

DIRECT TESTIMONY

OF

**Dianna Hathhorn
Accountant**

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

Ameren Illinois Company d/b/a Ameren Illinois

**Petition for Approval of the Final UCB/POR
Reconciliation Period**

Docket No. 15-0258

October 13, 2015

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1 **Witness Identification**

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

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

5
6 **Q. By whom are you employed and in what capacity?**

7 A. I am currently employed as an Accountant in the Accounting Department of the
8 Financial Analysis Division of the Illinois Commerce Commission (“Commission”
9 or “ICC”).

10

11 **Q. Please describe your professional background and affiliations.**

12 A. I am a licensed Certified Public Accountant. I earned a B.S. in Accounting from
13 Illinois State University in 1993. Prior to joining the Commission in 1998, I
14 worked as an internal auditor for another Illinois state agency for approximately
15 3½ years. I also have 1½ years experience in public accounting for a national
16 firm.

17

18 **Q. Have you previously testified before any regulatory bodies?**

19 A. Yes. I have testified on several occasions before the Commission.

20

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

22 A. The purpose of my testimony is to report the results of my review of the
23 reconciliations of costs and recoveries associated with the Utility Consolidated

24 Billing/Purchase of Receivables (“UCB/POR”) Program (“Program”), provided by
25 Ameren Illinois Company’s (“AIC” or “Company”) for the period January through
26 December 2014, sponsored by Company witness Karen Althoff. (Ameren Exhibit
27 1.0, Ameren Exhibit 1.1 (2d Rev.)

28

29 **UCB/POR Program Information**

30 **Q. What is the UCB/POR Program?**

31 A. Under the UCB/POR Program, the Company provides billing services to Retail
32 Electric Suppliers (“RES”) and purchases customer receivables from them at a
33 discount. (Ameren Ex. 1.0, 3-4.)

34

35 **Q. What charge is ending at the end of this reconciliation period and why?**

36 A. The Program Charge, which generally comprises of the start up billing system
37 improvements costs of the UCB/POR Program, ends in 2014, with the exception
38 of any prior period over/under recovery amount. (Ameren Ex. 1.0, 6-7.)

39

40 **Q. What charges will continue in the future?**

41 A. The Discount Factor will continue in 2015 and be reconciled annually.¹ This is a
42 percentage factor applied to purchased receivables whereby the RES receives
43 payment based on face value of the receivable, less the amount of the
44 receivable, times the discount rate. (Ameren Ex. 1.0, 9:178-180.)

45

¹ Reflected in column (e), UR-Uncollectible Receivables, of Sch. 1.01.

46 **Schedule Identification**

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

48 A. Yes. I prepared Schedule 1.01 which presents the Staff reconciliation for the
49 components of the UCB/POR Program for the period January 1 through
50 December 31, 2014.

51
52 **Q. What information is provided on Schedule 1.01?**

53 A. Schedule 1.01 provides the reconciliations of the various components of the
54 Program Charge and RES Discount rate for the reconciliation period. In addition,
55 my reconciliation on page 1 presents the Disposition of the Cumulative
56 (Over)/Under Recovery.

57
58 **Q. Do you take issue with any of the components of the reconciliation
59 presented by the Company as Ameren Exhibit 1.1 (2d Rev.)?**

60 A. No. I agree with the amounts included in the Company's reconciliation. My
61 schedules present the reconciliation in the format that has been adopted by the
62 Staff in rider reconciliations before the Commission that set forth the disposition
63 of the cumulative over/(under) recovery.

64
65 **Summary of Conclusions and Recommendations**

66 **Q. Please summarize your recommendations.**

67 A. I recommend that the Commission approve the reconciliation for the period
68 January through December 2014 as reflected on Schedule 1.01. I recommend

69 that the Order in this proceeding find that there is no Factor ORA to be reflected
70 in the calculation of Factor USC resulting from this case.

71 I further recommend that Schedule 1.01 be attached to the Final Order in this
72 proceeding as an appendix.

73

74 **Conclusion**

75 **Q. Does this question end your prepared direct testimony?**

76 **A. Yes.**

Ameren Illinois Company
UCB/POR Program- Final Reconciliation
For the Period January 1, 2014 through December 31, 2014

Line	Description (a)	UCB Costs		POR Costs	Uncollectibles Receivables Cost	FCAA Component	Admin Costs	Total (h)	Source (i)
		(b) USC	(c) USD	(d) PSD	(e) UR	(f) FCAA	(g) OAR		
1	Over(Under) Recovery through December 2013	\$ 1,651,114	\$ -	\$ (72,930)	\$ -	\$ -	\$ -	\$ 1,578,184	Order, Docket No. 14-0262
2	Total Costs to be recovered during Jan 2014 - Dec 2014 (12 month) reconciliation period	-	-	(30,094)	(5,379,730)	-	-	(5,409,824)	Ameren Ex. 1.1 (2nd Rev), p. 4 line 35 +Ameren Ex. 1.1 (2nd Rev), p. 3 line 8
2a	UCB Cost Allocation: \$571,795 Delivery Service 75%	(428,846)	-	-	-	-	-	(428,846)	Ameren Ex. 1.1 (2nd Rev), p. 4 line 14
2b	RES Share 25%	-	(142,949)	-	-	-	-	(142,949)	Ameren Ex. 1.1 (2nd Rev), p. 4 line 21
3	Actual Revenues for reconciliation period (Jan 2014-Dec 2014)	(411,662)	211,912	52,978	5,663,063	904,019	-	6,420,310	Ameren Ex. 1.1 (2nd Rev), pp. 4-7
4	Actual Revenues for reconciliation period (Jan-Feb 2015)	(267,009)	-	-	-	-	-	(267,009)	Ameren Ex. 1.1 (2nd Rev), p. 7 line 4
5	Estimated Revenues (March-May 2015)	(403,621)	-	-	-	-	-	(403,621)	Ameren Ex. 1.1 (2nd Rev), p. 7 line 5
6	Over (Under) Recovery through Dec 2014	<u>\$ 139,976</u>	<u>\$ 68,964</u>	<u>\$ (50,046)</u>	<u>\$ 283,333</u>	<u>\$ 904,019</u>	<u>\$ -</u>	<u>\$ 1,346,245</u>	Sum of lines 1 through 5
<u>Disposition of Over(Under) Recovery:</u>									
7	Company June 2015 filing Factor ORA December 31, 2014 (Line 6 minus line 7)	\$ 139,976	\$ 68,964	\$ (50,046)	\$ 283,333	\$ 904,019	\$ -	\$ 1,346,245	March 30, 2015 Informational Sheet Effective June 1, 2015
8	Over (Under) Recovery through Dec 2014	-	-	-	-	-	-	-	
9		<u>\$ 139,976</u>	<u>\$ 68,964</u>	<u>\$ (50,046)</u>	<u>\$ 283,333</u>	<u>\$ 904,019</u>	<u>\$ -</u>	<u>\$ 1,346,245</u>	Sum of lines 7 and 8

STATE OF ILLINOIS

ILLINOIS COMMERCE COMMISSION

Ameren Illinois Company	:	
d/b/a Ameren Illinois	:	
	:	15-0258
	:	
Petition for Approval of the Final	:	
UCB/POR Reconciliation Period	:	

STATE OF ILLINOIS)	
)	SS
COUNTY OF SANGAMON)	

AFFIDAVIT OF DIANNA HATHHORN

I, Dianna Hathhorn, first duly being sworn upon oath, depose and state as follows:

1. My name is Dianna Hathhorn. My business address is 527 East Capitol Avenue, Springfield, Illinois 62701. I am an Accountant in the Accounting Department of the Financial Analysis Division of the Illinois Commerce Commission.

2. On October 13, 2015, the following document was prepared by me and filed via the e-Docket system: a document, marked as ICC Staff Exhibit 1.0, titled "Direct Testimony of Dianna Hathhorn," consisting of a cover page, a table of contents, 4 pages of narrative testimony, and Schedule 1.01.

3. The above document was prepared by me for introduction into evidence in Illinois Commerce Commission Docket No. 15-0258 as an Illinois Commerce Commission Staff witness. Today, if I were asked the same questions contained in the above documents, my answers would be the same.

4. I hereby swear and affirm and state that my direct testimony was prepared by me or under my direction and control; that I have personal knowledge of the information stated in my direct testimony; and that the testimony is true, correct and complete to the best of my knowledge and belief.

Dianna Hathhorn

Dianna Hathhorn

SUBSCRIBED AND SWORN to before me
this 13th day of October, 2015.

Mary Ellen Ruffner

NOTARY PUBLIC

