

7. 2014 Budget – 2015 Forecast and percentage change

2014 Budget	2015 Forecast	Percentage change
2,425,805	3,005,511	23.9%

2015 Budget (AF36) – 2015 Forecast and percentage change

2015 Budget	2015 Forecast	Percentage change
2,645,272	3,005,511	13.6%

Majority of the increase is related to compliance with NERC Critical Infrastructure Program (CIP) v5 requirements. Exploring to see how much, if any, of these expenses can be treated as capital.

What Allocation Factor(s) is(are) being used and methodology?

004A -- # of Employees (Mgmt & Contract) [87%]

010A -- Peak Load (Electric) [6%]

The remainder flows through IT's functional indirect or is direct charged

8. Allocation of costs:

- Have you reviewed the allocation factors being used for allocating AMS costs to the business segments? Yes No
- Does the allocation method appear to be reasonable? Yes No
- Does the resulting allocation of cost to appear to be reasonable? Yes No
- Do you have suggested changes? Yes No
- Please summarize suggested changes, if any.

9. Based on Segment Priorities, what would be changed; increase or reduction in service and cost by X%?

Ameren cyber security program is routinely re-assessed based on a constantly changing threat landscape. As investments are made to strengthen Ameren's cyber security program operating expenses are expected to increase for the next 2-3 years.

Compliance with Critical Infrastructure Protection Program (CIP) version 5 will result in an increase of O&M expenses currently estimated at \$300,000. This is primarily related in security of transmission substations located with Ameren Illinois

10. AIC representatives: AIC Internal Communication – To what other AIC stakeholders within AIC have you communicated this information or obtained input from regarding these services?

Stan Ogden and Mike Getz

Designated AIC Representative Signature:

Rodger Koester: *Rodger Koester* Date 8-26-14

Roger Pontifex: *Roger Pontifex* Date 8-26-14

Please forward all completed forms to your Segment Controller.

AIC Joint Planning Checklist – Forecast Year 2015

1. Please specify the number and name of the B&CS product/service you are reviewing:
Catalog page number: **172** Product/service name: **Application Development Services**
2. With whom did you meet? Roger Pontifex, Roger Koester, Tom Rice, Mary Heger,
Jessica Nagar, Jay Knobbe, Charlie Schaeffer, Joe Solari
Date(s) of meeting(s)? 07/07/2014

3. Have you reviewed the Catalog description (see link to Catalog) of your product/service? Yes No
4. Have you discussed the nature of the product/service provided, and the related cost, with the AMS service provider? Yes No
5. If some or all of this product/service is currently being outsourced, please explain:

ASC/IT supplements its internal application development, project management, and selected other staff with external consultants (both staff augmentation and project specific professional services) based upon new requests for Application Development Services. These decisions are based on costs, overall work load considerations, and specific functional and technical expertise that may be required.

When staff augmentation is utilized, the ASC/IT engages a third-party vendor-neutral manager of contract staffing. They work directly with multiple vendors to ensure that staff augmentation costs are appropriate and potential consultants will satisfy the specific need.

When project specific professional services are required, ASC/IT engages with the Ameren Sourcing department to issue Request for Proposals (RFP) in order to ensure best pricing considerations are made as part of the overall sourcing decision.

6. Joint planning with the AMS service provider:
 - Have you discussed our Segment plans and goals as they relate to the AMS service provider? Yes No
 - Have you explored cost containment opportunities? Yes No
 - Have you explored possible reductions in service level at reduced cost? Yes No
 - Are there potential savings opportunities by further outsourcing? Yes No
 - Are you recommending any changes? Yes No
 - Please explain your recommendations, if any:

Note: This service is routinely evaluated to ensure it is delivered at a competitive price that strikes a balance with the value delivered to the business segment. As part of this evaluation, right-sourcing, whether that be out-sourcing or in-sourcing is considered.

Over time, business priorities can change which means that new initiatives may develop or cause cancellation or deferral of planned projects.

7. 2014 Budget – 2015 Forecast and percentage change

2014 Budget	2015 Forecast	Percentage change
\$1,608,173	\$2,878,571	79%

2015 Budget (AF36) – 2015 Forecast and percentage change

2015 Budget	2015 Forecast	Percentage change
2,113,281	2,878,571	36%

Please note that the above matrix represents O&M expense costs only related to this activity.

There are several factors that drive the increase in this activity's costs for 2015. Several of the major factors for the increase are:

- Labor rate increases (which includes labor overheads);
- Increased expense based project load (e.g., more application upgrades planned for this calendar year than previous year);
- Reallocation of labor costs from Capital in 2014 to O&M in 2015 due to differing project loads across the Development groups.

What Allocation Factor(s) is(are) being used and methodology?

002A - # of Customers(T&D & Interchange Electric/Gas in MO/IL)

002D - # of Gas Customers (T&D in MO/IL)

002L - # Electric/Gas Distribution Customers (MO/IL)

004A - # of Employees (Mgmt & Contract)

007A - Total Capitalization

017A - # of General Ledger Transactions

017B - # of Accounts Payable Vouchers

AIC – 100% AIC

F_CT – Controllers - Indirect Functional

F_IS – Information Technology – Indirect Functional

8. Allocation of costs:

- Have you reviewed the allocation factors being used for allocating AMS costs to the business segments? Yes No
- Does the allocation method appear to be reasonable? Yes No
- Does the resulting allocation of cost to appear to be reasonable? Yes No
- Do you have suggested changes? Yes No
- Please summarize suggested changes, if any.

9. Based on Segment Priorities, what would be changed; increase or reduction in service and cost by X%?

Ameren Illinois is asking for increased participation by Ameren Services in specific segment projects for 2015. This more than likely will result in increased services (i.e. increased demand) for this activity for the 2015 period.

10. AIC representatives: AIC Internal Communication – To what other AIC stakeholders within AIC have you communicated this information or obtained input from regarding these services?

Stan Ogden and Mike Getz

Designated AIC Representative Signature:

Rodger Koester: _____

Roger Pontifex: _____

Date 8-26-14

Date 8-26-14

Please forward all completed forms to your Segment Controller.

AIC Joint Planning Checklist – Forecast Year 2015

1. Please specify the number and name of the B&CS product/service you are reviewing:

Catalog page number: 173

Product/service name: **Application Maintenance Services**

2. With whom did you meet? Roger Pontifex, Roger Koester, Tom Rice, Mary Heger, Jessica Nagar, Jay Knobbe, Charlie Schaeffer, Joe Solari

Date(s) of meeting(s)? 07/07/2014

3. Have you reviewed the Catalog description (see link to Catalog) of your product/service? Yes No

4. Have you discussed the nature of the product/service provided, and the related cost, with the AMS service provider? Yes No

5. If some or all of this product/service is currently being outsourced, please explain:

ASC/IT staffs Maintenance Services to provide a service level which allows for base maintenance of the specific application suite or application. Some applications are either completely outsourced or partially outsourced based on competitive cost profiles and the degree of application expertise required (e.g.: Investor Services support is completely outsourced, while Oracle Enterprise Business Suite support is partially outsourced). Many others are completely "in-sourced".

In addition, from time to time, ASC/IT supplements its internal staff with external consultants (both staff augmentation and product specific maintenance services) based on overall cost, work load considerations, and specific functional and technical expertise that may be required. Specific Maintenance Services sourcing strategies vary by application suite and specific applications within the suites.

When staff augmentation is utilized the ASC/IT engages a third-party vendor-neutral manager of contract staffing. They work directly with multiple vendors to ensure that staff augmentation costs are appropriate and potential consultants will satisfy the specific need.

When project specific professional services are required, ASC/IT engages with the Ameren Sourcing department to issue Request for Proposals (RFP) in order to ensure best pricing considerations are made as part of the overall sourcing decision.

6. Joint planning with the AMS service provider:

- Have you discussed our Segment plans and goals as they relate to the AMS service provider? Yes No
- Have you explored cost containment opportunities? Yes No
- Have you explored possible reductions in service level at reduced cost? Yes No
- Are there potential savings opportunities by further outsourcing? Yes No
- Are you recommending any changes? Yes No
- Please explain your recommendations, if any:

All IT Application Development employees have participated in training related to the Ameren Lean/Continuous Improvement (CI) initiative. The CI goal is to identify and