

DIRECT TESTIMONY

of

BONITA A. PEARCE
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. 16-0262

June 30, 2016

TABLE OF CONTENTS

Witness Identification	1
Schedule Identification.....	2
Revenue Requirement Schedules	3
Revenue Effect of Adjustments	5
Interest Synchronization	6
Gross Revenue Conversion Factor	6
Reconciliation Computation (Filing Year Only).....	7
ROE Collar Calculation (Filing Year Only)	8
Cash Working Capital Adjustment	8
Original Cost Determination.....	10
Commitments and Obligations under Subsection 16-108.5(b)(2) of the Act ..	11
Recommendations.....	13
Conclusion.....	14

SCHEDULES

Schedule 1.01 – Statement of Operating Income with Adjustments

Schedule 1.02 – Adjustments to Operating Income

Schedule 1.03 – Rate Base

Schedule 1.04 – Adjustments to Rate Base

Schedule 1.05 – Revenue Effect of Adjustments

Schedule 1.06 – Interest Synchronization Adjustment

Schedule 1.07 – Gross Revenue Conversion Factor

Schedule 1.08FY – Reconciliation Computation (Filing Year Only)

Schedule 1.09FY – ROE Collar Computation (Filing Year Only)

Schedule 1.10 – Cash Working Capital Adjustment

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

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

7 A. I am a Certified Public Accountant licensed to practice in the State of Illinois. I
8 earned a Bachelor of Science degree in Accounting from Illinois State University
9 in 1981. Prior to joining the Staff of the Illinois Commerce Commission (“Staff”) in
10 March 2001, I was engaged in the practice of public accounting for sixteen years.
11 I returned to the practice of public accounting for a brief period in 2005, but I
12 returned to the Commission in 2006.

13

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

15 A. Yes. I have testified on various regulatory accounting issues on several occasions
16 before the Illinois Commerce Commission (“Commission”).

17

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

19 A. I have reviewed and analyzed Ameren Illinois Company’s (“AIC” or “Company”)
20 filing and the underlying data. The purpose of my testimony is to present Staff’s
21 adjusted Statements of Operating Income and Rate Base for the Company’s
22 electric utility delivery service operations and the Reconciliation Adjustment and
23 Return on Equity (“ROE”) Collar Calculation.

24

25 **Schedule Identification**

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

27 A. Yes. I prepared the following schedules for the Company, which show data for
28 2015:

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

30 Schedule 1.01 – Statement of Operating Income with Adjustments

31 Schedule 1.02 – Adjustments to Operating Income

32 Schedule 1.03 – Rate Base

33 Schedule 1.04 – Adjustments to Rate Base

34 Schedule 1.05 – Revenue Effect of Adjustments

35 Schedule 1.06 – Interest Synchronization Adjustment

36 Schedule 1.07 – Gross Revenue Conversion Factor

37 Schedule 1.08FY – Reconciliation Computation (Filing Year Only)

38 Schedule 1.09FY – ROE Collar Computation (Filing Year Only)

39 Schedule 1.10 - Cash Working Capital Adjustment

40

41 **Q. Do you have a comment regarding your presentation of the Staff proposed**
42 **revenue requirement?**

43 A. Yes. The Staff proposed revenue requirement for the filing year (“FY”) ending
44 December 31, 2016 includes: (a) a reconciliation amount for the actual revenue
45 requirement compared to the revenue requirement that was reflected in delivery

46 service charges applied during 2015; and (b) the Return on Equity (“ROE”) collar
47 calculation.

48

49 **Q. Please explain the differences between the two proposed revenue**
50 **requirements you are presenting.**

51 A. The Statement of Operating Income with Adjustments for the filing year ending
52 December 31, 2016, Schedule 1.01FY, presents the revenue requirement that is
53 the basis for delivery service charges beginning in January 2017. The schedule
54 has an additional column (j) entitled “Net Revenue Requirement Per Staff.” The
55 column is necessary to show the inputs for the amount representing the
56 Reconciliation Adjustment from Schedule 1.08FY and the amount representing the
57 ROE Collar Adjustment from Schedule 1.09FY. The letters that follow the schedule
58 numbers indicate to which revenue requirement the respective schedule pertains.
59 The letters FY indicate the filing year revenue requirement on which delivery
60 service rates effective January 2017 will be based. The letters RY indicate the
61 reconciliation year revenue requirement, which is the actual revenue requirement
62 for 2015, as adjusted by Staff.

63

64 **Revenue Requirement Schedules**

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

67 A. The Summary shows the total net revenue requirement from the prior year formula
68 rate case final order (column (b)), the changes proposed by the Company (column

69 (c)) and the Company's proposed total net revenue requirement in the current
70 proceeding (column (e)). The Summary also shows Staff's proposed adjustments
71 (column (f)) to the Company's proposed total net revenue requirement leading to
72 Staff's proposed total net revenue requirement (column (h)). Column (d) shows
73 the Company's proposed changes as a percentage of the prior year formula rate
74 case final order, and column (g) shows Staff's proposed changes as a percentage
75 of the Company's proposed total net revenue requirement.

76

77 **Q. Please describe ICC Staff Ex. 1.0, Schedule 1.01 Statement of Operating**
78 **Income with Adjustments.**

79 A. Schedule 1.01 derives the revenue requirement at the Staff proposed rate of return
80 with Staff's adjustments. Column (b) presents the Company's jurisdictional
81 operating statement for RY 2015 and FY 2016, respectively, as reflected on the
82 Company's corresponding Schedule C-1. Column (c) reflects the total of all Staff
83 adjustments shown on the corresponding Schedule 1.02. Column (d) reflects the
84 operating statement at present rates per Staff's recommendation. On Schedule
85 1.01- RY, Column (e) presents the Company's proposed reconciliation adjustment
86 for RY 2015; on Schedule 1.01 FY, Column (e) presents the proposed increase to
87 the revenue requirement. Column (f) adjusts revenue to reflect Staff's gross
88 revenue conversion factor. Column (g) is the operating statement inclusive of the
89 Company's proposed revenue requirement, adjusted for Staff's gross revenue
90 conversion factor, to arrive at Staff's computed revenue requirement. Column (h)
91 is the necessary change to the Company's proposed revenue requirement,

92 adjusted for Staff's Gross Revenue Conversion Factor, to arrive at Staff's
93 computed Revenue Requirement reflected in column (i). Net Operating Income in
94 column (i), line 23, is the product of rate base, line 24, and rate of return, line 25.

95

96 **Q. Please describe Schedule 1.02 Adjustments to Operating Income.**

97 A. Schedule 1.02 identifies Staff's adjustments to Operating Income. The source of
98 each adjustment is shown in the heading of each column. The final column of
99 Schedule 1.02 is carried forward to Schedule 1.01, column (c).

100

101 **Q. Please describe Schedule 1.03 Rate Base.**

102 A. Schedule 1.03 compiles Staff's proposed rate base. Column (b) reflects the
103 Company's proposed rate base. Column (c) summarizes Staff's adjustments to
104 rate base. Column (d) is the net of columns (b) and (c), and reflects Staff's
105 computed rate base.

106

107 **Q. Please describe Schedule 1.04 Adjustments to Rate Base.**

108 A. Schedule 1.04 identifies Staff's adjustments to rate base. The source of each
109 adjustment is shown in the heading of each column. The final column of each
110 Schedule is carried forward to the corresponding Schedule 1.03, column (c).

111

112 **Revenue Effect of Adjustments**

113 **Q. Please describe Schedule 1.05 Revenue Effect of Adjustments.**

114 A. Schedule 1.05 identifies the approximate effect of each proposed Staff adjustment
115 on the Company's revenue requirement. Schedule 1.05 is not the development of
116 Staff's revenue requirement. Rather, it is an analysis designed to assist in
117 identifying the relative monetary significance of each Staff adjustment.

118

119 **Interest Synchronization**

120 **Q. Please describe Schedule 1.06 Interest Synchronization Adjustment.**

121 A. Schedule 1.06 computes the interest component of the revenue requirement. The
122 interest expense (component) is computed by multiplying Staff's proposed rate
123 base by Staff's proposed weighted cost of debt. The resulting calculated interest
124 expense is then compared against the interest expense used by the Company in
125 its computation of 2015 income tax expense. The tax effect of the difference in
126 interest expense is the adjustment for interest synchronization. The effect of this
127 adjustment is to ensure that the revenue requirement reflects the tax savings
128 generated by the interest component of the revenue requirement.

129

130 **Gross Revenue Conversion Factor**

131 **Q. What is the purpose of Schedule 1.07 Gross Revenue Conversion Factor?**

132 A. Schedule 1.07 presents Staff's proposed gross revenue conversion factor
133 ("GRCF"). The GRCF is applied to the operating income deficiency to derive the
134 change in revenue requirement. It is based upon the applicable federal tax rate,
135 state income tax rate, and uncollectible rate. The GRCF is used in the calculation

136 of the revenue requirement in columns (f) through (h) of the corresponding
137 Schedule 1.01.

138

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

140 **Q. Please describe Schedule 1.08FY Reconciliation Computation.**

141 A. Schedule 1.08FY computes the variance between the actual revenue requirement
142 for 2015 and the revenue requirement that was reflected in delivery services
143 charges applied during 2015. Interest for the period January 2015 through
144 December 2017 is added to the variance and the total amount is incorporated into
145 the revenue requirement which provides the basis for the 2017 delivery service
146 rates. Schedule 1.08 FY demonstrates that AIC's revenue requirement in effect
147 during 2015 was less than the Company's 2015 actual Delivery Service ("DS")
148 revenue requirement and therefore a reconciliation adjustment to increase
149 revenues is necessary.

150

151 **Q. How does your Reconciliation Computation on Schedule 1.08FY differ from**
152 **the Company Schedule FR A-4 as presented in Ameren Exhibit 1.2, page 6?**

153 A. My Reconciliation Computation provides different inputs for the actual revenue
154 requirement since it includes all of Staff's adjustments to the 2015 actual operating
155 statement and rate base presented by the Company. These adjustments are
156 addressed in the testimony of the Staff witness proposing the adjustments.

157

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

159 **Q. Please describe Schedule 1.09FY ROE Collar Computation (Filing Year Only).**

160 A. Schedule 1.09FY computes the adjustment when the Company's earned return on
161 common equity falls outside of the parameters of the earnings collar established
162 by Section 16-108.5(c)(5) of the Public Utilities Act. The calculation utilizes the
163 actual delivery service revenues, operating expenses, rate base, and capital
164 structure for 2015, inclusive of ratemaking adjustments and Commission
165 disallowances as proposed by Staff. The delivery service revenues reflect actual
166 revenues reported by the Company on FERC Form 1. The resulting adjustment is
167 incorporated into the filing year revenue requirement on Schedule 1.01 FY, which
168 is the basis for the 2017 delivery service rates.

169

170 **Q. How does your ROE Collar Computation on Schedule 1.09FY differ from the**
171 **Company Schedule FR A-3 as presented in Ameren Exhibit 1.2, page 5?**

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

177

178 **Cash Working Capital Adjustment**

179 **Q. Please describe Schedule 1.10 Cash Working Capital Adjustment.**

180 A. Schedule 1.10 presents adjustments to calculate the Cash Working Capital
181 component of rate base to incorporate the effects of other Staff-proposed
182 adjustments. The Company calculated its working capital requirement using the
183 gross lag method based on the requested operating revenues and expenses. I
184 have no objection to the use of this method, which is consistent with prior years.

185

186 **Q. Please explain “Cash Working Capital.”**

187 A. Cash Working Capital (“CWC”) is the amount of funds required from investors to
188 finance the day-to-day operations of the Company. In other words, CWC reflects
189 the amount of cash a company needs to keep on hand to pay its cash operating
190 expenses after taking into account its cash revenues. A company’s CWC
191 requirement may be positive or negative, depending on whether revenues are
192 received, on average, slower or faster than expenses are paid.

193 In this case, CWC to be included in rate base is based on a lead-lag study that
194 was updated in Docket No. 15-0305. A lead-lag study analyzes the date of
195 payments for goods and services compared to the date the goods and services
196 were received and also analyzes the date customers were billed for utility services
197 and the date that the company received payment from the customers. In general,
198 lag times are associated with the collection of revenues owed to the Company (that
199 is, the collection of cash payments from customers lag behind the Company’s cash
200 outlays for the provision of services). Lead times are associated with the payment
201 for goods and services received by the Company (for example, vendors may allow

202 the Company to pay for goods and services after the goods and services were
203 received).

204

205 **Q. Are you proposing any adjustments to CWC?**

206 A. Yes. Based on the Company's response to Staff Data Request BAP 3.01 Attach,
207 I propose to change the number of lead days associated with miscellaneous
208 expenses on ICC Staff Ex. 1.0, Schedule 1.10, p. 1, line 23, column (c). This
209 change resulted in a decrease to CWC that is reflected on line 27.

210 Additionally, Staff has proposed adjustments to operating revenues and expenses
211 that are included in the CWC calculation proposed by the Company. Therefore,
212 CWC has changed accordingly, as reflected on Schedule 1.10. For the final order
213 in this proceeding, the cash working capital should be updated to reflect the
214 operating revenues and expenses ultimately approved by the Commission.

215

216 **Original Cost Determination**

217 **Q. What is the relevance of an original cost determination?**

218 A. Requirements for preservation of specific records are associated with an original
219 cost determination. Requirements for the preservation of specific records are set
220 forth in 83 Ill. Adm. Code 420.90, The Preservation of Records of Electric Utilities,
221 Appendix A. For example, the records that support journal vouchers and journal
222 entries charging plant accounts are to be maintained "7 years prior to date as of

223 which original cost of plant has been unconditionally determined or approved by
224 this Commission” in an original cost determination proceeding or a rate case.¹

225

226 **Q. What do you recommend regarding an original cost determination?**

227 A. I recommend that the Commission conclude and make a finding in the Order in
228 this proceeding that the amount of \$6,200,135,000² as of December 31, 2015 be
229 approved for purposes of an original cost determination, subject to any
230 adjustments ordered by the Commission in this proceeding. Staff’s recommended
231 original cost accepts the amount recommended by the Company witness Ronald
232 D. Stafford in his direct testimony.

233

234 **Q. What is your recommendation regarding the Original Cost Determination?**

235 A. I recommend the Commission’s Order state:

236 (x) the Commission, based on AIC’s proposed original cost of plant in
237 service as of December 31, 2015, before adjustments, of \$6,200,135,000
238 and reflecting the Commission’s determination adjusting that figure,
239 unconditionally approves \$6,200,135,000 as the composite original
240 jurisdictional distribution services plant in service as of December 31, 2015.

241

242 **Commitments and Obligations under Subsection 16-108.5(b)(2) of the Act**

243 **Q. Did the Company provide the actual and projected incremental plant**
244 **investment that is included in the revenue requirement in compliance with**
245 **Section 16-108.5(b)(2) of the Act as ordered by the Commission in Docket**
246 **No. 12-0293?**

¹ 83 Ill. Adm. Code 420, Appendix A(12)(b)(1).

² Ameren Ex. 1.4.

247 A. Yes. AIC placed \$126.8 million of actual incremental plant additions in service in
 248 2015 and the revenue requirement includes \$96.6 million of projected plant
 249 additions to be placed into service in 2016. The \$126.8 million of 2015 actual
 250 incremental plant additions differs from the \$127.9 million in 2015 capital
 251 expenditures reported on AIC's 2015 Investment Plan. AIC witness Blessing
 252 addresses the difference in his direct testimony. (Ameren Ex. 6.0, 4-5:77-85;
 253 Ameren Ex. 6.1.)

254
 255 **Q. Do you have a recommendation regarding the need for the Commission to**
 256 **identify in its order the amount of incremental plant investment that is**
 257 **included in the revenue requirement in compliance with Section 16-**
 258 **108.5(b)(2) of the Act?**

259 A. Yes. To increase transparency, I recommend the Commission include in its order
 260 in this proceeding the following conclusion:

261 The Commission is setting a revenue requirement in this proceeding for the
 262 recovery of \$126.8 million in actual 2015 plant additions and \$96.6 million
 263 of projected 2016 plant additions in compliance with Section 16-108.5. The
 264 detail of these actual and projected plant additions by categories as required
 265 by Section 16-108.5(b)(2) are as follows:
 266

	<u>Category</u>	<u>Actual (In Millions)</u>				<u>Projected</u>	<u>Cumulative</u>
		2012 ³	2013 ⁴	2014 ⁵	2015 ⁶	2016 ⁷	(In Millions)

³ Docket No. 15-0305, Order at 58.

⁴ Id.

⁵ Id.

⁶ Ameren Ex. 6.1.

⁷ Id.

(A)(i)	Distribution Infrastructure Improvements	\$7.3	\$3.5	\$26.1	\$54.8	\$34.1	\$125.8
(A)(ii)	Training Facility Construction or Upgrade Projects	\$5.8	\$1.6	\$0.0	\$0.0	\$0.0	\$7.4
(A)(iii)	Wood Pole Inspection, Treatment, and Replacement	<u>\$0.0</u>	<u>\$0.0</u>	<u>\$0.0</u>	<u>\$0.0</u>	<u>\$0.0</u>	<u>\$0.0</u>
	Total Electric System Upgrades, Modernization Projects, and Training Facilities	<u>\$13.1</u>	<u>\$5.1</u>	<u>\$26.1</u>	<u>\$54.8</u>	<u>\$34.1</u>	<u>\$133.2</u>
(B)(i)	Additional Smart Meters	\$0.0	\$0.4	\$51.0	\$48.4	\$37.0	\$136.8
(B)(ii)	Distribution Automation	\$6.5	\$5.6	\$20.1	\$19.7	\$23.1	\$75.0
(B)(iii)	Associated Cyber Secure Data Communications Network	\$0.0	\$2.5	\$2.8	\$2.2	\$1.0	\$8.5
(B)(iv)	Substation Micro-processor Relay Upgrades	<u>\$0.3</u>	<u>\$0.0</u>	<u>\$2.5</u>	<u>\$1.7</u>	<u>\$1.4</u>	<u>\$5.9</u>
	Total Upgrade and Modernization of Transmission and Distribution Infrastructure and Smart Grid Electric System Upgrades	<u>\$6.8</u>	<u>\$8.5</u>	<u>\$76.4</u>	<u>\$72.0</u>	<u>\$62.5</u>	<u>\$226.2</u>
	Total Plant Additions in Compliance with Section 16-108.5(b)(2) of the Act	<u>\$19.9</u>	<u>\$13.6</u>	<u>\$102.5</u>	<u>\$126.8</u>	<u>\$96.6</u>	<u>\$359.4</u>

267

268 **Recommendations**

269 **Q. Please summarize your recommendations for the Commission.**

270 A. I recommend the Commission:

271 1. approve the revenue requirements in Staff Ex. 1.0 for both the filing year

272 and the reconciliation year;

273 2. conclude and make a finding in the Order in this proceeding that the amount

274 of \$6,200,135,000⁸ as of December 31, 2015 be approved for purposes of

⁸ Ameren Ex. 1.4.

275 an original cost determination, subject to any adjustments ordered by the
276 Commission in this proceeding;

277 3. I recommend the Commission's Order state:

278 (x) the Commission, based on AIC's proposed original cost of plant in
279 service as of December 31, 2015, before adjustments, of \$6,200,135,000
280 and reflecting the Commission's determination adjusting that figure,
281 unconditionally approves \$6,200,135,000 as the composite original
282 jurisdictional distribution services plant in service as of December 31, 2015;
283 and

284
285 4. I recommend the Commission include in its order in this proceeding the
286 following conclusion:

287
288 The Commission is setting a revenue requirement in this proceeding for the
289 recovery of \$126.8 million in actual 2015 plant additions and \$96.6 million
290 of projected 2016 plant additions in compliance with Section 16-108.5, as
291 detailed on Ameren Ex. 6.1.
292

293 **Conclusion**

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

295 **A. Yes.**

Ameren Illinois Company
Revenue Requirement Summary
For the Test Year Ending December 31, 2016
(In Thousands)

Line No.	Description	Granted in Prior Case (15-0305) (b)	Company Proposed Changes		Company Proposal FR A-1 (e)	Staff Adjustments		Net Revenue Requirement Per Staff (h)		
			(e) - (b) (c)	(c) / (b) (d)		(h) - (e) (f)	(f) / (e) (g)			
1	Base Revenue Requirement - Filing Year	\$ 920,521	(1)	\$ 23,838	\$ 944,359	(2)	\$ (86)	\$ 944,273	(8)	
2	Reconciliation Adjustment with Interest	109,754	(1)	(38,209)	71,545	(3)	(96)	71,449	(9)	
3	ROE Collar Adjustment	-	(1)	-	-	(4)	-	-	(10)	
4	Total Net Revenue Requirement	<u>\$ 1,030,275</u>	(1) & (6)	<u>\$ (14,371)</u>	(7)	-1.39%	<u>\$ (182)</u>	-0.02%	<u>\$ 1,015,722</u>	(11)
	Total \$ Change - Total Net Revenue Requirement							\$ (14,553)	(12)	
	Total % Change - Total Net Revenue Requirement							-1.41%	(13)	

Notes

- (1) Commission Order in Docket No. 15-0305, Appendix A, Summary, Column (h)
(2) Ameren Direct Testimony, Ameren Ex. 1.2, Sch FR A-1, line 22 + line 26
(3) Ameren Direct Testimony, Ameren Ex. 1.2, Sch FR A-1, line 28
(4) Ameren Direct Testimony, Ameren Ex. 1.2, Sch FR A-1, line 29
(5) Ameren Direct Testimony, Ameren Ex. 1.2, Sch FR A-1, line 30
(6) Ameren Direct Testimony, Ameren Ex. 1.2, Sch FR A-1, line 31
(7) Ameren Direct Testimony, Ameren Ex. 1.2, Sch FR A-1, line 32
(8) Staff Direct Testimony, Staff Ex. 1.0, Schedule 1.01 FY, line 1
(9) Staff Direct Testimony, Staff Ex. 1.0, Schedule 1.01 FY, line 3
(10) Staff Direct Testimony, Staff Ex. 1.0, Schedule 1.01 FY, line 4
(11) Staff Direct Testimony, Staff Ex. 1.0, Schedule 1.01 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
Adjustments to Operating Income
For the Filing Year Ending December 31, 2016
(In Thousands)

Line No.	Description	Interest Synchronization (Staff Sch. 1.06FY)	General Advertising (Staff Sch 2.01)	Rate Case Expense (Staff Sch 2.02)	(Source)	(Source)	(Source)	(Source)	Total Operating Statement Adjustments
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
1	Base Revenue Requirement - Filing Year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2	Other Revenues	-	-	-	-	-	-	-	-
3	Reconciliation Adjustment	-	-	-	-	-	-	-	-
4	Return on Equity Collar Adjustment	-	-	-	-	-	-	-	-
5	Total	-	-	-	-	-	-	-	-
6	Uncollectibles Expense	-	-	-	-	-	-	-	-
7	Distribution	-	-	-	-	-	-	-	-
8	Customer Accounts	-	-	-	-	-	-	-	-
9	Customer Services and Informational Services	-	-	-	-	-	-	-	-
10	Sales	-	-	-	-	-	-	-	-
11	Administrative and General	-	(13)	(5)	-	-	-	-	(18)
12	Depreciation and Amortization	-	-	-	-	-	-	-	-
13	Taxes Other Than Income	-	-	-	-	-	-	-	-
14	Regulatory Asset Amortization	-	-	-	-	-	-	-	-
15	Pension Asset Funding Cost	-	-	-	-	-	-	-	-
16	Other Expense Adjs	-	-	-	-	-	-	-	-
17	Total Operating Expense	-	-	-	-	-	-	-	-
18	Before Income Taxes	-	(13)	(5)	-	-	-	-	(18)
19	State Income Tax	1	1	-	-	-	-	-	2
20	Federal Income Tax	5	4	2	-	-	-	-	11
21	Deferred Taxes and ITCs Net	-	-	-	-	-	-	-	-
22	Total Operating Expenses	6	(8)	(3)	-	-	-	-	(5)
23	NET OPERATING INCOME	\$ (6)	\$ 8	\$ 3	\$ -	\$ -	\$ -	\$ -	\$ 5

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

Line No.	Description	Company Pro Forma Jurisdictional Rate Base (Co Sch B-1)	Staff Adjustments (Staff Sch. 1.04FY)	Staff Rate Base (Col. b+c)
	(a)	(b)	(c)	(d)
1	Distribution Plant	\$ 5,922,919	\$ -	\$ 5,922,919
2	G & I Plant	510,793	-	510,793
3	Accumulated Depreciation on Distribution Plant	(2,814,761)	-	(2,814,761)
4	Accumulated Depreciation on G & I Plant	(169,407)	-	(169,407)
5	Net Plant	3,449,544	-	3,449,544
6	Additions to Rate Base			
7	Materials and Supplies	39,457	-	39,457
8	Construction Work in Progress	2,259	-	2,259
9	Plant Held for Future Use	411	-	411
10	OPEB Liability	2,677	-	2,677
11	Cash Working Capital	15,080	(70)	15,010
12	Deferred Charges Greater Than \$3.7M	8,876	-	8,876
13	Other Deductions From Rate Base	(15,104)	-	(15,104)
14	Accumulated Deferred Income Taxes	(901,847)	-	(901,847)
15	Accrued Vacation Reserve	-	-	-
16		-	-	-
17		-	-	-
18	Accumulated Misc. Operating Provisions	-	-	-
19	Asset Retirement Obligation	-	-	-
20	Other Deferred Credits	-	-	-
21	Customer Advances	(17,579)	-	(17,579)
22	Customer Deposits	(27,199)	-	(27,199)
23		-	-	-
24	Rate Base	<u>\$ 2,556,575</u>	<u>\$ (70)</u>	<u>\$ 2,556,505</u>

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

Line No.	Description (a)	Company Proposal (b)	Staff Adjustments (c)	Per Staff (d)
1	Summary			
2	Current Revenues	\$ 952,089		\$ 952,089
3	Proposed Increase	24,246	(86) #	24,160
4	Proposed Revenue Requirement	<u>\$ 976,335</u>	<u>\$ (86)</u>	<u>\$ 976,249</u>
5	Percentage Increase	2.55%	-0.01%	2.54%
6	Effect of Each Adjustment			
7	Cash Working Capital		\$ (7)	
8	-		-	
9	-		-	
10	-		-	
11	-		-	
12	-		-	
13	-		-	
14	General Advertising		(13)	
15	Rate Case Expense		(5)	
16	Interest Synchronization		9	
17	Rate of Return		(69)	
18	Gross Revenue Conversion Factor		-	
19	Rounding		(1)	
20	Effect of Adjustments		<u>\$ (86) #</u>	
21	Reconciliation to Staff Sch. 1.01FY			
22	Column (c), line 5.		\$ -	
23	Column (f), line 5.		-	
24	Column (h), line 5.		(86)	
25	Total Effect of Adjustments		<u>\$ (86) #</u>	

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

Line No.	Description (a)	Amount (b)
1	Rate Base	\$ 2,556,505 ⁽¹⁾
2	Weighted Cost of Debt	<u>2.90%</u> ⁽²⁾
3	Synchronized Interest (Line 1 x Line 2)	74,139
4	Company Interest Expense	<u>74,156</u> ⁽³⁾
5	Increase (Decrease) in Interest Expense	<u>(17)</u>
6	Increase (Decrease) in State Income Tax Expense	
7	at 7.750%	<u>\$ 1</u>
8	Increase (Decrease) in Federal Income Tax Expense	
9	at 35.000%	<u>\$ 5</u>

(1) Source: Staff Schedule 1.03FY, column (d), line 24

(2) Source: Ameren Schedule WPC-5.4

(3) Source: Ameren Schedule C-5.4

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

Line No.	Description	Rate	With Bad Debts	Without Bad Debts
	(a)	(b)	(c)	(d)
1	Revenues		1.000000	1.000000
2	Uncollectibles	0.7325%	<u>0.007325</u>	
3	State Taxable Income		0.992675	
4	State Income Tax	7.7500%	<u>0.076932</u>	<u>0.077500</u>
5	Federal Taxable Income		0.915743	0.922500
6	Federal Income Tax	35.0000%	<u>0.320510</u>	<u>0.322875</u>
7	Operating Income		<u>0.595233</u>	<u>0.599625</u>
8	Gross Revenue Conversion Factor (Line 1 / Line 7)		<u>1.680014</u>	<u>1.667709</u>

Ameren Illinois Company
Overall Cost of Capital
For the Filing Year Ending December 31, 2016
(In Thousands)

Line No.	Description	Amount	Percent of Total	Percent of Cost	Weighted Component	Effective Tax Rates (1)	After-Tax Cost of Capital
	(a)	(b)	(c)	(d)	(e)	(f)	(g)
1	<u>PER COMPANY</u>						
2	Short Term Debt	\$ -	0.000%	0.000%	0.000%	40.0375%	0.0000%
3	Long Term Debt	2,257,403	48.76%	5.870%	2.860%	40.0375%	1.7149%
4	Preferred Stock	57,461	1.24%	4.980%	0.060%		0.0600%
5	Common Stock	2,314,865	50.000%	8.640%	4.3200%		4.3200%
6	Credit Facility Costs	-	<u>0.000%</u>	0.000%	<u>0.040%</u>	40.0375%	<u>0.0240%</u>
7							
8	Total	<u>\$ 4,629,729</u>	<u>100.000%</u>		<u>7.2800%</u>		<u>6.1189%</u>
9							
10	Company Proposed Operating Income				\$ 186,160	[Sch. FR A-1, line 13]	
11	Company Proposed Rate Base				\$ 2,556,575		
12	Company Effective Return on Rate Base				7.282%		
13	<u>PER STAFF</u>						
14	Short Term Debt	\$ -	0.000%	0.000%	0.00%	40.0375%	0.0000%
15	Long Term Debt	2,257,403	48.76%	5.870%	2.860%	40.0375%	1.7149%
16	Preferred Stock	57,461	1.24%	4.980%	0.0600%		0.0600%
17	Common Stock	2,314,865	50.00%	8.640%	4.3200%		4.3200%
18	Credit Facility Costs	-	<u>0.000%</u>	0.000%	<u>0.040%</u>	40.0375%	<u>0.0240%</u>
19							
20	Total	<u>\$ 4,629,729</u>	<u>100.000%</u>		<u>7.280%</u>		<u>6.1189%</u>
21							
22	Staff Proposed Operating Income				186,114		
23	Staff Proposed Rate Base				2,556,505		
24	Staff Effective Return on Rate Base				7.280%		
25	<u>EFFECTIVE TAX RATE</u>						
26	State Income Tax Rate	7.7500%					
27	Federal Income Tax Rate	35.0000%					
28							
29	Effective Tax Rate	<u>40.0375%</u>				[State Rate + ((1- State Rate) x Federal Rate)]	

Ameren Illinois Company
Reconciliation Computation for the Year Ending December 31, 2015
For the Filing Year Ending December 31, 2016
(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	\$ 916,926				
	Revenue Requirement in effect during						
2	Reconciliation Year	(1')	855,130				
3	Variance - Reconciliation Before Collar	(Ln 1) - (Ln 2)	61,796				
4	ROE Collar Adjustment	Staff Ex. 1.0, Sch. 1.09FY, Col (b), Ln 43	-				
5	Variance with Collar	(Ln 3) + (Ln 4)	\$ 61,796				
6	Monthly Interest Rate	Staff Ex. 3.0, Wtd. Cost of Debt/12	<u>0.6067%</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		\$ 5,150	0.6067%	11.5	\$ 359	\$ 5,509
8	February		5,150	0.6067%	10.5	328	5,478
9	March		5,150	0.6067%	9.5	297	5,446
10	April		5,150	0.6067%	8.5	266	5,415
11	May		5,150	0.6067%	7.5	234	5,384
12	June		5,150	0.6067%	6.5	203	5,353
13	July		5,150	0.6067%	5.5	172	5,321
14	August		5,150	0.6067%	4.5	141	5,290
15	September		5,150	0.6067%	3.5	109	5,259
16	October		5,150	0.6067%	2.5	78	5,228
17	November		5,150	0.6067%	1.5	47	5,197
18	December		5,150	0.6067%	0.5	16	5,165
19	Total	Sum of (Ln 7) thru (Ln 18)	<u>\$ 61,796</u>			<u>\$ 2,249</u>	<u>\$ 64,045</u>
			<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	<u>\$ 64,045</u>	0.6067%	12	\$ 4,663	\$ 68,708
			<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	\$ 68,708	0.6067%		\$ 5,954	\$ 63,171
22	Feb	Col G Ln 21	63,171	0.6067%		5,954	57,600
23	Mar	Col G Ln 22	57,600	0.6067%		5,954	51,996
24	Apr	Col G Ln 23	51,996	0.6067%		5,954	46,357
25	May	Col G Ln 24	46,357	0.6067%		5,954	40,684
26	Jun	Col G Ln 25	40,684	0.6067%		5,954	34,977
27	Jul	Col G Ln 26	34,977	0.6067%		5,954	29,235
28	Aug	Col G Ln 27	29,235	0.6067%		5,954	23,459
29	Sep	Col G Ln 28	23,459	0.6067%		5,954	17,647
30	Oct	Col G Ln 29	17,647	0.6067%		5,954	11,800
31	Nov	Col G Ln 30	11,800	0.6067%		5,954	5,918
32	Dec	Col G Ln 31	5,918	0.6067%		5,954	-
33	Variance with Interest	Sum of (Ln 21) thru (Ln 32)				<u>\$ 71,449</u>	
34	Remove ROE Collar Adjustment (3')	Ln 4				\$ -	
35	Reconciliation with Interest	(Ln 33) - (Ln 34)				<u>\$ 71,449</u>	To Sch. 1.01

Notes:

(1') Calculated in accordance with Section 16-108.5 (d)(1) of the Act. Reconciliation for 2015 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, 2015
For the Filing Year Ending December 31, 2016
(In Thousands)

Line No.	Description (a)	Amount (b)	Column (b) Source (c)
1	DS Rate Base	\$ 2,433,206	Staff Sch. 1.03RY, Column (d), Line 24
	Capital Structure:		
2	Common Equity %	50.00%	AIC Schedule WPC-5.4, Line 4
3	Preferred Stock%	1.24%	AIC Schedule WPC-5.4, Line 3
4	Short-Term Debt %	0.00%	AIC Schedule WPC-5.4, Line 2
5	Long-Term Debt %	48.76%	AIC Schedule WPC-5.4, Line 1
6	DS Equity Balance	1,216,602	Ln 1 x Ln 2
7	DS Preferred Stock Balance	30,199	Ln 1 x Ln 3
8	DS Short-Term Debt Balance	-	Ln 1 x Ln 4
9	DS Long-Term Debt Balance	1,186,403	Ln 1 x Ln 5
10	Cost of Short-Term Debt (%)	0.00%	
11	Cost of Long-Term Debt (%)	5.87%	
12	Cost of Preferred Stock	4.98%	
13	DS Operating Revenue	\$ 901,432	FERC Form 1, p. 300, line 12 and Note (1')
14	[blank]		
	Accrued Reconciliation and Collar Revenues		
15	Included on Line 13	\$ 56,002	FERC Form 1, p. 300, line 12 and Note (1')
16	Updated Reconciliation Amount before Collar	\$ 61,796	Staff Sch. 1.08FY line 3
17	Other Revenue	\$ 31,976	Staff Sch. 1.01FY Column (i) line 2
18	DS Applicable Operating Revenue	\$ 939,202	Ln 13 - Ln 15 + Ln 16 + Ln 17
19	Total DS Operating Expenses	\$ 702,151	Staff Ex. 1.0, Schedule 1.01RY line 18
20	DS Operating Income Before Interest & Taxes	\$ 237,051	Ln 18 - Ln 19
21	DS Short-Term Interest Expense	\$ -	Ln 6 x Ln 10
22	DS Long-Term Interest Expense	\$ 69,630	Ln 9 x Ln 11
23	Credit Facilities Expense	\$ 947	Line 1 times 0.04% Credit Facility Fees
24	DS Operating Income before Taxes	\$ 166,474	Ln 20 - Ln 21 - Ln 22 - Ln 23
25	Income Tax Rate (%)	40.038%	Staff Ex. 1.0, Sch. 1.07RY, Column (d), Ln 4 + Ln 6
26	DS Income Taxes	\$ 66,652	Ln 24 x Ln 25
27	Impact of ITCs & Permanent Tax Differences	\$ (1,547)	Company Sch FR C-4 Ln 12
28	DS Income Taxes	\$ 65,105	Ln 26 + Ln 27
29	DS Net Income before Dividend	\$ 101,369	Ln 24 - Ln 28
30	DS Preferred Stock Dividend	\$ 1,504	Ln 7 x Ln 12
31	DS Net Income	\$ 99,865	Ln 29 - Ln 30
32	DS ROE (%)	8.21%	Ln 31 / Ln 6
33	ROE Collar		
34	Allowed ROE (%)	8.64%	Company Sch FR D-1 Col. Ln 17
35	Maximum Allowed ROE (%)	9.14%	Ln 34 + .5%
36	Minimum Allowed ROE (%)	8.14%	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
Cash Working Capital Adjustment
For the Filing Year Ending December 31, 2016
(In Thousands)

<u>Line</u>	<u>Description</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	\$ 627,600	53.98	0.14789	\$ 92,817	Staff Sch. 1.10FY, page 2, Column (b), Line 6
	Collections of Pass-through Taxes:					
2	Energy Assistance Charges	17,065	0.00	0.00000	-	Line 14
3	Municipal Utility Tax	34	0.00	0.00000	-	Line 16
3a	Deferred Taxes & ITCs Net	(114,907)	53.98	0.14789	(16,994)	Staff Sch. 1.01FY, Column (i), Line 21
4	Total Receipts	<u>\$ 529,792</u>			<u>\$ 75,823</u>	Sum of Lines 1 through 5
5	Employee Benefits	\$ 38,593	(20.27)	(0.05553)	\$ (2,143)	Ameren Schedule B-8, Column B, Line 9
6	FICA	6,392	(13.13)	(0.03597)	(230)	Ameren Schedule B-8, Column B, Line 10
7	Payroll	153,176	(11.53)	(0.03159)	(4,839)	Ameren Schedule C-11.1, Column E, Line 14 +(Sum of Schedule C-2, Columns K, L, M, and R, Line 37)
8	Other Operations and Maintenance Expenses	234,470	(47.04)	(0.12888)	(30,218)	Staff Sch. 2.01FY, page 2, Column (b), Line 17
9	Federal Unemployment Tax	91	(76.38)	(0.20926)	(19)	Ameren Schedule C-18, Column H, Line 3
10	State Unemployment Tax	349	(76.38)	(0.20926)	(73)	Ameren Schedule C-18, Column H, Line 6 + Line 7
11	St. Louis Payroll Expense Tax	18	(87.33)	(0.23926)	(4)	Ameren Schedule C-18, Column H, Line 16
12	Federal Excise Tax	3	(30.21)	(0.08277)	-	Ameren Schedule C-18, Column H, Line 4
13	Electricity Distribution Tax	41,919	(29.38)	(0.08049)	(3,374)	Ameren Schedule C-18, Column H, Line 10
14	Energy Assistance Charges	17,065	(45.66)	(0.12510)	(2,135)	Ameren Schedule C-18, Column H, Line 9
15	Municipal Utility Tax	34	(45.63)	(0.12501)	(4)	Ameren Schedule C-18, Column H, Line 15
16	Gross Receipts Tax	144	(45.63)	(0.12501)	(18)	Ameren Schedule C-18, Column H, Line 11
17	Corporation Franchise Tax	1,091	(193.45)	(0.53000)	(578)	Ameren Schedule C-18, Column H, Line 8
18	Property/Real Estate Tax	3,494	(387.27)	(1.06101)	(3,707)	Ameren Schedule C-18, Column H, Line 14 Staff Sch. 1.06 FY, Column (b), Line 3 less Line 20
19	Interest Expense	73,142	(91.25)	(0.25000)	(18,286)	below Staff Sch. 1.03FY, Column (d),Line 24 x Staff weighted
20	Bank Facility Costs	997	307.92	0.84362	837	bank facility fees.
21	Current State Income Taxes	(8,071)	(37.88)	(0.10378)	838	Staff Sch.1.01FY, Column (i), Line 19
22	Current Federal Income Taxes	(33,618)	(37.88)	(0.10378)	3,489	Staff Sch.1.01FY, Column (i), Line 20
23	Misc. Expenses	503	(253.45)	(0.69438)	(349)	AIC response to SDR BAP 3.01, Attach
24	Total Outlays	<u>\$ 529,792</u>			<u>\$ (60,813)</u>	Sum of Lines 5 through 23
25	Cash Working Capital Per Staff				\$ 15,010	Line 4 plus Line 24
26	Cash Working Capital per Company				15,080	Ameren Sch. B-8
27	Difference -- Adjustment to Cash Working Capital				<u>\$ (70)</u>	Line 25 minus Line 26

Ameren Illinois Company
Cash Working Capital Adjustment
For the Filing Year Ending December 31, 2016
(In Thousands)

<u>Line</u>	<u>Description</u> (a)	<u>Amount</u> (b)	<u>Source</u> (c)
1	Total Operating Revenues	\$ 976,249	Staff Sch. 1.01FY, Column (i), Line 5
2	Uncollectible Accounts	(7,592)	Staff Sch. 1.01FY, Column (i), Line 6
3	Depreciation & Amortization	(225,164)	Staff Sch. 1.01FY, Column (i), Line 12
4	Regulatory Debits	(3,918)	Staff Sch. 1.01FY, Column (i), Line 14
5	Return on Equity	(111,975)	Line 9 below
6	Total Revenues for CWC calculation	<u>\$ 627,600</u>	Sum of Lines 1 through 5
7	Total Rate Base	\$ 2,556,505	Staff Sch. 1.03FY, Column (d), Line 24
8	Weighted Cost of Equity	4.38%	Ameren Schedule WPC-5.4
9	Return on Equity	<u>\$ 111,975</u>	Line 7 times Line 8
10	Operating Expense Before Income Taxes	\$ 716,917	Staff Sch. 1.01FY, Column (i), Line 18
11	Employee Benefits Expense	(38,593)	Ameren Schedule B-8, Column B, Line 9
12	Payroll Expense	(153,176)	Ameren Schedule C-11.1, Column E, Line 14 +(Sum of Schedule C-2, Columns K, L, M, and R, Line 37)
13	Uncollectible Accounts	(7,592)	Staff Sch. 1.01FY, Column (i), Line 6
14	Depreciation & Amortization	(225,164)	Staff Sch. 1.01FY, Column (i), Line 12
15	Taxes Other Than Income	(54,004)	Staff Sch. 1.01FY, Column (i), Line 13
16	Regulatory Debits	(3,918)	Staff Sch. 1.01FY, Column (i), Line 14
17	Other Operations & Maintenance for CWC Calculation	<u>\$ 234,470</u>	Sum of Lines 10 through 16

Ameren Illinois Company
Adjustments to Operating Income
For the Reconciliation Year Ending December 31, 2015
(In Thousands)

Line No	Description	Interest Synchronization (Staff Sch. 1.06RY)	General Advertising (Staff Sch 2.01)	Rate Case Expense (Staff Sch 2.02)	(Source)	(Source)	(Source)	(Source)	Total Operating Statement Adjustments
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
1	Revenue Requirement	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2	Other Revenues	-	-	-	-	-	-	-	-
3		-	-	-	-	-	-	-	-
4		-	-	-	-	-	-	-	-
5	Total	-	-	-	-	-	-	-	-
6	Uncollectibles Expense	-	-	-	-	-	-	-	-
7	Distribution	-	-	-	-	-	-	-	-
8	Customer Accounts	-	-	-	-	-	-	-	-
9	Customer Services and Informational Services	-	-	-	-	-	-	-	-
10	Sales	-	-	-	-	-	-	-	-
11	Administrative and General	-	(13)	(5)	-	-	-	-	(18)
12	Depreciation and Amortization	-	-	-	-	-	-	-	-
13	Taxes Other Than Income	-	-	-	-	-	-	-	-
14	Regulatory Asset Amortization	-	-	-	-	-	-	-	-
15	Pension Asset Funding Cost	-	-	-	-	-	-	-	-
16	Other Expense Adjs	-	-	-	-	-	-	-	-
17	Total Operating Expense	-	(13)	(5)	-	-	-	-	(18)
18	Before Income Taxes	-	(13)	(5)	-	-	-	-	(18)
19	State Income Tax	1	1	-	-	-	-	-	2
20	Federal Income Tax	5	4	2	-	-	-	-	11
21	Deferred Taxes and ITCs Net	-	-	-	-	-	-	-	-
22	Total Operating Expenses	6	(8)	(3)	-	-	-	-	(5)
23	NET OPERATING INCOME	\$ (6)	\$ 8	\$ 3	\$ -	\$ -	\$ -	\$ -	\$ 5

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

Line No.	Description	Pro Forma Jurisdictional Rate Base (Co Sch B-1 Recon)	Staff Adjustments (Staff Sch. 1.04RY)	Reconciliation Year Rate Base (Col. b+c)
	(a)	(b)	(c)	(d)
1	Distribution Plant	\$ 5,586,460	\$ -	\$ 5,586,460
2	G & I Plant	438,471	-	438,471
3	Accumulated Depreciation on Distribution Plant	(2,629,168)	-	(2,629,168)
4	Accumulated Depreciation on G & I Plant	(144,180)	-	(144,180)
5	Net Plant	3,251,583	-	3,251,583
6	Additions to Rate Base			
7	Materials and Supplies	39,457	-	39,457
8	Construction Work in Progress	2,259	-	2,259
9	Plant Held for Future Use	411	-	411
10	Deferred Debits	8,876	-	8,876
11	Cash Working Capital	15,234	(69)	15,165
12	OPEB Liability	2,677	-	2,677
13	Deductions From Rate Base			
14	Accumulated Deferred Income Taxes	(827,339)	-	(827,339)
15	Accrued Vacation Reserve	-	-	-
16		-	-	-
17		-	-	-
18	Accumulated Misc. Operating Provisions	-	-	-
19	Asset Retirement Obligation	-	-	-
20	Other Rate Base Adjustments	(15,105)	-	(15,105)
21	Customer Advances	(17,579)	-	(17,579)
22	Customer Deposits	(27,199)	-	(27,199)
23		-	-	-
24	Rate Base at End of Year	\$ 2,433,275	\$ (69)	\$ 2,433,206

Ameren Illinois Company
Revenue Effect of Adjustments
For the Reconciliation 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	\$ 887,106		\$ 887,106
3	Proposed Increase	<u>61,879</u>	<u>\$ (83) #</u>	<u>61,796</u>
4	Proposed Revenue Requirement	<u>\$ 948,985</u>	<u>\$ (83)</u>	<u>\$ 948,902</u>
5	Percentage Increase	6.98%	-0.01%	6.97%
6	Effect of Each Adjustment			
7				
8	Cash Working Capital		\$ (7)	
9		-	-	
10		0	-	
11		-	-	
12		0	-	
13		-	-	
14		0	-	
15	Rate Case Expense		(5)	
16	General Advertising		(13)	
17	Gross Revenue Conversion Factor		-	
18	Rate of Return		(66)	
19	Interest Synchronization		9	
20	Rounding		(1)	
21	Effect of Adjustments		<u>\$ (83) #</u>	
22	Reconciliation to Staff Sch. 1.01RY			
23	Column (c), line 5.		\$ -	
24	Column (f), line 5.		-	
25	Column (h), line 5.		<u>(83)</u>	
26	Total Effect of Adjustments		<u>\$ (83) #</u>	

Ameren Illinois Company
Overall Cost of Capital
For the Reconciliation Year Ending December 31, 2015
(In Thousands)

Line No.	Description	Amount	Percent of Total	Percent of Cost	Weighted Component	Effective Tax Rates (1)	After-Tax Cost of Capital	
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	
1	<u>PER COMPANY</u>							
2	Short Term Debt	\$ -	0.00%	0.00%	0.00%	40.0375%	0.0000%	
3	Long Term Debt	2,257,403	48.76%	5.87%	2.86%	40.0375%	1.7149%	
4	Preferred Stock	57,461	1.24%	4.98%	0.06%		0.0600%	
5	Common Stock	2,314,865	50.00%	8.64%	4.32%		4.3200%	
6	Credit Facility Costs	-	<u>0.00%</u>	0.00%	<u>0.04%</u>	40.0375%	<u>0.0240%</u>	
7								
8	Total	<u>\$ 4,629,729</u>	<u>100.00%</u>		<u>7.2800%</u>		<u>6.1189%</u>	
9								
10	Company Proposed Operating Income				\$ 177,182			
11	Company Proposed Rate Base				\$ 2,433,275			
12	Company Effective Return on Rate Base				7.282%			
13	<u>PER STAFF</u>							
14	Short Term Debt	\$ -	0.00%	0.00%	0.00%	40.0375%	0.0000%	
15	Long Term Debt	2,257,403	48.760%	5.8700%	2.8600%	40.0375%	1.7149%	
16	Preferred Stock	57,461	1.240%	4.9800%	0.060%		0.0600%	
17	Common Stock	2,314,865	50.00%	8.6400%	4.320%		4.3200%	
18	Credit Facility Costs	-	0.00%	0.00%	0.040%	40.0375%	0.0240%	
19		-	<u>0.00%</u>	0.00%	<u>0.000%</u>		<u>0.0000%</u>	
20	Total	<u>\$ 4,629,729</u>	<u>100.00%</u>		<u>7.2800%</u>		<u>6.1189%</u>	
21								
22	Staff Proposed Operating Income				\$ 177,137			
23	Staff Proposed Rate Base				\$ 2,433,206			
24	Staff Effective Return on Rate Base				7.280%			
25	<u>EFFECTIVE TAX RATE</u>							
26	State Income Tax Rate	7.7500%						
27	Federal Income Tax Rate	35.0000%						
28								
29	Effective Tax Rate	<u>40.0375%</u>	[State Rate + ((1- State Rate) x Federal Rate)]					

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

Line No.	Description (a)	Amount (b)
1	Rate Base	\$ 2,433,206 ⁽¹⁾
2	Weighted Cost of Debt	<u>2.90%</u> ⁽²⁾
3	Synchronized Interest (Line 1 x Line 2)	70,563
4	Company Interest Expense	<u>70,579</u> ⁽³⁾
5	Increase (Decrease) in Interest Expense	<u>(16)</u>
6	Increase (Decrease) in State Income Tax Expense	
7	at 7.750%	<u>\$ 1</u>
8	Increase (Decrease) in Federal Income Tax Expense	
9	at 35.000%	<u>\$ 5</u>

(1) Source: Schedule 1.03, column (d), line 24

(2) Source: Ameren WPC-5.4

(3) Source: Ameren Sch C-5.4

Ameren Illinois Company
Gross Revenue Conversion Factor
 For the Reconciliation 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	0.0000%	<u>0.000000</u>	
3	State Taxable Income		1.000000	
4	State Income Tax	7.7500%	<u>0.077500</u>	<u>0.077500</u>
5	Federal Taxable Income		0.922500	0.922500
6	Federal Income Tax	35.0000%	<u>0.322875</u>	<u>0.322875</u>
7	Operating Income		<u>0.599625</u>	<u>0.599625</u>
8	Gross Revenue Conversion Factor (Line 1 / Line 7)		<u>1.667709</u>	<u>1.667709</u>

Ameren Illinois Company
Cash Working Capital Adjustment
For the Reconciliation Year Ending December 31, 2015
(In Thousands)

<u>Line</u>	<u>Description</u> (a)	<u>Amount</u> (b)	<u>Lag (Lead)</u> (c)	<u>CWC Factor</u> (d) (c/365)	<u>Requirement</u> (e) (b*d)	<u>Column b Source</u> (f)
1	Revenues	\$ 620,420	53.98	0.14789	\$ 91,754	Staff Sch. 1.10RY, page 2, Column (b), Line 6
	Collections of Pass-through Taxes:					
2	Energy Assistance Charges	17,065	0.00	0.00000	-	Line 14
3	Municipal Utility Tax	34	0.00	0.00000	-	Line 16
3a	Deferred Taxes & ITCs Net	(114,907)	53.98	0.14789	(16,994)	Staff Sch. 1.01RY, Column (i), Line 21+Line 20
4	Total Receipts	<u>\$ 522,612</u>			<u>\$ 74,760</u>	Sum of Lines 1 through 5
5	Employee Benefits	\$ 38,593	(20.27)	(0.05553)	\$ (2,143)	Ameren Schedule B-8, Column B, Line 9
6	FICA	6,392	(13.13)	(0.03597)	(230)	Ameren Schedule B-8, Column B, Line 10
7	Payroll	153,176	(11.53)	(0.03159)	(4,839)	Ameren Schedule C-11.1, Column E, Line 14 +(Sum of Schedule C-2, Columns K, L, M, and R, Line 37)
8	Other Operations and Maintenance Expenses	234,470	(47.04)	(0.12888)	(30,218)	Staff Sch. 2.01FY, page 2, Column (b), Line 17
9	Federal Unemployment Tax	91	(76.38)	(0.20926)	(19)	Ameren Schedule C-18, Column H, Line 3
10	State Unemployment Tax	349	(76.38)	(0.20926)	(73)	Ameren Schedule C-18, Column H, Line 6 + Line 7
11	St. Louis Payroll Expense Tax	18	(87.33)	(0.23926)	(4)	Ameren Schedule C-18, Column H, Line 16
12	Federal Excise Tax	3	(30.21)	(0.08277)	-	Ameren Schedule C-18, Column H, Line 4
13	Electricity Distribution Tax	41,919	(29.38)	(0.08049)	(3,374)	Ameren Schedule C-18, Column H, Line 10
14	Energy Assistance Charges	17,065	(45.66)	(0.12510)	(2,135)	Ameren Schedule C-18, Column H, Line 9
15	Municipal Utility Tax	34	(45.63)	(0.12501)	(4)	Ameren Schedule C-18, Column H, Line 15
16	Gross Receipts Tax	144	(45.63)	(0.12501)	(18)	Ameren Schedule C-18, Column H, Line 11
17	Corporation Franchise Tax	1,091	(193.45)	(0.53000)	(578)	Ameren Schedule C-18, Column H, Line 8
18	Property/Real Estate Tax	3,494	(387.27)	(1.06101)	(3,707)	Ameren Schedule C-18, Column H, Line 14
19	Interest Expense	69,616	(91.25)	(0.25000)	(17,404)	Staff Sch. 1.06 RY, Column (b), Line 3 less Line 20 below
20	Bank Facility Costs	947	307.92	0.84362	799	Staff Sch. 1.03RY, Column (d),Line 24 x Staff weighted bank facility fees.
21	Current State Income Taxes	(8,767)	(37.88)	(0.10378)	910	Staff Sch.1.01RY, Column (i), Line 19
22	Current Federal Income Taxes	(36,526)	(37.88)	(0.10378)	3,791	Staff Sch.1.01RY, Column (i), Line 20
23	Misc. Expenses	503	(253.45)	(0.69438)	(349)	AIC response to SDR BAP 3.01, Attach
24	Total Outlays	<u>\$ 522,612</u>			<u>\$ (59,595)</u>	Sum of Lines 5 through 23
25	Cash Working Capital Per Staff				\$ 15,165	Line 4 plus Line 24
26	Cash Working Capital per Company				15,234	Ameren Sch. B-8
27	Difference -- Adjustment to Cash Working Capital				<u>\$ (69)</u>	Line 25 minus Line 26

Ameren Illinois Company
Cash Working Capital Adjustment
For the Reconciliation Year Ending December 31, 2015
(In Thousands)

<u>Line</u>	<u>Description</u> (a)	<u>Amount</u> (b)	<u>Source</u> (c)
1	Total Operating Revenues	\$ 948,902	Schedule 1.01RY, Column i, Line 5
2	Uncollectible Accounts	(6,770)	Schedule 1.01RY, Column i, Line 6
3	Depreciation & Amortization	(211,220)	Schedule 1.01RY, Column i, Line 12
4	Regulatory Debits	(3,918)	Schedule 1.01RY, Column i, Line 14
5	Return on Equity	<u>(106,574)</u>	Line 9 below
6	Total Revenues for CWC calculation	<u>\$ 620,420</u>	Sum of Lines 1 through 5
7	Total Rate Base	\$ 2,433,206	Schedule 1.03RY, Column d, Line 24
8	Weighted Cost of Equity	<u>4.38%</u>	Ameren Schedule WPC-5.4
9	Return on Equity	<u>\$ 106,574</u>	Line 7 times Line 8
10	Operating Expense Before Income Taxes	\$ 702,151	Schedule 1.01RY, Column i, Line 18
11	Employee Benefits Expense	(38,593)	Ameren Schedule B-8, Column B, Line 9 Ameren Schedule C-11.1, Column E, Line 14 +(Schedule C-2, Column N, Line 54 + Column O, Line 54)
12	Payroll Expense	(153,176)	
13	Uncollectible Accounts	(6,770)	Schedule 1.01RY, Column i, Line 6
14	Depreciation & Amortization	(211,220)	Schedule 1.01RY, Column i, Line 12
15	Taxes Other Than Income	(54,004)	Schedule 1.01RY, Column I, Line 13
16	Regulatory Debits	(3,918)	Schedule 1.01RY, Column i, Line 14
17	Other Operations & Maintenance for CWC Calculation	<u>\$ 234,470</u>	Sum of Lines 10 through 16