

**STATE OF ILLINOIS
ILLINOIS COMMERCE COMMISSION**

AMEREN ILLINOIS COMPANY)	
d/b/a Ameren Illinois)	
)	Docket 16-0327
Petition to Reconcile the Estimated to)	
Actual Experience of Uncollectible Costs)	
Relating to the UCB/POR Program)	
for the Period Beginning January 1, 2015)	
and Ending December 31, 2015.)	

DRAFT PROPOSED ORDER

By the Commission:

I. PROCEDURAL HISTORY

In Dockets 08-0619; 08-0620; and 08-0621 (cons.), the Illinois Commerce Commission (the Commission) entered an Order approving tariffs filed by Central Illinois Light Company, Central Illinois Public Service Company, and Illinois Power Company (collectively, the Ameren Illinois Utilities) implementing a utility consolidated billing (UCB) and purchase of receivables (POR) program (collectively the UCB/POR Program) in compliance with the legislative mandate contained in 220 ILCS 5/16-118 of the Illinois Public Utilities Act (the Act).

Since the merger of the former Ameren Illinois Utilities in October of 2010, the UCB/POR tariffs approved by the Commission are now being administered by Ameren Illinois Company d/b/a Ameren Illinois (AIC or the Company), as successor to the Ameren Illinois Utilities.

Pursuant to 220 ILCS 5/16-118(c), UCB/POR tariffs are required to provide for cost recovery associated with the UCB/POR Program. The cost recovery is provided for by means of a supplemental customer charge and a discount rate imposed on receivables acquired from participating retail electric suppliers (RES).

AIC's tariffs previously allowed AIC to recover UCB/POR Program implementation costs, referred to as Start-Up Costs. After issuance of the Order related to the 2014 Program Year reconciliation, issued in Docket 15-0258, AIC deleted reference to certain obsolete components of the UCB/POR Program, including Start-Up Costs; as such, the reconciliation now includes only uncollectible costs and Ongoing Administrative Costs, if any.

On May 20, 2016, AIC filed a Petition and Direct Testimony¹ explaining the mechanics of UCB/POR Program Charge and reconciling the estimated to actual experience of uncollectible costs relating to the UCB/POR Program for the period beginning January 1, 2015 and ending December 31, 2015 (the Reconciliation Period). In support of this Petition, the Company presented the Direct Testimony of Ms. Stephanie R. Gentry, a Regulatory Specialist in the Regulatory, Policy & Rates Department of AIC. Dianna Hathhorn, an Accountant in the Accounting Department of the Financial Analysis Division of the Commission's Bureau of Public Utilities (Staff) filed direct testimony.

Pursuant to proper legal notice, an initial hearing was held in this matter before a duly authorized Administrative Law Judge (ALJ) of the Commission at its offices in Springfield, Illinois on July 21, 2016. Appearances were entered by counsel for the Company and by Ms. Hathhorn. No Petitions to Intervene were filed.

Following the submission of pre-filed testimony, the parties participated in an evidentiary hearing. Ms. Gentry testified via affidavit on behalf of the Company. Ms. Hathhorn testified on behalf of Staff. At the conclusion of the October 4, 2016 evidentiary hearing, the record was marked "Heard and Taken."

¹ Revised versions of Ameren Exhibits 1.0 and 1.1 were filed on June 24, 2016.

II. APPLICABLE AUTHORITY

In order to promote fair and open competition in the provision of electric power and energy and to prevent anticompetitive practices, Section 5/16-118 of the Act states:

“Each electric utility shall permit alternative retail electric suppliers to interconnect facilities to those owned by the utility provided they meet established standards for such interconnection, and may provide standby or other services to alternative retail electric suppliers. The alternative retail electric supplier shall sign a contract setting forth the prices, terms and conditions for interconnection with the electric utility and the prices, terms and conditions for services provided by the electric utility to the alternative retail electric supplier in connection with the delivery by the electric utility of electric power and energy supplied by the alternative retail electric supplier.”

“An electric utility shall file a tariff pursuant to Article IX of the Act that would allow alternative retail electric suppliers...to issue single bills to the retail customers for both the services provided by such alternative retail electric supplier...and the delivery services provided by the electric utility to such customers.”

“An electric utility with more than 100,000 customers shall file a tariff pursuant to Article IX of this Act that provides alternative retail electric suppliers...with the option to have the electric utility purchase their receivables for power and energy service provided to residential retail customers and non-residential retail customers with a non-coincident peak demand of less than 400 kilowatts. Receivables for power and energy service of alternative retail electric suppliers or electric utilities other than the electric utility in whose service area the retail customers are located shall be purchased by the electric utility at a just and reasonable discount rate to be reviewed and approved by the Commission after notice and hearing. The discount rate shall be based on the electric utility's historical bad debt and any reasonable start-up costs and administrative costs associated with the electric utility's purchase of receivables. The discounted rate for purchase of receivables shall be included in the tariff filed pursuant to this subsection (c). The discount rate filed pursuant to this subsection (c) shall be subject to periodic Commission review. The tariff filed pursuant to this subsection (c) shall permit the electric utility to recover from retail customers any uncollected receivables that may arise as a result of the purchase of receivables under this subsection (c), may also include other just and reasonable terms and conditions, and shall provide for the prudently incurred costs associated with the provision of this service pursuant to this subsection (c).”

220 ILCS 5/16-118(a)(b)(c)

Effective November 9, 2007, Public Act 95-0770 amended Section 16-118 of the Act, 220 ILCS 5/1-101, et seq. by adding language directing utilities with more than 100,000 customers to file tariffs pursuant to Article IX of the Act establishing UCB/POR service. On September 30, 2008, AIC (then the Ameren Illinois Utilities) filed tariffs implementing a UCB/POR Program pursuant to Section 16-118 of the Act. The Commission suspended those tariffs on November 13, 2008, initiating a formal review proceeding. On August 19, 2009, the Commission issued its Final Order approving AIC's (then the Ameren Illinois Utilities') UCB/POR Program, as amended therein, and ordering the Company to file revised tariff sheets conforming to the Order within 30 days. On September 18, 2009, the Company filed the revised tariff sheets.

On April 1, 2013, AIC filed with the Commission revisions to add a provision for a reconciliation process to the program charge section of the Company's Supplemental Customer Charges tariff. (See. Ill. C.C. No. 1, 2nd Revised Sheet No. 38.011). The purpose of the instant proceeding is to process the reconciliation under those provisions.

III. INSTANT PROCEEDING

A. AIC Direct Testimony

Ms. Gentry sponsored direct testimony identified as Ameren Exhibits 1.0 (Rev.) and 1.1 (Rev.), which consists of the reconciliation of the various components of the UCB/POR Program Charge. The purpose of her testimony was to explain the mechanics of the UCB/POR Program Charge and to reconcile the estimated versus actual experience of the uncollectible costs relating to the UCB/POR Program for the Reconciliation Period.

Ms. Gentry explained the purpose of the UCB/POR Program and how the structural components of the Program have changed since the last reconciliation. Ms. Gentry further explained the UCB/POR Program Charge and provided an overview of the charges resulting therefrom. According to Ms. Gentry, the UCB/POR Program Charge has changed several times since becoming effective in October 2009. Ms. Gentry explained the Uncollected Receivables (Factor UR) and how those reconciliations are handled; the Factor UR (over-recovery of \$608,616) was included in the Company's update to the UCB/POR Program Charge effective July 2016. Ms. Gentry also described how the UCB/POR Discount Rate (UDR) is used and how the uncollectible component (UDC) is determined. Finally, Ms. Gentry confirmed that the Company had incurred no incremental Ongoing Administrative Costs in the UCB/POR Program Charge during the Reconciliation Period, and the effect thereof.

AIC explained the reconciliation of the UCB/POR uncollectible costs: any positive or negative variance between Actual Uncollected Receivables experienced from the UCB/POR Program and the dollar amount of uncollectibles calculated using the Uncollectible cost component of the UCB/POR discount rate and included in the actual discounts taken in the purchase of receivables will be recovered from or credited back to Eligible Customers via Factor UR of the UCB/POR Program Charge.

Ms. Gentry summarized the over-recovery of the Company's UCB/POR Program Charge during the Reconciliation Period in the table below:

	2015 Reconciliation
Over-recovery - Uncollectible Cost - Factor UR	\$ 608,616
Over-recovery -Factor ARA	\$ 30,194
Ongoing Administrative Cost - Factors OAR and OAdm (1)	\$ -
ARA Component	\$ 638,810
Interest (2)	\$ 1,599
Total ARA Component	\$ 640,409

Ms. Gentry provided the over-recovery for the Reconciliation Period as included in the Company's UCB/POR Program Charge Information Filing update effective July 2016. The over-recovery of \$608,616 which will be refunded over a six-month period (July 2016 through December 2016), results in a negative Program Charge of \$.09 cents per month to eligible delivery service customers as shown below:

	2015 Reconciliation
Over-recovery - Uncollectible Cost - Factor UR	\$ 608,616
Over-recovery -Factor ARA	\$ 30,194
Ongoing Administrative Cost - Factors OAR and OAdm (1)	\$ -
ARA Component	\$ 638,810
Interest (2)	\$ 1,599
Total ARA Component	\$ 640,409
Forecasted Eligible DS Customers	1,222,056
Reconciliation Period - 2015 - UCB/POR Program Charge (3)	\$ (0.09)

B. Staff Direct Testimony

Ms. Dianna Hathhorn testified on behalf of Commission Staff. Ms. Hathhorn sponsored Staff Exhibit 1.0. Ms. Hathhorn testified that based upon her review she found no cause to propose any adjustments. Further, Ms. Hathhorn recommends the Commission approve the reconciliations for the period January 1, 2015 through December 31, 2015, as reflected on Ameren Exhibit 1.1 (Rev.), which is attached hereto as an Appendix.

IV. FINDINGS AND ORDERING PARAGRAPHS

The Commission, having considered the entire record and being fully advised in the premises, is of the opinion and finds that:

- (1) Ameren Illinois Company is a corporation engaged in the distribution of electricity to the public in Illinois, and, as such, is a public utility within the meaning of the Public Utilities Act;

- (2) the Commission has jurisdiction over Ameren Illinois Company and of the subject matter of this proceeding;
- (3) the statements of fact set forth in the prefatory portion of this Order are supported by the record and are hereby adopted as findings of fact; and
- (4) the reconciliations for the Reconciliation Period (January 1, 2015 through December 31, 2015) presented by AIC and attached to this Order as an Appendix are approved.

IT IS THEREFORE ORDERED that all motions, petitions, objections, or other matters in this proceeding that remain unresolved are hereby resolved consistent with the conclusion contained herein.

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

By order of the Commission this _____ day of _____, 2016.

Brien Sheahan, Chairman

Dated: November 1, 2016

Respectfully submitted,

Ameren Illinois Company
d/b/a Ameren Illinois



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