11	Administrative and General Expenses	-	(68)	-	-	-	-	-	(68)
12	Depreciation and Amortization	-	-	-	-	-	-	-	-
13	Taxes and Other Income	-	-	-	-	-	-	-	-
14		-	-	-	-	-	-	-	-
15	Total Operating Expense								
16	Before Income Taxes	-	(68)	(7)	(18)	-	-	-	(93)
17	State Income Tax	2	5	1	1	-	-	-	9
18	Federal Income Tax	10	22	2	6	-	-	-	40
19	Deferred Taxes and ITCs Net	-	-	-	-	-	-	-	-
20	Total Operating Expenses	12	(41)	(4)	(11)	-	-	-	(44)
21	NET OPERATING INCOME	\$ (12)	\$ 41	\$ 4	\$ 11	\$ -	\$ -	\$ -	\$ 44

**Ameren Illinois Company**  
**Rate Base**  
 For the Test Year Ending December 31, 2016  
 (In Thousands)

Line No.	Description (a)	Company Pro Forma Rate Base (AIC Ex. 32.2 WP Sch. 2) (b)	Staff Adjustments (St. Ex. 7.0 Sch 7.04) (c)	Staff Pro Forma Rate Base (Col. b+c) (d)
1	Gross Plant in Service	\$ 746,549	\$ (6)	\$ 746,543
2	Less Accum. Deprec. and Amort.	(405,020)	-	(405,020)
3	-	-	-	-
4	Net Plant	341,529	(6)	341,523
5	Additions to Rate Base			
6	Cash Working Capital	6,224	(1)	6,223
7	Materials & Supplies Inventory	23,727	(950)	22,777
8	-	-	-	-
9	-	-	-	-
10	-	-	-	-
11	-	-	-	-
12	-	-	-	-
13	-	-	-	-
14	-	-	-	-
15	-	-	-	-
16	Deductions From Rate Base	(77,739)	-	(77,739)
17	Accum. Deferred Income Taxes	(3,556)	-	(3,556)
18	Customer Advances for Construction	(3,925)	-	(3,925)
19	Customer Deposits	-	-	-
20	-	-	-	-
21	-	-	-	-
22	-	-	-	-
23	Rate Base	\$ 286,260	\$ (957)	\$ 285,303

**Ameren Illinois Company**  
**Adjustments to Rate Base**  
 For the Test Year Ending December 31, 2016  
 (In Thousands)

Line No.	Description	Cash Working Capital (Staff Ex. 7.0, Sch. 7.08)	Gas in Storage - Materials and Supplies (Staff Ex. 11.0, Sch. 11.03)	Capitalization of Fuel Cost (Staff Ex. 11.0, Sch. 11.04)	(Source)	(Source)	(Source)	(Source)	Total Rate Base Adjustments
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
1	Gross Plant in Service	\$ -	\$ -	\$ (6)	\$ -	\$ -	\$ -	\$ -	\$ (6)
2	Less Accum. Deprec. and Amort.	-	-	-	-	-	-	-	-
3		-	-	-	-	-	-	-	-
4	Net Plant	-	-	(6)	-	-	-	-	(6)
5	Additions to Rate Base								-
6	Cash Working Capital	(1)	-	-	-	-	-	-	(1)
7	Materials & Supplies Inventory	-	(950)	-	-	-	-	-	(950)
8		-	-	-	-	-	-	-	-
9		-	-	-	-	-	-	-	-
10		-	-	-	-	-	-	-	-
11		-	-	-	-	-	-	-	-
12		-	-	-	-	-	-	-	-
13		-	-	-	-	-	-	-	-
14		-	-	-	-	-	-	-	-
15		-	-	-	-	-	-	-	-
16	Deductions From Rate Base	-	-	-	-	-	-	-	-
17	Accum. Deferred Income Taxes	-	-	-	-	-	-	-	-
18	Customer Advances for Construction	-	-	-	-	-	-	-	-
19	Customer Deposits	-	-	-	-	-	-	-	-
20	Deferred Federal Income Taxes	-	-	-	-	-	-	-	-
21	Deferred State Income Taxes	-	-	-	-	-	-	-	-
22		-	-	-	-	-	-	-	-
23	Rate Base	<u>\$ (1)</u>	<u>\$ (950)</u>	<u>\$ (6)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (957)</u>

**Ameren Illinois Company**  
**Revenue Effect of Adjustments**  
 For the Test Year Ending December 31, 2016  
 (In Thousands)

Line No.	Description (a)	Per Company (b)	Staff Adjustments (c)	Per Staff (d)
1	Present Revenues	\$ 91,758 <sup>(1)</sup>	\$ -	\$ 91,758 <sup>(2)</sup>
2	Proposed Increase	<u>11,030 <sup>(3)</sup></u>	<u>(207) <sup>(4)</sup></u>	<u>10,823 <sup>(5)</sup></u>
3	Proposed Revenues	<u>\$ 102,788</u>	<u>\$ (207)</u>	<u>\$ 102,581</u>
4	% Increase	12.02%		11.80%
5	Staff Adjustments:			
6	Gas in Storage - Materials and Supplies		(105)	
7	Charitable Contributions		(69)	
8	Diesel Fuel Price Adjustment		(19)	
9	Rate of Return (Applied to Company Rate Base)		(8)	
10	Gasoline Price Adjustment		(7)	
11	Capitalization of Fuel Cost		(1)	
12	Rounding		(1)	
13	Cash Working Capital		-	
14	Gross Revenue Conversion Factor		1	
15	Interest Synchronization		<u>2</u>	
16	Total Revenue Effect of Staff Adjustments		<u>\$ (207)</u>	

Sources:

- (1) ICC Staff Exhibit 7.0, Schedule 7.01 RZ II, column (b), line 3
- (2) ICC Staff Exhibit 7.0, Schedule 7.01 RZ II, column (d), line 3
- (3) ICC Staff Exhibit 7.0, Schedule 7.01 RZ II, column (e), line 3
- (4) ICC Staff Exhibit 7.0, Schedule 7.01 RZ II, columns (f) + (h), line 3
- (5) ICC Staff Exhibit 7.0, Schedule 7.01 RZ II, column (i), line 24

**Ameren Illinois Company**  
**Interest Synchronization Adjustment**  
 For the Test Year Ending December 31, 2016  
 (In Thousands)

Line No.	Description	Amount
	(a)	(b)
1	Rate Base	\$ 285,303 (1)
2	Weighted Cost of Debt	2.79% (2)
3	Synchronized Interest Per Staff	7,966
4	Company Interest Expense	<u>7,998</u> (3)
5	Increase (Decrease) in Interest Expense	<u><u>(32)</u></u>
6	Increase (Decrease) in State Income Tax Expense	
7	at 7.750%	<u>\$ 2</u>
8	Increase (Decrease) in Federal Income Tax Expense	
9	at 35.000%	<u>\$ 10</u>

(1) Source: ICC Staff Ex. 7.0, Schedule 7.03 RZ II, Column (d).

(2) Source: ICC Staff Exhibit 9.0, Schedule 9.02.

(3) Source: Ameren Ex. 17.2, Sch. 3

**Ameren Illinois Company**  
**Gross Revenue Conversion Factor**  
 For the Test Year Ending December 31, 2016  
 (In Thousands)

Line No.	Description	Rate	Per Staff With Bad Debts	Per Staff Without Bad Debts
	(a)	(b)	(c)	(d)
1	Revenues		1.000000	
2	Uncollectibles	1.0192%	<u>0.010192</u>	
3	State Taxable Income		0.989808	1.000000
4	State Income Tax	7.7500%	<u>0.076710</u>	<u>0.077500</u>
5	Federal Taxable Income		0.913098	0.922500
6	Federal Income Tax	35.0000%	<u>0.319584</u>	<u>0.322875</u>
7	Operating Income		<u>0.593514</u>	<u>0.599625</u>
8	Gross Revenue Conversion Factor Per Staff		<u>1.684880</u>	<u>1.667709</u>

Ameren Illinois Company - Rate Zone II  
 Adjustment to Cash Working Capital  
 For the Year Ending December 31, 2016  
 (In Thousands)

<u>Line</u>	<u>Item</u> (a)	<u>Amount</u> (b)	<u>Lag (Lead)</u> (c)	<u>CWC Factor</u> (d) (c/365)	<u>CWC Requirement</u> (e) (b*d)	<u>Column b Source</u> (f)
1	Revenues	\$ 168,091	55.68	0.15255	\$ 25,642	ICC Staff Ex. 7.0, Sch. 7.08 RZ II, p. 2, line 7
2	Pass-through Taxes	11,469		0.00000	-	Lines 12+14+15+17
3	Total Receipts	<u>\$ 179,560</u>			<u>\$ 25,642</u>	Line 1 + Line 2
4	Employee Benefits	\$ 3,126	(20.27)	(0.05553)	\$ (174)	
5	Base Payroll and Withholdings	18,914	(11.53)	(0.03159)	(597)	
6	PGA Purchases	97,804	(38.62)	(0.10581)	(10,348)	
7	Other Operations and Maintenance	30,354	(47.04)	(0.12888)	(3,912)	ICC Staff Ex. 7.0, Sch. 7.08 RZ II, p. 2, line 17
8	FICA	1,285	(13.13)	(0.03597)	(46)	
9	Federal Unemployment Tax	8	(76.38)	(0.20925)	(2)	
10	State Unemployment Tax	22	(76.38)	(0.20925)	(5)	
11	St. Louis Payroll Expense Tax	1	(87.33)	(0.23926)	-	
12	ICC Gross Revenue Tax	176	25.92	0.07101	12	
13	Illinois Invested Capital Tax	2,248	(30.13)	(0.08253)	(186)	
14	Municipal Utility Tax	3,438	(45.63)	(0.12501)	(430)	
15	Energy Assistance Charges	2,219	(45.66)	(0.12510)	(278)	
16	Corporation Franchise Tax	140	(193.45)	(0.53000)	(74)	
17	Illinois Gas Use and Gas Revenue Tax	5,636	(29.79)	(0.08162)	(460)	
18	Property/Real Estate Taxes	431	(387.27)	(1.06101)	(457)	
19	Interest Expense	7,846	(91.25)	(0.25000)	(1,962)	ICC Staff Ex. 7.0, Sch. 7.06 RZ II, line 3 less line 20 below
20	Bank Facility Costs	120	307.92	0.84362	101	
21	State Income Tax	1,120	(37.88)	(0.10377)	(116)	ICC Staff Ex. 7.0, Sch. 7.01 RZ II, Col. i, line 17
22	Federal Income Tax	4,671	(37.88)	(0.10377)	(485)	ICC Staff Ex. 7.0, Sch. 7.01 RZ II, Col. i, line 18
23	Total Outlays	<u>\$ 179,559</u>			<u>\$ (19,419)</u>	Sum of Lines 4 through 22
24	Cash Working Capital per Staff				\$ 6,223	Line 3 plus line 23
25	Cash Working Capital per Company				6,224	Ameren Exhibit 32.2 WP, Schedule 2, p. 3
26	Difference -- Adjustment per Staff				<u>\$ (1)</u>	Line 24 minus Line 25

Note: Amount is from Ameren Ex. 32.2 WP, Schedule 2, Page 3, Column (B) except where noted in "Source" column  
 Lag (Lead) is from Ameren Ex. 32.2, Schedule 2, Page 3, Column (C)

**Ameren Illinois Company - Rate Zone II**  
**Adjustment to Cash Working Capital**  
 For the Year Ending December 31, 2016  
 (In Thousands)

<u>Line</u>	<u>Item</u> (a)	<u>Amount</u> (b)	<u>Source</u> (c)
1	Total Operating Revenues	\$ 102,581	ICC Staff Ex. 7.0, Schedule 7.01 RZ II, line 3
2	Uncollectible Accounts	(1,045)	ICC Staff Ex. 7.0, Schedule 7.01 RZ II, line 4
3	Depreciation & Amortization	(13,985)	ICC Staff Ex. 7.0, Schedule 7.01 RZ II, line 12
4	PGA	97,804	ICC Staff Ex. 7.0, Schedule 7.08 RZ II, p. 1, Line 6
5	Deferred Taxes and ITCs Net	(3,395)	ICC Staff Ex. 7.0, Schedule 7.01 RZ II, Col. i, line 19
6	Return on Equity	<u>(13,869)</u>	Line 10 below
7	Total Revenues for CWC Calculation	<u>\$ 168,091</u>	Sum of Lines 1 through 6
8	Total Rate Base	\$ 285,303	ICC Staff Ex. 7.0, Schedule 7.03 RZ II, line 23
9	Weighted Cost of Capital	<u>4.861%</u>	ICC Staff Ex. 9.0, Schedule 9.02
10	Return on Equity	<u>\$ 13,869</u>	Line 8 times Line 9
11	Operating Expense Before Income Taxes	\$ 71,559	ICC Staff Ex. 7.0, Schedule 7.01 RZ II, line 16
12	Employee Benefits Expense	(3,126)	Ameren Ex. 32.2 WP, Schedule 2, p. 3
13	Payroll Expense	(18,914)	Ameren Ex. 32.2 WP, Schedule 2, p. 3
14	Uncollectible Accounts	(1,045)	ICC Staff Ex. 7.0, Schedule 7.01 RZ II, line 4
15	Depreciation & Amortization	(13,985)	ICC Staff Ex. 7.0, Schedule 7.01 RZ II, line 12
16	Taxes Other Than Income	<u>(4,135)</u>	ICC Staff Ex. 7.0, Schedule 7.01 RZ II, line 13
17	Other Operations & Maintenance for CWC Calculation	<u>\$ 30,354</u>	Sum of Lines 10 through 16

**Ameren Illinois Company**  
**Charitable Contributions**  
 For the Test Year Ending December 31, 2016  
 (In Thousands)

Line No.	Description (a)	Amount (b)	Source (c)
1	Charitable Contributions per Staff	\$ 97	P. 2, Line 7
2	Charitable Contributions per Company	<u>165</u>	Schedule C-2.14 RZ-II
3	Difference - Staff Adjustment	<u><u>\$ (68)</u></u>	Line 1 - Line 2

Note: Staff Adjustment made to Administrative and General Expenses

**Ameren Illinois Company**  
**Charitable Contributions**  
 For the Test Year Ending December 31, 2016  
 (In Thousands)

Line No.	Description (a)	Amount (b)	Source (c)
1	2012 Actual Charitable Contributions	\$ 94	AIC DR Response ST 3_03 Attach
2	2013 Actual Charitable Contributions	82	AIC DR Response ST 3_03 Attach
3	2014 Actual Charitable Contributions	<u>104</u>	AIC DR Response ST 3_03 Attach
4	3 Year Average	<u>\$ 93</u>	Sum of Lines (1 - 3) / 3
5	Charitable Contributions with 2 % Inflation Factor - 2015	\$ 95	Line 4 * 1.02
6	Charitable Contributions with 2 % Inflation Factor - 2016	<u>97</u>	Line 5 * 1.02
7	Staff 2016 Rate Zone II Charitable Contributions	<u><u>\$ 97</u></u>	Line 6



**Ameren Illinois Company**  
**Adjustments to Operating Income**  
 For the Test Year Ending December 31, 2016  
 (In Thousands)

Line No.	Description	Interest Synchronization (Staff Ex. 7.0, Schedule 7.06)	Charitable Contributions (Staff Ex. 7.0, Schedule 7.09)	Gasoline Price Adjustment (Staff Ex. 11.0, Schedule 11.01)	Diesel Fuel Price Adjustment (Staff Ex. 11.0, Schedule 11.02)	(Source)	(Source)	(Source)	Total Operating Statement Adjustments
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
1	Gas Operating Revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2	Other Revenues	-	-	-	-	-	-	-	-
3	Total Operating Revenue	-	-	-	-	-	-	-	-
4	Uncollectible Accounts	-	-	-	-	-	-	-	-
5	Cost of Gas	-	-	-	-	-	-	-	-
6	Production Expenses	-	-	-	-	-	-	-	-
7	Storage, Term., and Proc. Expenses	-	-	(1)	(2)	-	-	-	(3)
8	Transmission Expenses	-	-	-	(1)	-	-	-	(1)
9	Distribution Expenses	-	-	(14)	(31)	-	-	-	(45)
10	Cust. Accounts, Service & Sales	-	-	(1)	(2)	-	-	-	(3)
11	Administrative and General Expenses	-	(134)	-	-	-	-	-	(134)
12	Depreciation and Amortization	-	-	-	-	-	-	-	-
13	Taxes and Other Income	-	-	-	-	-	-	-	-
14		-	-	-	-	-	-	-	-
15	Total Operating Expense								
16	Before Income Taxes	-	(134)	(16)	(36)	-	-	-	(186)
17	State Income Tax	4	10	1	3	-	-	-	18
18	Federal Income Tax	18	43	5	12	-	-	-	78
19	Deferred Taxes and ITCs Net	-	-	-	-	-	-	-	-
20	Total Operating Expenses	22	(81)	(10)	(21)	-	-	-	(90)
21	NET OPERATING INCOME	\$ (22)	\$ 81	\$ 10	\$ 21	\$ -	\$ -	\$ -	\$ 90

**Ameren Illinois Company**  
**Rate Base**  
 For the Test Year Ending December 31, 2016  
 (In Thousands)

Line No.	Description	Company Pro Forma Rate Base (AIC Ex. 32.2 WP Sch. 2)	Staff Adjustments (St. Ex. 7.0 Sch 7.04)	Staff Pro Forma Rate Base (Col. b+c)
	(a)	(b)	(c)	(d)
1	Gross Plant in Service	\$ 1,309,447	\$ (10)	\$ 1,309,437
2	Less Accum. Deprec. and Amort.	(580,959)	-	(580,959)
3	-	-	-	-
4	Net Plant	728,488	(10)	728,478
5	Additions to Rate Base			
6	Cash Working Capital	12,560	3	12,563
7	Materials & Supplies Inventory	38,574	(1,540)	37,034
8	-	-	-	-
9	-	-	-	-
10	-	-	-	-
11	-	-	-	-
12	-	-	-	-
13	-	-	-	-
14	-	-	-	-
15	-	-	-	-
16	Deductions From Rate Base			
17	Accum. Deferred Income Taxes	(143,381)	-	(143,381)
18	Customer Advances for Construction	(6,558)	-	(6,558)
19	Customer Deposits	(5,541)	-	(5,541)
20	-	-	-	-
21	-	-	-	-
22	-	-	-	-
23	Rate Base	<u>\$ 624,142</u>	<u>\$ (1,547)</u>	<u>\$ 622,595</u>

**Ameren Illinois Company**  
**Adjustments to Rate Base**  
 For the Test Year Ending December 31, 2016  
 (In Thousands)

Line No.	Description	Cash Working Capital (Staff Ex. 7.0, Sch. 7.08)	Gas in Storage - Materials and Supplies (Staff Ex. 11.0, Sch. 11.03)	Capitalization of Fuel Cost (Staff Ex. 11.0, Sch. 11.04)	(Source)	(Source)	(Source)	(Source)	Total Rate Base Adjustments
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
1	Gross Plant in Service	\$ -	\$ -	\$ (10)	\$ -	\$ -	\$ -	\$ -	\$ (10)
2	Less Accum. Deprec. and Amort.	-	-	-	-	-	-	-	-
3		-	-	-	-	-	-	-	-
4	Net Plant	-	-	(10)	-	-	-	-	(10)
5	Additions to Rate Base								-
6	Cash Working Capital	3	-	-	-	-	-	-	3
7	Materials & Supplies Inventory	-	(1,540)	-	-	-	-	-	(1,540)
8		-	-	-	-	-	-	-	-
9		-	-	-	-	-	-	-	-
10		-	-	-	-	-	-	-	-
11		-	-	-	-	-	-	-	-
12		-	-	-	-	-	-	-	-
13		-	-	-	-	-	-	-	-
14		-	-	-	-	-	-	-	-
15		-	-	-	-	-	-	-	-
16	Deductions From Rate Base	-	-	-	-	-	-	-	-
17	Accum. Deferred Income Taxes	-	-	-	-	-	-	-	-
18	Customer Advances for Construction	-	-	-	-	-	-	-	-
19	Customer Deposits	-	-	-	-	-	-	-	-
20	Deferred Federal Income Taxes	-	-	-	-	-	-	-	-
21	Deferred State Income Taxes	-	-	-	-	-	-	-	-
22		-	-	-	-	-	-	-	-
23	Rate Base	<u>\$ 3</u>	<u>\$ (1,540)</u>	<u>\$ (10)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,547)</u>

**Ameren Illinois Company**  
**Revenue Effect of Adjustments**  
 For the Test Year Ending December 31, 2016  
 (In Thousands)

Line No.	Description (a)	Per Company (b)	Staff Adjustments (c)	Per Staff (d)
1	Present Revenues	\$ 183,272 <sup>(1)</sup>	\$ -	\$ 183,272 <sup>(2)</sup>
2	Proposed Increase	<u>22,162 <sup>(3)</sup></u>	<u>(363) <sup>(4)</sup></u>	<u>21,799 <sup>(5)</sup></u>
3	Proposed Revenues	<u>\$ 205,434</u>	<u>\$ (363)</u>	<u>\$ 205,071</u>
4	% Increase	12.09%		11.89%
5	Staff Adjustments:			
6	Gas in Storage - Materials and Supplies		(170)	
7	Charitable Contributions		(136)	
8	Diesel Fuel Price Adjustment		(35)	
9	Gasoline Price Adjustment		(17)	
10	Rate of Return (Applied to Company Rate Base)		(11)	
11	Capitalization of Fuel Cost		(1)	
12	Gross Revenue Conversion Factor		(1)	
13	Cash Working Capital		-	
14	Rounding		-	
15	Interest Synchronization		<u>8</u>	
16	Total Revenue Effect of Staff Adjustments		<u>\$ (363)</u>	

Sources:

- (1) ICC Staff Exhibit 7.0, Schedule 7.01 RZ III, column (b), line 3
- (2) ICC Staff Exhibit 7.0, Schedule 7.01 RZ III, column (d), line 3
- (3) ICC Staff Exhibit 7.0, Schedule 7.01 RZ III, column (e), line 3
- (4) ICC Staff Exhibit 7.0, Schedule 7.01 RZ III, columns (f) + (h), line 3
- (5) ICC Staff Exhibit 7.0, Schedule 7.01 RZ III, column (i), line 24

**Ameren Illinois Company**  
**Interest Synchronization Adjustment**  
 For the Test Year Ending December 31, 2016  
 (In Thousands)

Line No.	Description	Amount
	(a)	(b)
1	Rate Base	\$ 622,595 (1)
2	Weighted Cost of Debt	2.79% (2)
3	Synchronized Interest Per Staff	17,384
4	Company Interest Expense	<u>17,439</u> (3)
5	Increase (Decrease) in Interest Expense	<u><u>(55)</u></u>
6	Increase (Decrease) in State Income Tax Expense	
7	at 7.750%	<u>\$ 4</u>
8	Increase (Decrease) in Federal Income Tax Expense	
9	at 35.000%	<u>\$ 18</u>

(1) Source: ICC Staff Ex.7.0, Schedule 7.03 RZ III, Column (d).  
 (2) Source: ICC Staff Exhibit 9.0, Schedule 9.02.  
 (3) Source: Ameren Ex. 32.2 WP, Sch. 3

**Ameren Illinois Company**  
**Gross Revenue Conversion Factor**  
 For the Test Year Ending December 31, 2016  
 (In Thousands)

Line No.	Description	Rate	Per Staff With Bad Debts	Per Staff Without Bad Debts
	(a)	(b)	(c)	(d)
1	Revenues		1.000000	
2	Uncollectibles	0.9641%	<u>0.009641</u>	
3	State Taxable Income		0.990359	1.000000
4	State Income Tax	7.7500%	<u>0.076753</u>	<u>0.077500</u>
5	Federal Taxable Income		0.913606	0.922500
6	Federal Income Tax	35.0000%	<u>0.319762</u>	<u>0.322875</u>
7	Operating Income		<u>0.593844</u>	<u>0.599625</u>
8	Gross Revenue Conversion Factor Per Staff		<u>1.683944</u>	<u>1.667709</u>

Ameren Illinois Company - Rate Zone III  
 Adjustment to Cash Working Capital  
 For the Year Ending December 31, 2016  
 (In Thousands)

<u>Line</u>	<u>Item</u> (a)	<u>Amount</u> (b)	<u>Lag (Lead)</u> (c)	<u>CWC Factor</u> (d) (c/365)	<u>CWC Requirement</u> (e) (b*d)	<u>Column b Source</u> (f)
1	Revenues	\$ 336,484	55.68	0.15255	\$ 51,330	ICC Staff Ex. 7.0, Schedule 7.08 RZ III, p. 2, line 7
2	Pass-through Taxes	22,906	-	0.00000	-	Lines 12+14+15+17
3	Total Receipts	<u>\$ 359,390</u>			<u>\$ 51,330</u>	Line 1 + Line 2
4	Employee Benefits	\$ 6,157	(20.27)	(0.05553)	\$ (342)	
5	Base Payroll and Withholdings	39,919	(11.53)	(0.03159)	(1,261)	
6	PGA Purchases	195,347	(38.62)	(0.10581)	(20,669)	
7	Other Operations and Maintenance	57,818	(47.04)	(0.12888)	(7,451)	ICC Staff Ex. 7.0, Schedule 7.08 RZ III, p. 2, line 17
8	FICA	2,530	(13.13)	(0.03597)	(91)	
9	Federal Unemployment Tax	15	(76.38)	(0.20925)	(3)	
10	State Unemployment Tax	44	(76.38)	(0.20925)	(9)	
11	St. Louis Payroll Expense Tax	2	(87.33)	(0.23926)	-	
12	ICC Gross Revenue Tax	353	25.92	0.07101	25	
13	Illinois Invested Capital Tax	4,147	(30.13)	(0.08253)	(342)	
14	Municipal Utility Tax	6,866	(45.63)	(0.12501)	(858)	
15	Energy Assistance Charges	4,431	(45.66)	(0.12510)	(554)	
16	Corporation Franchise Tax	258	(193.45)	(0.53000)	(137)	
17	Illinois Gas Use and Gas Revenue Tax	11,256	(29.79)	(0.08162)	(919)	
18	Property/Real Estate Taxes	795	(387.27)	(1.06101)	(844)	
19	Interest Expense	17,122	(91.25)	(0.25000)	(4,281)	ICC Staff Ex. 7.0, Schedule 7.06 RZ III, line 3 less line 20 below
20	Bank Facility Costs	262	307.92	0.84362	221	
21	State Income Tax	2,335	(37.88)	(0.10377)	(242)	ICC Staff Ex. 7.0, Schedule 7.01 RZ III, Col. i, line 17
22	Federal Income Tax	9,731	(37.88)	(0.10377)	(1,010)	ICC Staff Ex. 7.0, Schedule 7.01 RZ III, Col. i, line 18
23	Total Outlays	<u>\$ 359,388</u>			<u>\$ (38,767)</u>	Sum of Lines 4 through 22
24	Cash Working Capital per Staff				\$ 12,563	Line 3 plus line 23
25	Cash Working Capital per Company				12,560	Ameren Exhibit 32.2 WP, Schedule 2, p. 3
26	Difference -- Adjustment per Staff				<u>\$ 3</u>	Line 24 minus Line 25

Note: Amount is from Ameren Ex. 32.2 WP, Schedule 2, Page 3, Column (B) except where noted in "Source" column  
 Lag (Lead) is from Ameren Ex. 32.2, Schedule 2, Page 3, Column (C)

**Ameren Illinois Company - Rate Zone III**  
**Adjustment to Cash Working Capital**  
 For the Year Ending December 31, 2016  
 (In Thousands)

<u>Line</u>	<u>Item</u> (a)	<u>Amount</u> (b)	<u>Source</u> (c)
1	Total Operating Revenues	\$ 205,071	ICC Staff Ex. 7.0, Schedule 7.01 RZ III, line 3
2	Uncollectible Accounts	(1,978)	ICC Staff Ex. 7.0, Schedule 7.01 RZ III, line 4
3	Depreciation & Amortization	(23,995)	ICC Staff Ex. 7.0, Schedule 7.01 RZ III, line 12
4	PGA	195,347	ICC Staff Ex. 7.0, Schedule 7.08 RZ III, p. 1, Line 6
5	Deferred Taxes and ITCs Net	(7,695)	ICC Staff Ex. 7.0, Schedule 7.01 RZ III, Col. i, line 19
6	Return on Equity	(30,266)	Line 10 below
7	Total Revenues for CWC Calculation	<u>\$ 336,484</u>	Sum of Lines 1 through 6
8	Total Rate Base	\$ 622,595	ICC Staff Ex. 7.0, Schedule 7.03 RZ III, line 23
9	Weighted Cost of Capital	4.861%	ICC Staff Ex. 9.0, Schedule 9.02
10	Return on Equity	<u>\$ 30,266</u>	Line 8 times Line 9
11	Operating Expense Before Income Taxes	\$ 137,660	ICC Staff Ex. 7.0, Schedule 7.01 RZ III, line 16
12	Employee Benefits Expense	(6,157)	Ameren Ex. 32.2 WP, Schedule 2, p. 3
13	Payroll Expense	(39,919)	Ameren Ex. 32.2 WP, Schedule 2, p. 3
14	Uncollectible Accounts	(1,978)	ICC Staff Ex. 7.0, Schedule 7.01 RZ III, line 4
15	Depreciation & Amortization	(23,995)	ICC Staff Ex. 7.0, Schedule 7.01 RZ III, line 12
16	Taxes Other Than Income	(7,793)	ICC Staff Ex. 7.0, Schedule 7.01 RZ III, line 13
17	Other Operations & Maintenance for CWC Calculation	<u>\$ 57,818</u>	Sum of Lines 10 through 16

**Ameren Illinois Company**  
**Charitable Contributions**  
 For the Test Year Ending December 31, 2016  
 (In Thousands)

Line No.	Description (a)	Amount (b)	Source (c)
1	Charitable Contributions per Staff	\$ 191	P. 2, Line 7
2	Charitable Contributions per Company	<u>325</u>	Schedule C-2.14 RZ-III
3	Difference - Staff Adjustment	<u><u>\$ (134)</u></u>	Line 1 - Line 2

Note: Staff Adjustment made to Administrative and General Expenses

**Ameren Illinois Company**  
**Charitable Contributions**  
 For the Test Year Ending December 31, 2016  
 (In Thousands)

Line No.	Description (a)	Amount (b)	Source (c)
1	2012 Actual Charitable Contributions	\$ 186	AIC DR Response ST 3_03 Attach
2	2013 Actual Charitable Contributions	161	AIC DR Response ST 3_03 Attach
3	2014 Actual Charitable Contributions	<u>205</u>	AIC DR Response ST 3_03 Attach
4	3 Year Average	<u>\$ 184</u>	Sum of Lines (1 - 3) / 3
5	Charitable Contributions with 2 % Inflation Factor - 2015	\$ 188	Line 4 * 1.02
6	Charitable Contributions with 2 % Inflation Factor - 2016	<u>191</u>	Line 5 * 1.02
7	Staff 2016 Rate Zone II Charitable Contributions	<u><u>\$ 191</u></u>	Line 6

Ameren Illinois  
Charitable Contributions  
Twelve Months Ended December 31,

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>Source</u>
Charitable Contribution recovered in Rates	406,000	482,000	482,000	2011 - ICC Docket No. 09-0306 - Exhibit 29.13; 2012/2013 - ICC Docket No. 11-0282 - Staff Exhibit 22.0, Sch 22.03, Page 2, Line 9
<hr/>				
Charitable Contributions supported by Gas	231,298	366,575	318,208	ST 3.03 Attach