Ameren Missouri
Response to MPSC Staff Data Request
MPSC Case No. ER-2011-0028
In the Matter of Union Electric Company d/b/a AmerenUE for Authority to File Tariffs Increasing Rates for Electric Service Provided to Customers in the Company's Missouri Service Area

Data Request No.: MPSC 0252 – Lisa Ferguson

Please refer to Company Witness Michael Adam's Direct Testimony page 6. He states, "An allowance for uncollectible revenues was removed from the accounts receivables balances when calculating the collections lag. Based upon information provided by the Company, a provision of 0.4 percent was excluded from the aging analysis for each bucket except the 90+ days bucket. A provision of 10 percent was excluded from the 90+ days bucket." Please provide all information (i.e. data, calculations, reports) that was provided by the Company to the Company witness in order to determine the uncollectibles percent provision that is used.

<u>RESPONSE</u>: (do not edit or delete this line or anything above this)
Prepared By: Michael J. Adams
Title: Vice President, Concentric Energy Advisors, Inc.
Date: December 1, 2010

The 0.40% and 10% bad debt percentages were removed from the Company's accounts receivables for the twelve months ended March 31, 2010 to reflect an allowance for bad debts from the receivables. The uncollectible percentages are developed annually by the General Accounting and Customer Credit functions and reflect customer's current payment habits. The Company uses historical data to help with the development of the bad debt estimate, and further takes into account economic and load forecasts to adjust the estimate accordingly. Higher anticipated revenues (due to rate increases, hotter than normal weather and/or added load) will likely equate to higher dollars in uncollectibles, but not necessarily in a higher rate of bad debts. The established bad debt percentages serve as an assurance to state and federal regulatory authorities as well as investors and the financial community that the Company has sufficient reserves in place if customers do not pay their utility bills.

Based upon the actual uncollectible expense incurred during 2009, the 0.40% and 10% bad debt percentages appear to be conservative estimates (i.e., actual uncollectible expenses were lower than estimated). The weighted average bad debt percentage for the test year, applying 0.40% to each of the aged buckets other than the 90+ days bucket and 10% to the 90+ days bucket the resulting bad debt percent removed from the accounts receivables was 1.23%.

Ameren Exhibit No. 47
Date 9/29/12 Reporter AIM
File No. ER-2012-0166

The actual bad debt percentage for Ameren Missouri during 2009 was 0.35%. This figure was calculated by dividing the expense reflected in FERC Account 904 for both gas and electric by total gas and electric revenues less electric sales for resale. The actual bad debt percentage for Ameren Missouri Electric was 0.34% for 2009. Therefore, the Company has excluded a conservative estimate (i.e., a higher percentage) of uncollectible expenses from the test year accounts receivables as compared to that actually experienced during calendar year 2009.