

REBUTTAL TESTIMONY

of

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Accountant**

**Accounting Department
Financial Analysis Division
Illinois Commerce Commission**

Ameren Illinois Company d/b/a Ameren Illinois

Rate MAP-P Modernization Action Plan – Pricing Annual Update Filing

Docket No. 15-0305

September 3, 2015

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1 **Witness Identification**

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

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

5 **Q. Have you previously filed testimony in this proceeding?**

6 A. Yes. My direct testimony was filed as ICC Staff Ex. 1.0 on July 13, 2015.

7 **Q. What is the purpose of your testimony in this proceeding?**

8 A. The purpose of my testimony is to present Staff's adjusted Statements of
9 Operating Income and Rate Base for the Company's electric utility delivery
10 service operations and the Reconciliation Adjustment and Return on Equity
11 ("ROE") Collar Calculation.

12 **Schedule Identification**

13 **Q. Are you sponsoring any schedules with your testimony?**

14 A. Yes. I prepared the following schedules for the Company, which show data for
15 the 2015 filing year ("FY") and the 2014 reconciliation year ("RY"). The letters
16 that follow the schedule numbers indicate to which revenue requirement the
17 respective schedule pertains. The letters FY indicate the filing year revenue
18 requirement on which delivery service rates effective January 2016 will be based.
19 The Staff proposed FY revenue requirement includes: (a) a reconciliation amount
20 for the actual revenue requirement compared to the revenue requirement that
21 was reflected in delivery service charges applied during 2014 and (b) the Return
22 on Equity ("ROE") collar calculation for the year ended December 31, 2014.

23 The letters RY indicate the reconciliation year revenue requirement, which is the
24 *actual* revenue requirement for 2014, as adjusted by Staff. If letters do not follow
25 the schedule number, the schedule pertains to both the filing year and the
26 reconciliation year revenue requirements.

27

28 **Revenue Requirement Schedules**

29 Revenue Requirement Summary - Base Rate Revenue Change from Prior Case

30 Schedule 6.01 – Statement of Operating Income with Adjustments

31 Schedule 6.02 – Adjustments to Operating Income

32 Schedule 6.03 – Rate Base

33 Schedule 6.04 – Adjustments to Rate Base

34 Schedule 6.05 – Revenue Effect of Adjustments

35 Schedule 6.06 – Interest Synchronization Adjustment

36 Schedule 6.07 – Gross Revenue Conversion Factor

37 Schedule 6.08FY – Reconciliation Computation (Filing Year Only)

38 Schedule 6.09FY – ROE Collar Computation (Filing Year Only)

39

40 **Q. Please explain the differences between the two proposed revenue**
41 **requirements you are presenting.**

42 A. The Statement of Operating Income with Adjustments for the filing year ending
43 December 31, 2014, Schedule 6.01FY, presents the revenue requirement that is
44 the basis for delivery service charges beginning in January 2016. The schedule
45 has an additional column (j) entitled “Net Revenue Requirement per Staff.” The

46 column is necessary to show the inputs for the amount representing the
47 Reconciliation Adjustment from Schedule 6.08FY and the amount representing
48 the ROE Collar Adjustment from Schedule 6.09FY.

49

50 **Revenue Requirement Schedules**

51 **Q. Please describe the Revenue Requirement Summary of Base Rate Revenue**
52 **Change from Prior Formula Rate Case (“Summary”).**

53 A. The Summary shows the total net revenue requirement from the prior year
54 formula rate case final order (column (b)), the changes proposed by the
55 Company (column (c)), and the Company’s proposed total net revenue
56 requirement in the current proceeding (column (e)). The Summary also shows
57 Staff’s proposed adjustments (column (f)) to the Company’s proposed total net
58 revenue requirement leading to Staff’s proposed total net revenue requirement
59 (column (h)). Column (d) shows the Company’s proposed changes as a
60 percentage of the prior year formula rate case final order, and column (g) shows
61 Staff’s proposed changes as a percentage of the Company’s proposed total net
62 revenue requirement.

63

64 **Q. Please describe ICC Staff Ex. 6.0, Schedule 6.01, Statement of Operating**
65 **Income with Adjustments.**

66 A. Schedule 6.01 is the same as ICC Staff Exhibit 1.0, Schedule 1.01, described on
67 pages 2-5 of ICC Staff Exhibit 1.0, except that it incorporates Company and Staff

68 rebuttal positions. Schedule 6.01 derives the revenue requirement at the Staff
69 proposed rate of return with Staff's adjustments.

70

71 **Q. Please describe Schedule 6.02, Adjustments to Operating Income.**

72 A. Schedule 6.02 identifies Staff's adjustments to Operating Income. The source of
73 each adjustment is shown in the heading of each column. The final column of
74 Schedule 6.02 is carried forward to Schedule 6.01, column (c).

75

76 **Q. Please describe Schedule 6.03, Rate Base.**

77 A. Schedule 6.03 compiles Staff's proposed rate base. Column (b) reflects the
78 Company's proposed rate base. Column (c) summarizes Staff's adjustments to
79 rate base. Column (d) is the net of columns (b) and (c), and reflects Staff's
80 computed rate base.

81

82 **Q. Please describe Schedule 6.04, Adjustments to Rate Base.**

83 A. Schedule 6.04 identifies Staff's adjustments to rate base. The source of each
84 adjustment is shown in the heading of each column. The final column of each
85 Schedule is carried forward to the corresponding Schedule 6.03, column (c).

86

87 **Revenue Effect of Adjustments**

88 **Q. Please describe Schedule 6.05, Revenue Effect of Adjustments.**

89 A. Schedule 6.05 identifies the approximate effect of each proposed Staff
90 adjustment on the Company's revenue requirement. Schedule 6.05 is not the

91 development of Staff's revenue requirement. Rather, it is an analysis designed
92 to assist in identifying the relative monetary significance of each Staff adjustment.

93

94 **Interest Synchronization**

95 **Q. Please describe Schedule 6.06, Interest Synchronization Adjustment.**

96 A. Schedule 6.06 computes the interest component of the revenue requirement.
97 The interest expense (component) is computed by multiplying Staff's proposed
98 rate base by Staff's proposed weighted cost of debt. The resulting calculated
99 interest expense is then compared against the interest expense used by the
100 Company in its computation of 2014 income tax expense. The tax effect of the
101 difference in interest expense is the adjustment for interest synchronization. The
102 effect of this adjustment is to ensure that the revenue requirement reflects the tax
103 savings generated by the interest component of the revenue requirement.

104

105 **Gross Revenue Conversion Factor**

106 **Q. What is the purpose of Schedule 6.07, Gross Revenue Conversion Factor?**

107 A. Schedule 6.07 presents Staff's proposed gross revenue conversion factor
108 ("GRCF"). The GRCF is applied to the operating income deficiency to derive the
109 change in revenue requirement. It is based upon the applicable federal tax rate,
110 state income tax rate, and uncollectible rate. The GRCF is used in the
111 calculation of the revenue requirement in columns (f) through (h) of the
112 corresponding Schedule 6.01.

113

114 **Reconciliation Computation (Filing Year Only)**

115 **Q. Please describe Schedule 6.08FY, Reconciliation Computation.**

116 A. Schedule 6.08FY computes the variance between the actual revenue
117 requirement for 2014 and the revenue requirement that was reflected in delivery
118 services charges applied during 2014. Interest for the period January 2014
119 through December 2016 is added to the variance and the total amount is
120 incorporated into the revenue requirement which provides the basis for the 2016
121 delivery service rates. Schedule 6.08FY demonstrates that AIC's revenue
122 requirement in effect during 2014 was less than the Company's 2014 actual
123 Delivery Service ("DS") revenue requirement and therefore a reconciliation
124 adjustment to increase revenues is necessary.

125

126 **Q. How does your reconciliation computation on Schedule 6.08FY differ from**
127 **the Company's Schedule FR A-4 as presented in Ameren Exhibit 10.1, page**
128 **6?**

129 A. My reconciliation computation provides different inputs for the actual revenue
130 requirement since it includes all of Staff's adjustments to the 2014 actual
131 operating statement and rate base presented by the Company. These
132 adjustments are addressed in the testimony of the Staff witness proposing the
133 adjustments.

134

135 **ROE Collar Calculation (Filing Year Only)**

136 **Q. Please describe Schedule 6.09FY, ROE Collar Computation (Filing Year**
137 **Only).**

138 A. Schedule 6.09FY computes the adjustment when the Company's earned return
139 on common equity falls outside of the parameters of the earnings collar
140 established by Section 16-108.5(c)(5) of the Public Utilities Act. The calculation
141 utilizes the actual delivery service revenues, operating expenses, rate base, and
142 capital structure for 2014, inclusive of ratemaking adjustments and Commission
143 disallowances as proposed by Staff. The delivery service revenues reflect actual
144 revenues reported by the Company on FERC Form 1. The resulting adjustment
145 is incorporated into the filing year revenue requirement on Schedule 6.01 FY,
146 which is the basis for the 2016 delivery service rates.

147

148 **Q. How does your ROE Collar Computation on Schedule 6.09FY differ from the**
149 **Company Schedule FR A-3 as presented in Ameren Exhibit 10.1, page 5?**

150 A. My schedule utilizes the Staff recommended rate base, operating expenses, and
151 capital structure for the reconciliation year as presented on the reconciliation year
152 schedules of my testimony, indicated by a "RY" after the schedule number. Any
153 adjustments to the Company's position proposed in its filing are addressed
154 individually in the testimony of the Staff witness sponsoring those adjustments.

155

156 **Disposition of Staff Adjustments**

157 **Q. Which of Staff's adjustments from direct testimony has AIC accepted?**

158 A. The Company accepted or did not contest Staff's proposed rate base adjustment
159 related to Asset Retirement Obligations¹. AIC also accepted certain operating
160 expense adjustments related to Charitable Contributions, Informational and
161 Instructional Advertising, General Advertising, Outside Services, Injuries and
162 Damages, Industry Dues, and Miscellaneous General Expenses, as corrected by
163 the Company to reflect the jurisdictional allocation where necessary.²
164

165 **Q. Did the Company reject any of Staff's adjustments from direct testimony?**

166 A. Yes, the Company rejected Staff's rate base adjustment to Cash Working Capital
167 and Staff's operating expense adjustment to remove the cost of Safety Awards
168 and Recognition. These adjustments are reflected on ICC Staff Exhibit 6.0,
169 Schedules 6.02 and 6.04. Staff's response to the Company as to these
170 adjustments is reflected in the rebuttal testimony of each Staff witness.

171 **Recommendations**

172 **Q. Do you have any recommendations for the Commission?**

173 A. Yes. I recommend the Commission approve the revenue requirements in ICC
174 Staff Ex. 6.0 for both the filing year and the reconciliation year.
175

176 **Conclusion**

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

178 A. Yes.

¹ As reflected on Ameren Exhibit 10.4.

² As reflected on Ameren Exhibit 10.6.

Ameren Illinois Company
Revenue Requirement Summary
For the Test Year Ending December 31, 2015
(In Thousands)

Line No.	Description	Granted in Prior Case (14-0317)	Company Proposed Changes		Company Proposal FR A-1	Staff Adjustments		Net Revenue Requirement Per Staff				
			(e) - (b)	(c) / (b)		(h) - (e)	(f) / (e)					
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)				
1	Base Revenue Requirement - Filing Year	\$ 855,131	(1)	\$ 66,973	\$ 922,104	(2)	\$ (1,396)	\$ 920,708	(8)			
2	Reconciliation Adjustment with Interest	69,362	(1)	42,201	111,563	(3)	(1,591)	109,972	(9)			
3	ROE Collar Adjustment	-	(1)	-	-	(4)	-	-	(10)			
4	Total Net Revenue Requirement	<u>\$ 924,493</u>	(1) & (6)	<u>\$ 109,174</u>	(7)	11.81%	<u>\$ 1,033,667</u>	(5)	<u>\$ (2,987)</u>	-0.29%	<u>\$ 1,030,680</u>	(11)
	Total \$ Change - Total Net Revenue Requirement									\$ 106,187	(12)	
	Total % Change - Total Net Revenue Requirement									11.49%	(13)	

Notes

- (1) Commission Order in Docket No. 14-0317, Appendix A, Column (j)
(2) Ameren Rebuttal Testimony, Ameren Ex. 10.1, Sch FR A-1, p. 2, line 22 + line 26
(3) Ameren Rebuttal Testimony, Ameren Ex. 10.1, Sch FR A-1, p. 2, line 28
(4) Ameren Rebuttal Testimony, Ameren Ex. 10.1, Sch FR A-1, p. 2, line 29
(5) Ameren Rebuttal Testimony, Ameren Ex. 10.1, Sch FR A-1, p. 2, line 30
(6) Ameren Rebuttal Testimony, Ameren Ex. 10.1, Sch FR A-1, p. 2, line 31
(7) Ameren Rebuttal Testimony, Ameren Ex. 10.1, Sch FR A-1, p. 2, line 32
(8) Staff Rebuttal Testimony, Staff Ex. 6.0, Schedule 6.01 FY, line 1
(9) Staff Rebuttal Testimony, Staff Ex. 6.0, Schedule 6.01 FY, line 3
(10) Staff Rebuttal Testimony, Staff Ex. 6.0, Schedule 6.01 FY, line 4
(11) Staff Rebuttal Testimony, Staff Ex. 6.0, Schedule 6.01 FY, line 5
(12) Column (h) line 4 minus Column (b) line 4
(13) Line 5 divided by Column (b), line 4.

Ameren Illinois Company
Rate Base
For the Filing Year Ending December 31, 2015
(In Thousands)

Line No.	Description	Company Pro Forma Jurisdictional Rate Base (Ameren Ex. 10.1, pp. 7-8)	Staff Adjustments (Staff Sch. 6.04FY)	Staff Rate Base (Col. b+c)
	(a)	(b)	(c)	(d)
1	Distribution Plant	\$ 5,609,671	\$ -	\$ 5,609,671
2	G & I Plant	459,135	-	459,135
3	Accumulated Depreciation on Distribution Plant	(2,698,414)	-	(2,698,414)
4	Accumulated Depreciation on G & I Plant	<u>(135,948)</u>	<u>-</u>	<u>(135,948)</u>
5	Net Plant	3,234,444	-	3,234,444
6	Additions to Rate Base			
7	Materials and Supplies	42,601	-	42,601
8	Construction Work in Progress	1,055	-	1,055
9	Plant Held for Future Use	411	-	411
10	OPEB Liability	3,262	-	3,262
11	Cash Working Capital	25,442	(9,393)	16,049
12	Deferred Charges Greater Than \$3.7M	2,827	-	2,827
13	Other Deductions From Rate Base	(14,222)	-	(14,222)
14	Accumulated Deferred Income Taxes	(758,620)	-	(758,620)
15	Accrued Vacation Reserve	-	-	-
16		-	-	-
17		-	-	-
18	Accumulated Misc. Operating Provisions	-	-	-
19	Asset Retirement Obligation	-	-	-
20	Other Deferred Credits	-	-	-
21	Customer Advances	(21,603)	-	(21,603)
22	Customer Deposits	(25,718)	-	(25,718)
23		<u>-</u>	<u>-</u>	<u>-</u>
24	Rate Base	<u>\$ 2,489,879</u>	<u>\$ (9,393)</u>	<u>\$ 2,480,486</u>

Ameren Illinois Company
Revenue Effect of Adjustments
 For the Filing Year Ending December 31, 2015
 (In Thousands)

Line No.	Description (a)	Company Proposal (b)	Staff Adjustments (c)	Per Staff (d)
1	Summary			
2	Current Revenues	\$ 880,960		\$ 880,960
3	Proposed Increase	<u>67,443</u>	<u>(1,396)</u> #	<u>66,047</u>
4	Proposed Revenue Requirement	<u>\$ 948,403</u>	<u>\$ (1,396)</u>	<u>\$ 947,007</u>
5	Percentage Increase	7.66%	-0.16%	7.50%
6	Effect of Each Adjustment			
7	Cash Working Capital		\$ (1,033)	
8	Rate of Return		(213)	
9	Safety Awards and Recognition		(154)	
10	Gross Revenue Conversion Factor		-	
11	Rounding		-	
12	Interest Synchronizaton		4	
13	Effect of Adjustments		<u>\$ (1,396)</u> #	
14	Reconciliation to Staff Sch. 6.01FY			
15	Column (c), line 5.		\$ -	
16	Column (f), line 5.		-	
17	Column (h), line 5.		<u>(1,396)</u>	
18	Total Effect of Adjustments		<u>\$ (1,396)</u> #	

Ameren Illinois Company
Interest Synchronization Adjustment
For the Filing Year Ending December 31, 2015
(In Thousands)

Line No.	Description (a)	Amount (b)
1	Rate Base	\$ 2,480,486 ⁽¹⁾
2	Weighted Cost of Debt	<u>3.01%</u> ⁽²⁾
3	Synchronized Interest (Line 1 x Line 2)	74,593
4	Company Interest Expense	<u>74,876</u> ⁽³⁾
5	Increase (Decrease) in Interest Expense	<u>(283)</u>
6	Increase (Decrease) in State Income Tax Expense	
7	at 9.500%	<u>\$ 27</u>
8	Increase (Decrease) in Federal Income Tax Expense	
9	at 35.000%	<u>\$ 90</u>

(1) Source: Staff Schedule 6.03FY, column (d), line 24

(2) Source: ICC Staff Exhibit 5.0

(3) Source: Ameren Ex. 10.8, p. 8, line 2.

Ameren Illinois Company
Gross Revenue Conversion Factor
For the Filing Year Ending December 31, 2015
(In Thousands)

Line No.	Description	Rate	With Bad Debts	Without Bad Debts
	(a)	(b)	(c)	(d)
1	Revenues		1.000000	1.000000
2	Uncollectibles	0.6240%	<u>0.006240</u>	
3	State Taxable Income		0.993760	
4	State Income Tax	9.5000%	<u>0.094407</u>	<u>0.095000</u>
5	Federal Taxable Income		0.899353	0.905000
6	Federal Income Tax	35.0000%	<u>0.314774</u>	<u>0.316750</u>
7	Operating Income		<u>0.584579</u>	<u>0.588250</u>
8	Gross Revenue Conversion Factor (Line 1 / Line 7)		<u>1.710633</u>	<u>1.699958</u>

Ameren Illinois Company
Reconciliation Computation for the Year Ending December 31, 2014
For the Filing Year Ending December 31, 2015
(In Thousands)

Line No.	Description	Source	Amt	(d)	(e)	(f)	(g)
	(a)	(b)	(c)				
1	Actual Revenue Requirement	Staff Ex. 1.0, Sch. 1.01RY, col. (i), line 1	\$ 882,004				
	Revenue Requirement in effect during						
2	Reconciliation Year	(1)	787,564				
3	Variance - Reconciliation Before Collar	(Ln 1) - (Ln 2)	94,440				
4	ROE Collar Adjustment	Staff Ex. 1.0, Sch. 1.09FY, Col (b), Ln 43	-				
5	Variance with Collar	(Ln 3) + (Ln 4)	\$ 94,440				
6	Monthly Interest Rate	Staff Ex. 5.0, Wtd. Cost of Debt/12	<u>0.6375%</u>				
			<u>Variance</u>	<u>Interest Rate</u>	<u>Months</u>	<u>Interest</u>	<u>Surcharge (Refund)</u>
			(Ln 5) / 12	Ln 6		(c) * (d * (e))	(c) + (f)
	2014						
7	January		\$ 7,870	0.6375%	11.5	\$ 577	\$ 8,447
8	February		7,870	0.6375%	10.5	527	8,397
9	March		7,870	0.6375%	9.5	477	8,347
10	April		7,870	0.6375%	8.5	426	8,296
11	May		7,870	0.6375%	7.5	376	8,246
12	June		7,870	0.6375%	6.5	326	8,196
13	July		7,870	0.6375%	5.5	276	8,146
14	August		7,870	0.6375%	4.5	226	8,096
15	September		7,870	0.6375%	3.5	176	8,046
16	October		7,870	0.6375%	2.5	125	7,995
17	November		7,870	0.6375%	1.5	75	7,945
18	December		7,870	0.6375%	0.5	25	7,895
19	Total	Sum of (Ln 7) thru (Ln 18)	\$ 94,440			\$ 3,612	\$ 98,052
			<u>Balance</u>	<u>Interest Rate</u>	<u>Mons</u>	<u>Interest</u>	<u>Balance</u>
				Ln 6		(c) * (d * (e))	(c) + (f)
	2015						
20	January - December	Col G Ln 19	\$ 98,052	0.6375%	12	\$ 7,501	\$ 105,553
			<u>Balance</u>	<u>Interest Rate</u>		<u>Amort</u>	<u>Balance</u>
				Ln 6		(2)	(c) + (c) * (d) - (f)
	2016						
21	Jan	Col G Ln 20	\$ 105,553	0.6375%		\$ 9,165	\$ 97,061
22	Feb	Col G Ln 21	97,061	0.6375%		9,165	88,515
23	Mar	Col G Ln 22	88,515	0.6375%		9,165	79,915
24	Apr	Col G Ln 23	79,915	0.6375%		9,165	71,259
25	May	Col G Ln 24	71,259	0.6375%		9,165	62,549
26	Jun	Col G Ln 25	62,549	0.6375%		9,165	53,783
27	Jul	Col G Ln 26	53,783	0.6375%		9,165	44,961
28	Aug	Col G Ln 27	44,961	0.6375%		9,165	36,082
29	Sep	Col G Ln 28	36,082	0.6375%		9,165	27,148
30	Oct	Col G Ln 29	27,148	0.6375%		9,165	18,156
31	Nov	Col G Ln 30	18,156	0.6375%		9,165	9,107
32	Dec	Col G Ln 31	9,107	0.6375%		9,165	-
33	Variance with Interest	Sum of (Ln 21) thru (Ln 32)				\$ 109,972	
34	Remove ROE Collar Adjustment (3')	Ln 4				\$ -	
35	Reconciliation with Interest	(Ln 33) - (Ln 34)				\$ 109,972	To Sch. 1.01

Notes:

(1) Calculated in accordance with Section 16-108.5 (d)(1) of the Act. Reconciliation for 2014 will reflect the amount shown on Sch. FR A-4 Ln 2 of the calculation used to determine revenue requirement in effect during the reconciliation year.

(2) (-1.0) * PMT((Ln 21 Col (d)),12,(Ln 20, Col (g)))

(3) Remove ROE Collar Adjustment from calculation as this amount is included on Schedule 1.01FY, Col (j), Ln 4.

Ameren Illinois Company
ROE Collar Computation for the Year Ending December 31, 2014
For the Filing Year Ending December 31, 2015
(In Thousands)

Line No.	Description (a)	Amount (b)	Column (b) Source (c)
1	DS Rate Base	\$ 2,264,729	Staff Sch. 1.03RY, Column (d), Ln 24
	Capital Structure:		
2	Common Equity %	50.00%	Staff Ex. 5.0
3	Preferred Stock%	1.39%	Staff Ex. 5.0
4	Short-Term Debt %	0.00%	Staff Ex. 5.0
5	Long-Term Debt %	48.61%	Staff Ex. 5.0
6	DS Equity Balance	1,132,365	Ln 1 x Ln 2
7	DS Preferred Stock Balance	31,480	Ln 1 x Ln 3
8	DS Short-Term Debt Balance	-	Ln 1 x Ln 4
9	DS Long-Term Debt Balance	1,100,885	Ln 1 x Ln 5
10	Cost of Short-Term Debt (%)	0.42%	
11	Cost of Long-Term Debt (%)	6.08%	
12	Cost of Preferred Stock	4.98%	
13	DS Operating Revenue	\$ 886,388	FERC Form 1, p. 300, line 12 and Note (1')
14	[blank]		
	Accrued Reconciliation and Collar Revenues Included on Line 13	\$ 94,712	FERC Form 1, p. 300, line 12 and Note (1')
16	Updated Reconciliation Amount before Collar	\$ 94,440	Staff Sch. 1.08FY line 3
17	Other Revenue	\$ 26,299	Staff Sch. 1.01FY Column (i) line 2
18	DS Applicable Operating Revenue	\$ 912,415	Ln 13 - Ln 15 + Ln 16 + Ln 17
19	Total DS Operating Expenses	\$ 668,169	Staff Ex. 1.0, Schedule 1.01RY line 18
20	DS Operating Income Before Interest & Taxes	\$ 244,246	Ln 18 - Ln 19
21	DS Short-Term Interest Expense	\$ -	Ln 6 x Ln 10
22	DS Long-Term Interest Expense	\$ 66,934	Ln 9 x Ln 11
23	Credit Facilities Expense	\$ 1,132	Line 1 times 0.05% Credit Facility Fees
24	DS Operating Income before Taxes	\$ 176,180	Ln 20 - Ln 21 - Ln 22 - Ln 23
25	Income Tax Rate (%)	41.175%	Staff Ex. 1.0, Sch. 1.07RY, Column (d), Ln 4 + Ln 6
26	DS Income Taxes	\$ 72,542	Ln 24 x Ln 25
27	Impact of ITCs & Permanent Tax Differences	\$ (6,167)	Company Sch FR C-4 Ln 12
28	DS Income Taxes	\$ 66,375	Ln 26 + Ln 27
29	DS Net Income before Dividend	\$ 109,805	Ln 21 - Ln 23 - Ln 24
30	DS Preferred Stock Dividend	\$ 1,568	Ln 7 x Ln 12
31	DS Net Income	\$ 108,237	Ln 29 - Ln 30
32	DS ROE (%)	9.56%	Ln 31 / Ln 6
33	ROE Collar		
34	Allowed ROE (%)	9.14%	Company Sch FR D-1 Col. Ln 17
35	Maximum Allowed ROE (%)	9.64%	Ln 34 + .5%
36	Minimum Allowed ROE (%)	8.64%	Ln 34 - .5%
37	Percent Above Maximum Allowed ROE (%)	0.00%	
38	Amount Above Allowed ROE Collar	\$ -	Ln 6 x Ln 37
39	Percent Below Minimum Allowed ROE (%)	0.00%	Ln 36 - Ln 32
40	Amount Below Allowed ROE Collar	\$ -	Ln 6 x Ln 39
41	ROE Collar Adj After Tax	\$ -	Ln 38 + Ln 40
42	ROE Collar Tax Gross-up	\$ -	Ln 41 x Ln 25/(1- Ln 25)
43	ROE Collar Adj	\$ -	Ln 41 + Ln 42

Ameren Illinois Company
Rate Base
For the Reconciliation Year Ending December 31, 2014
(In Thousands)

Line No.	Description	Pro Forma Jurisdictional Rate Base (Ameren Ex. 10.1, pp. 7-8)	Staff Adjustments (Staff Sch. 6.04RY)	Reconciliation Year Rate Base (Col. b+c)
	(a)	(b)	(c)	(d)
1	Distribution Plant	\$ 5,246,811	\$ -	\$ 5,246,811
2	G & I Plant	399,351	-	399,351
3	Accumulated Depreciation on Distribution Plant	(2,516,907)	-	(2,516,907)
4	Accumulated Depreciation on G & I Plant	(120,567)	-	(120,567)
5	Net Plant	3,008,688	-	3,008,688
6	Additions to Rate Base			
7	Materials and Supplies	42,600	-	42,600
8	Construction Work in Progress	1,055	-	1,055
9	Plant Held for Future Use	411	-	411
10	Deferred Debits	2,827	-	2,827
11	Cash Working Capital	25,681	(9,401)	16,280
12	OPEB Liability	3,262	-	3,262
13	Deductions From Rate Base			
14	Accumulated Deferred Income Taxes	(751,050)	-	(751,050)
15	Accrued Vacation Reserve	-	-	-
16		-	-	-
17		-	-	-
18	Accumulated Misc. Operating Provisions	-	-	-
19	Asset Retirement Obligation	-	-	-
20	Other Rate Base Adjustments	(14,222)	-	(14,222)
21	Customer Advances	(21,603)	-	(21,603)
22	Customer Deposits	(25,718)	-	(25,718)
23		-	-	-
24	Rate Base at End of Year	\$ 2,271,931	\$ (9,401)	\$ 2,262,530

Ameren Illinois Company
Revenue Effect of Adjustments
 For the Reconciliation Year Ending December 31, 2014
 (In Thousands)

Line No.	Description (a)	Company Proposal (b)	Staff Adjustments (c)	Per Staff (d)
1	Summary			
2	Current Revenues	\$ 813,862		\$ 813,862
3	Proposed Increase	95,808	\$ (1,368) #	94,440
4	Proposed Revenue Requirement	\$ 909,670	\$ (1,368)	\$ 908,302
5	Percentage Increase	11.77%	-0.17%	11.60%
6	Effect of Each Adjustment			
7				
8	Cash Working Capital		\$ (1,028)	
9		-	-	
10		0	-	
11		-	-	
12		0	-	
13		-	-	
14		0	-	
15		0	-	
16	Safety Awards and Recognition		(153)	
17	Gross Revenue Conversion Factor		-	
18	Rate of Return		(191)	
19	Interest Synchronization		4	
20	Rounding		-	
21	Effect of Adjustments		\$ (1,368) #	
22	Reconciliation to Staff Sch. 6.01RY			
23	Column (c), line 5.		\$ -	
24	Column (f), line 5.		-	
25	Column (h), line 5.		(1,368)	
26	Total Effect of Adjustments		\$ (1,368) #	

Ameren Illinois Company
Interest Synchronization Adjustment
For the Reconciliation Year Ending December 31, 2014
(In Thousands)

Line No.	Description (a)	Amount (b)
1	Rate Base	\$ 2,262,530 ⁽¹⁾
2	Weighted Cost of Debt	<u>3.01%</u> ⁽²⁾
3	Synchronized Interest (Line 1 x Line 2)	68,102
4	Company Interest Expense	<u>68,385</u> ⁽³⁾
5	Increase (Decrease) in Interest Expense	<u>(283)</u>
6	Increase (Decrease) in State Income Tax Expense	
7	at 9.500%	<u>\$ 27</u>
8	Increase (Decrease) in Federal Income Tax Expense	
9	at 35.000%	<u>\$ 90</u>

(1) Source: Schedule 6.03RY, column (d), line 24

(2) Source: ICC Staff Exhibit 3.0

(3) Source: Ameren Ex. 10.1, p. 12, line 16 multiplied by line 17.

Ameren Illinois Company
Gross Revenue Conversion Factor
For the Reconciliation Year Ending December 31, 2014
(In Thousands)

Line No.	Description	Rate	With Bad Debts	Without Bad Debts
	(a)	(b)	(c)	(d)
1	Revenues		1.000000	1.000000
2	Uncollectibles	0.0000%	<u>0.000000</u>	
3	State Taxable Income		1.000000	
4	State Income Tax	9.5000%	<u>0.095000</u>	<u>0.095000</u>
5	Federal Taxable Income		0.905000	0.905000
6	Federal Income Tax	35.0000%	<u>0.316750</u>	<u>0.316750</u>
7	Operating Income		<u>0.588250</u>	<u>0.588250</u>
8	Gross Revenue Conversion Factor (Line 1 / Line 7)		<u>1.699958</u>	<u>1.699958</u>