STATE OF ILLINOIS

ILLINOIS COMMERCE COMMISSION

Illinois Commerce Commission	**:**	
On Its Own Motion	**:**	
-vs-	**:**	
Ameren Illinois Company d/b/a Ameren Illinois	**:**	**15-0534**
	:	
Reconciliation of revenues collected under power procurement riders with actual costs associated with power procurement expenditures.	**:**	

ORDER

By the Commission:

I. INTRODUCTION

On September 22, 2015, the Illinois Commerce Commission ("Commission") entered an Order ("Initiating Order") directing Ameren Illinois Company d/b/a Ameren Illinois ("Ameren" or the "Company") to present evidence showing the reconciliation of revenues collected under its power procurement riders with the actual costs incurred in connection with the related procurement activities. The reconciliation period relevant to this docket is the 12 months beginning June 1, 2013 and ending May 31, 2014 ("Reconciliation Period"). Appearances were entered by counsel for Ameren and for Commission Staff ("Staff"). No petitions to intervene were filed.

Pursuant to notice duly given as required by law and by the rules and regulations of the Commission, an evidentiary hearing was held before a duly authorized Administrative Law Judge ("ALJ") of the Commission at its offices in Chicago, Illinois on June 22, 2016. Appearances were entered on behalf of Ameren and Staff. Ameren presented the pre-filed sworn testimony of Richard L. McCartney, Director of Power Supply Acquisition at Ameren, David J. Brueggeman, a Capacity Trader in Power Supply Acquisition at Ameren, and Dominic S. Perniciaro, the Riders and Margin Manager at Ameren. Staff presented the pre-filed sworn testimony of Daniel G. Kahle, an Accountant in the Accounting Department of the Financial Analysis Division of the Commission. At the conclusion of the hearing, the record was marked "Heard and Taken."

There were no contested issues and the parties agreed to file an agreed upon draft order. On August 5, 2016, Ameren filed the agreed upon draft order for the ALJ's consideration.

II. AMEREN TESTIMONY

Ameren filed testimony in response to the Initiating Order and in support of approval of the reconciliations. Ameren witness McCartney provided an overview of Ameren's planning process prior to the supply procurement activities for customers taking supply on the Company's fixed price tariff, Rider BGS – Basic Generation Service ("Rider BGS"), during the Reconciliation Period. Mr. McCartney explained that the Company previously submitted a five-year hourly forecast to the Illinois Power Agency ("IPA") on July 12, 2012. Mr. McCartney testified that customers with peak demands of less than 400 kilowatts (kW) were included in the forecast through April 2014, but effective May 2014, only customers with peak demands less than 150 kilowatts (kW) were included in the forecast pursuant to the Commission's Order in Docket No. 11-0192, on that date the three year competitive declaration transition period expired for customers with peak demands equal to or higher than 150 kW but less than 400 kW. *Ameren Illinois Company d/b/a Ameren Illinois,* Docket No. 11-0192, Order at 4 (Mar. 23, 2011). Mr. McCartney further testified that effective May 2014 and continuing indefinitely, all customers with peak demand equal to or greater than 150 kW were prohibited from taking Rider BGS supply for which the IPA procures. The IPA subsequently used this forecast as the basis for determining the initial quantities of energy, capacity and renewable energy credits to be pursued in the IPA Procurement Plan ("Plan") which was made public as part of an informal comment period on August 15, 2012. The IPA then subsequently filed the Plan with the Commission on September 28, 2012 and this led to the commencement of Docket No. 12-0544. Subsequent to the commencement of Docket No. 12-0544, the Company filed a Motion for Leave to File Updated Load Forecast on November 20, 2012 so as to comply with the Plan. Mr. McCartney testified that the Plan included a detailed description of the Company's forecast methodology and the Company's monthly projections per rate class. The merits of the Plan were debated by Staff and other intervening parties. In its Order on December 19, 2012, the Commission accepted the Plan with certain modifications. Mr. McCartney testified that the Commission made no modifications related to the forecast provided by Ameren and concluded that "the Commission approves the load forecasts attached to the Procurement Plan as modified by the November 16, 2012 ComEd update and the November 20, 2012 AIC updated." The Commission also affirmed that the March 2013 forecast update should be used in determining final procurement quantities subject to consensus among the utilities, the IPA, the Procurement Administrators, the Procurement Monitor, and Staff. *The Illinois Power Agency,* Docket No. 12-0544, Order at 68 (Dec. 19, 2012). Consistent with the approved Plan, Mr. McCartney testified that Ameren provided another updated forecast on March 14, 2013 and consensus was reached on March 27, 2013 among the IPA, the Procurement Administrator, the Procurement Monitor, Staff, and Ameren.

Mr. McCartney explained what types of products the Plan proposed and which types were approved in the Order. The approved Plan stated that "both ComEd and Ameren have experienced dramatic reductions in retail load serving obligations since the overwhelmingly successful March 2012 referenda authorizing opt-out aggregation of customers and the consequent opportunities for substantial savings on the supply portion of customers' bills." Final Plan at 2. The Plan concluded that existing block energy hedges procured in prior years were in excess of forecasted requirements and therefore no additional bilateral procurement should occur in 2013. Further, the Plan recommended that the excess energy hedges settle in the Midcontinent Independent System Operator, Inc. ("MISO") markets. Final Plan at 30. Mr. McCartney testified that while this matter was undisputed in Docket No. 12-0544, the Commission affirmed this decision and also affirmed the decisions regarding capacity and Renewable Energy Credits ("RECs"). Docket No. 12-0544, Order at 272,109-110. Regarding capacity, the Plan acknowledged that some existing purchases were made in prior years and recommended that the remaining capacity requirement be procured through the MISO capacity auction in 2013. Final Plan at 4. Regarding RECs, the Plan noted that "the quantity targets for future years in the 2013 Procurement Plan's planning horizon have been more than met by prior long term purchases." Final Plan at 84. The Plan therefore recommended no procurement of RECs in 2013. Final Plan at 4. Mr. McCartney testified that the Plan also acknowledged that existing procurements of renewables could cause the spending cap to be exceeded during the Reconciliation Period. This created the potential for the utilities to invoke a partial curtailment of existing Long Term Power Purchase Agreements ("LTPPAs") procured by the IPA as part of Docket No. 09-0373, which in turn would keep the purchase of renewables under the spending cap. The IPA proposed that partial curtailments, if any, be based on the March 2013 forecast update after consensus of the utilities, the IPA, the Procurement Administrators, the Procurement Monitor, and Staff. The Commission approved the IPA recommendation. Docket No. 12-0544, Order at 110. Mr. McCartney testified that consistent with the Order, Ameren provided the updated forecast on March 14, 2013, and this forecast affirmed that existing purchases of RECs were in excess of targeted requirements and therefore no additional procurement of RECs was warranted during the Reconciliation Period. However, the forecast also revealed that the renewable budget for Rider BGS customers was not exceeded and therefore a partial curtailment of the LTPPAs was not necessary to keep expenditures below the spending cap. As a result of the updated forecast, consensus among the IPA, the Procurement Administrator, the Procurement Monitor, Staff, and Ameren was reached on March 27, 2013.

Mr. McCartney testified that the IPA made no additional procurements of energy, capacity or RECs during the Reconciliation Period, and that in addition to energy, capacity and RECs, the Plan also included a description of how Ameren would procure services such as network transmission service, load balancing services, ancillary services, and auction revenue rights. The Commission approved these types of services as described in the Plan. Mr. McCartney explained that the Plan contained a proposal for a Clean Coal facility and described the conclusion reached by the Commission. The Plan included a recommendation to approve a power purchase agreement from FutureGen 2.0. Final Plan at 78-83. The Commission ordered that FutureGen should contract only with the utilities that would then subsequently recover costs from all delivery service customers regardless of whether supplied by the utility or an Alternative Retail Electric Supplier. Docket No. 12-0544, Order at 236. Mr. McCartney testified that Docket No. 13-0034 commenced as a result of the Commission ordering that remaining language associated with the pending Sourcing Agreement between FutureGen and the utilities be addressed in a separate proceeding. After several workshops between the parties to Docket No. 13-0034, the Commission was presented a Sourcing Agreement which was mutually agreeable among impacted parties and the Commission ordered that the utilities and FutureGen should execute the Sourcing Agreement. *Id*. at 18. Consistent with the

Commission's Order in Docket No. 12-0544, Ameren and FutureGen executed the Sourcing Agreement on August 22, 2013. Since that date, FutureGen has been unable to obtain adequate capital so as to commence construction of its planned generating facility and therefore FutureGen invoked its right under the Sourcing Agreement to terminate. FutureGen sent its termination letter to Ameren on February 9, 2016 and Ameren acknowledged it. With termination now complete, neither party has any remaining obligation under the Sourcing Agreement. Mr. McCartney testified that Ameren would seek Commission termination of the approved Clean Coal Adjustment Rider which would have been the cost-recovery mechanism had FutureGen proceeded with construction and in-service declaration.

Mr. McCartney testified about the planning process and the energy and capacity procurement process for customers taking supply under the Company's real-time pricing tariffs, Rider RTP – Real Time Pricing ("Rider RTP") and Rider HSS – Hourly Supply Service ("Rider HSS"). He testified that forecasts were created prior to and during the Reconciliation Period using three primary sources, which were used to estimate monthly capacity requirements and daily energy requirements for customers: (1) billing data for those customers actively taking service on Rider RTP and Rider HSS, and those customers who were pending to take such supply in the next billing cycle; (2) historical hourly consumption data associated with the MISO settlement process; and (3) letters of intent associated with the summer notification process identified in Rider HSS and/or other less formal types of communications between customers and personnel working in the Key Accounts Department for Ameren.

Mr. McCartney also testified about the procurement process for Rider RTP and Rider HSS. Mr. McCartney further testified that Ameren's tariff for Rider RTP and Rider HSS defines the general parameters for procuring the capacity and energy required to service Ameren's real time pricing customer load, and that the capacity and energy purchases were made consistent with the parameters included in this tariff. Specifically, Mr. McCartney explained that all energy associated with Rider RTP and Rider HSS was priced based on MISO's Locational Marginal Pricing ("LMP") methodology. Mr. McCartney further explained that for each operating day during the Reconciliation Period at issue in this docket, Ameren submitted an hourly megawatt forecast to MISO the day prior to the operating day pertaining to the applicable Rider RTP and Rider HSS load. Once submitted to MISO, Mr. McCartney explained, this forecast became a financially binding "Demand Bid," which subsequently was priced at the MISO hourly day ahead LMPs. Any difference between the day ahead forecast and the actual energy used by customers was settled at hourly real time LMPs. Mr. McCartney stated that, the Reconciliation Period represented the first year of the MISO annual capacity construct, whereas in previous years MISO used a monthly capacity construct. As explained by Mr. McCartney, under the annual capacity construct, Zonal Resource Credits ("ZRCs") replaced Planning Resource Credits as the means to satisfy the MISO resource adequacy requirement. All of the capacity for customers taking supply from Rider RTP and Rider HSS was procured via the MISO auction.

Mr. McCartney testified about the administrative and operational costs associated with the Reconciliation Period. He explained that the costs at issue include, but are not limited to, short and long term forecasting of load, active participation in the IPA procurement plan docket and the planning stages leading up to the procurement process, assisting in the development of bilateral contract terms associated with the IPA procurement, development of the Rider BGS supply price for the upcoming planning year, procurement of capacity for customers on real time pricing tariffs not procured by the IPA, on-going contract administration, invoice check-out and payment to bilateral suppliers under contract, submission of daily demand bids (forecasts) to MISO each day of the year, MISO settlement, nomination of auction revenue rights which offset customer costs, participation in MISO initiatives, implementation of changing MISO business practices and feedback to various interested parties (e.g., the IPA, the Procurement Administrator, the Procurement Monitor, Staff) regarding a variety of MISO issues throughout the course of the year, responding to data requests from regulatory parties. Mr. McCartney concluded that the costs incurred during the Reconciliation Period were necessary and reasonable because they were consistent with the requirements under the IPA procurement plan and the Commission-approved Ameren power supply tariffs.

Ameren witness Brueggeman testified about the power supply procurement process and the products that were purchased in order to satisfy the power supply needs of Ameren’s retail customers taking service under Rider BGS for the Reconciliation Period. Mr. Brueggeman provided an overview of the power supply products that were procured in order to satisfy the power supply needs of Rider BGS customers during the Reconciliation Period. Mr. Brueggeman testified that as a result of the dramatic reductions in retail load serving obligations, existing energy hedges procured in prior years were on average in excess of forecasted requirements and therefore the IPA did not have a procurement event in 2013. He testified that any difference between energy hedges and actual load settled in the MISO markets.

Mr. Brueggeman described the power supply products pertaining to Rider BGS. The power supply products obtained through previous IPA purchases consisted of capacity, energy and RECs. The capacity product consisted of legacy contacts that gave Ameren the rights to ZRCs which satisfied a portion of Ameren’s resource adequacy requirement obligations associated with MISO tariffs. Mr. Brueggeman testified that the remainder of Ameren’s resource adequacy requirement for the plan year was procured through the MISO capacity auction, as specified in the Plan. He testified that RECs procured through the 2010 LTPPAs and the 2012 Rate Stability Procurement met the Company's RECs requirement for the 2013 plan year. He stated, in addition, other miscellaneous services were obtained from the MISO consistent with the approved IPA procurement plan.

Mr. Brueggeman further testified that the energy product consisted of legacy physical contracts consistent with the approved IPA procurement plans. The physical settlement contracts required the contracting parties to confirm schedules through MISO, where the seller transferred energy to Ameren and thus reduced the MISO energy charges that otherwise would have been incurred. Ameren then directly paid the seller the agreed-upon fixed price for the contractual quantity of energy. The LTPPAs, according to Mr. Brueggeman, included an energy component that was settled through a financial swap on a fixed for floating basis where the floating price was calculated as the average MISO Day-Ahead Locational Marginal Pricing for each hour of each settlement month at the Company's Load Zone. He stated that the parties then netted the difference between the agreed upon fixed price and the floating price. Mr. Brueggeman also stated that the RECs obtained from the LTPPAs and the Rate Stability Procurement were used solely to meet the renewable portfolio standard requirement.

Mr. Brueggeman explained that the Commission-approved procurement plan identified physical transactions as the mechanism to hedge the cost of energy. Since the energy purchases were done in blocks as specified in previous procurement plans, any difference between the hedges and actual load was settled through the MISO energy markets. He stated further that the combination of previous Commission-approved physical transaction contracts and spot energy settlement from MISO made up the energy purchases pertaining to Rider BGS load, and described the other products procured on behalf of Ameren's real time pricing tariffs.

Mr. Brueggeman discussed the legislative provisions related to the prudence of purchases that result from the IPA procurement process; explained that purchases made via the IPA procurement process were made in a manner consistent with the procurement provisions of the Public Utilities Act ("Act"); that Ameren performed all prudent acts in a manner consistent with the law and the Commission's Order approving the Plan in Docket No. 12-0544; and that Ameren recovers costs incurred for power procurements pertaining to Rider BGS through Rider PER – Purchased Electricity Recovery ("Rider PER"). Mr. Brueggeman concluded that the costs incurred under Rider PER were reasonable because the purchases made via the IPA procurement process were consistent with the procurement provisions of the Act, and that Ameren has reasonably performed all acts consistent with the law, including the Commission's prior orders.

Ameren witness Perniciaro testified about the means by which revenues for each Ameren rate zone were collected, how they were accounted for, any accounting adjustments made during the course of the Reconciliation Period, and the costs attributable to the relevant procurement activities. He also provided a summary schedule detailing the internal administrative and operational costs associated with the procurement of electric power and energy for retail customers during the period under review.

Mr. Perniciaro's testimony included the following exhibits, which provided the information set forth below:

- Ameren Exhibit 3.1 – Rate Zone I Combined Rate Zone PER reconciliation of costs and revenues for the period ending May 31, 2014;
- Ameren Exhibit 3.2 – Rate Zone I Rider HSS reconciliation of costs and revenues for the period ending May 31, 2014;
- Ameren Exhibit 3.3 – Rate Zone II Rider HSS reconciliation of costs and revenues for the period ending May 31, 2014;
- Ameren Exhibit 3.4 – Rate Zone III Rider HSS reconciliation of costs and revenues for the period ending May 31, 2014;

- Ameren Exhibit 3.5 – Combined Rate Zone Rider HSS reconciliation of costs and revenues for the period ending May 31, 2014;
- Ameren Exhibit 3.6 – Combined Rate Zone Summary reconciliation of costs and revenues for the period ending May 31, 2014;
- Ameren Exhibit 3.7 – Internal Administrative and Operational Costs Associated with Procurement ending December 31, 2014

According to Mr. Perniciaro, these exhibits: show the recovery of Ameren's total allowable costs over the Reconciliation Period for the BGS-FP fixed price and hourly price for small customer products RTP under Rider PER; demonstrate the final amortization of the regulatory balances in the individual rate zones as Rider HSS completed its transition to a consolidated rate; show the recovery of Ameren's total allowable costs over the Reconciliation Period for the hourly price product for large customers under Rider HSS, as well as the transition to a consolidated reconciliation; summarize Ameren's total allowable costs over the Reconciliation Period under Riders PER and HSS and the Factor A requested by Ameren based upon the proposed adjustments; and show the reconciliation of internal administrative and operational costs associated with procuring electric power and energy for retail customers over the Reconciliation Period.

Mr. Perniciaro explained why Ameren includes internal administrative and operational costs through December 31, 2014, when the Initiating Order only calls for costs during the Reconciliation Period. He noted that in Docket No. 12-0548, Ameren agreed to change the applicable tariffs to allow for the inclusion of the internal administrative and operation costs within the riders; this change in tariffs requires the reconciliation of internal administrative and operational costs on a calendar year basis. Mr. Perniciaro testified that the $360,039 indicated in Ameren Exhibit 3.7 as an over recovery will be included as an ordered Factor A in a future filing, and that Ameren Exhibit 3.7 provides the support for this adjustment and will be used to satisfy the Initiating Order's request for reconciliation of the internal administrative and operational costs through the December 31, 2014 reconciliation period.

Mr. Perniciaro explained the procedures Ameren follows in producing and filing the monthly reconciliations. The monthly Riders PER and HSS revenues are calculated using Ameren's reports for sales and estimated billed output. The "actual" revenues reported in the filings are estimated based on actual rates for billed and estimated unbilled volumes. Revenues are tracked for each category of service (*i.e.*, BGS-FP and HSS). Mr. Perniciaro further explained that the cost components are provided by different groups. The cost of power and RECs from the IPA procurement process are based upon the IPA procurement invoices received from the suppliers. The cost of power and market settlement costs from MISO are provided by the Power Accounting group based on the MISO settlement statements. The cost of power provided by Qualified Facilities ("QF") is calculated from the output provided by the TSBC, priced either at the prices specified in the tariff or at the average locational marginal price for the month. He explained that the ancillary services expenses for Schedules 1, 2, 3, 5, 6, 25 and 26 are based on MISO tariff pricing for the HSS- category. Capacity costs for fixed price customers are primarily from suppliers' bills. However, some incremental capacity for fixed price customers is purchased from or sold into MISO's Planning Resource Auction ("PRA") as a result of changing loads. Capacity for HSS customers is procured entirely in the PRA. The free service load (power supply provided to municipalities pursuant to franchise agreements) is provided by the Energy Delivery Customer Service group and the company use load is set in the rate case: these volumes are priced at the monthly average cost. The calculations for company use and free service include an adjustment for line losses.

Mr. Perniciaro described the procedures Ameren follows in producing and filing the annual reconciliations. The Cost Item portions of the annual reconciliation are received from the sources listed in Table 1 below. Revenues are calculated from Company reports for sales and estimated billed output. Adjustments are made for cycle billing (unbilled volumes). The sources of the Cost Item portions are as follows:

Table 1

	Cost Item	Category of Service
1	Bilateral Energy and REC Costs	BGS-FP; RTP
2	MISO Energy Costs	BGS-FP; RTP; HSS
3	MISO Market Settlement	BGS-FP; RTP; HSS
4	Rider QF Costs	BGS-FP; RTP
5	Ancillary Services	BGS-FP; RTP; HSS
6	Capacity	BGS-FP; RTP; HSS
7	Company Use & Free Service under Franchises	BGS-FP; RTP

Mr. Perniciaro explained how company use normally affects Riders PER or HSS. Ameren purchases power for all customers, including power supplied for Company Use. Similar to the process used in the Purchased Gas Adjustment riders, the total amount of power purchased is reduced by the cost associated with Company Use. This reduction occurred in the “Recoverable Costs” line of the annual reconciliation. The remaining balance of purchased electricity is then recovered through Rider PER. The Company Use amount is recovered separately through general Delivery Service rate case proceedings. Mr. Perniciaro explained that Rider PER and HSS customers benefitted from recording the impact of company use (power used by its own facilities) twice in the over/under calculation, resulting in Ameren under-recovering its recoverable costs. When Riders PER and HSS (and their predecessors Rider MV and RTP-L) were set up, company use bills were created in the customer billing system to better track the amount of electricity used by Ameren and to substantiate future amounts of company use expense collected in Delivery Service rate cases. According to Mr. Perniciaro, these revenues used customer revenue accounting that was credited to FERC Account 442. This resulted in the Company Use revenue being included in the “Revenues” line of the annual reconciliation. The inclusion of this revenue prevented Ameren from recovering its true recoverable costs from the Rider PER and HSS customers.

Mr. Perniciaro explains how Ameren will correct for the under recovery going forward. Ameren requests a Factor A adjustment in open dockets. The 2014 amounts were corrected in the general ledger to correct financial and regulatory reporting for 2014. Ameren was granted a Factor A adjustment of $17,271,588 in Docket No. 13-0527. Ameren was also granted a Factor A adjustment of $2,096,854 in Docket No. 14-0568. In the current docket, Ameren is requesting a Factor A adjustment in the amount of $578,098 for Rider PER and $410,452 for Rider HSS (total of $998,550 for the two riders) for the 2013 calendar periods included in this reconciliation that were not fixed by correcting the reported revenue in the customer billing system.

Mr. Perniciaro testified that an internal audit found revenue that should be included in PER was not due to the customer billing system defaulting to invalid mapping under certain circumstances. The amount of revenue not included in Rider PER for the reconciliation period from June 2013 to May 2014 was $72.76 and the amount not included for the reconciliation period from June 2014 to May 2015 was $1,204.04. The total amount of revenue not included was $1,276.80.

Mr. Perniciaro also testified that an internal audit also discovered the loss percentage for the calculation of free service volumes was incorrect. This resulted in an overstated cost for PER customers. The amount of overstated expense for the reconciliation period from June 2013 to May 2014 was $19.46 and amount of overstated expense for the reconciliation period from June 2014 to May 2015 was $5,297.03. The total amount of overstated expense was $5,316.49.

For these two issues, $92.22 will be included in this docket. The remaining $6,501.07 will be included in the reconciliation docket for June 2014 through May 2015. According to Mr. Perniciaro, the amounts reported in the “Separately Reported 2013 – 2014 Other Adjustments” line of Exhibit 3.6 include the over-recovery of the first reconciliation of the internal administrative and operation costs associated with procurement previously determined in Docket No. 13-0527.

Mr. Perniciaro testified that collateral costs are not included in the 2013-2014 Recoverable Costs. According to the Order in Docket No. 07-0527, Ameren is allowed to pass through collateral costs related to energy procurement once Staff and Ameren agree on the methodology, but that methodology has not yet been developed and thus these costs are not included in the Reconciliation Period. Ameren reserves the right to do so in the future.

III. STAFF TESTIMONY

Staff witness Kahle testified that he reviewed and analyzed Ameren’s reconciliations of revenues collected under Rider PER and Rider HSS with the costs incurred in connection with power procurement activities as defined in the tariffs of Ameren. Mr. Kahle proposed adjustments to increase the Ordered Factor O from Docket

Nos. 11-0354/0355/0356 (Consol.) by $81,134 for Rider PER and reduce the Ordered Factor O from Dockets Nos. 11-0354/0355/0356 (Consol.) for Rider HSS by the same amount. Mr. Kahle explains that this adjustment is necessary so that reconciliation data from prior years agrees with the Commission's Order in Docket No. 14-0568. Mr. Kahle further explained that Ameren made adjustments in its proposed reconciliation of riders that moved ($81,134) of Docket Nos. 11-0354/0355/0356 (Consol.) Factor O from Rider HSS to Rider PER to correct what Ameren considers to be an error in the Commission's Order in Docket Nos. 11-0354/0355/0356 (Consol.). Staff believes that figures from a previous order should remain intact and any adjustments should flow through the current reconciliation. Since the ordered over-recovery was refunded during the reconciliation period, Mr. Kahle's adjustment does not affect the cumulative over-recovery or Ameren's requested Factor O. Mr. Kahle recommended the Commission accept the reconciliation presented on Staff's Schedule 1.01 as the reconciliation of Rider PER and Rider HSS for the 12-month period ending May 31, 2014.

IV. COMMISSION ANALYSIS AND CONCLUSION

The Commission notes that Staff and Ameren are in agreement on the issues in this docket. Based on the evidence submitted, the record establishes that, for the 12-month Reconciliation Period beginning June 1, 2013 and ending May 31, 2014, Ameren acted reasonably and prudently in its recovery of costs pursuant to its power procurement riders. Further, the record supports a finding that the reconciliation of costs and revenues collected pursuant to these riders for the Reconciliation Period, as set forth in Appendix A attached to this Order, should be approved.

V. FINDINGS AND ORDERING PARAGRAPHS

The Commission, having reviewed the entire record, is of the opinion and finds that:

(1) Ameren is a "public utility" within the meaning of Section 3-105 of the Act;

(2) the Commission has jurisdiction over the parties and the subject matter of this proceeding;

(3) the recitals of fact and conclusions of law reached in the prefatory portion of this Order are supported by the record and are hereby adopted as findings of fact and conclusions of law;

(4) for the reconciliation of supply procurement costs, a Factor A refund adjustment of $360,039 plus applicable interest shall be applied going forward;

(5) for the 12-month Reconciliation Period beginning June 1, 2013 and ending May 31, 2014, a Factor A adjustment of $578,152 for Rider PER and $410,452 for Rider HSS, for a total under-recovery of $988,604 plus applicable interest shall be applied going forward; and

(6) the revenues collected under Ameren's power procurement riders were properly reconciled with costs prudently incurred for the 12-month Reconciliation Period, as shown in Appendix A attached hereto.

IT IS THEREFORE ORDERED that for the Reconciliation Period of June 1, 2013 through May 31, 2014, the reconciliations of revenues collected under Ameren Illinois Company d/b/a Ameren Illinois' power procurement riders with costs prudently incurred in connection with procurement activities as defined in the relevant tariff, as shown on Appendix A to this Order, is hereby approved.

IT IS FURTHER ORDERED that, subject to the provisions of Section 10-113 of the Public Utilities Act and 83 Illinois Administrative Code 200.880, this Order is final; it is not subject to the Administrative Review Law.

By Order of the Commission this 22nd day of September, 2016.

(SIGNED) BRIEN SHEAHAN

Chairman