

147 FERC ¶ 61,224  
UNITED STATES OF AMERICA  
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Cheryl A. LaFleur, Acting Chairman;  
Philip D. Moeller, John R. Norris,  
and Tony Clark.

Ameren Corporation

Docket No. AC11-46-000

ORDER ON SECOND REFUND REPORT AND ESTABLISHING HEARING AND  
SETTLEMENT JUDGE PROCEDURES

(Issued June 19, 2014)

1. On July 22, 2013, Ameren Corporation (Ameren), on behalf of Ameren Illinois Company (Ameren Illinois), filed a second refund report in compliance with the Commission's June 20, 2013 order in this proceeding.<sup>1</sup> As discussed below, we find that Ameren's second refund report raises issues of material fact that cannot be resolved based on the record before us and, thus, we set the second refund report for hearing and settlement judge procedures.

**I. Background**

**A. July 2012 Order**

2. In an earlier order, issued in this proceeding on July 19, 2012,<sup>2</sup> the Commission approved Ameren's final accounting entries for an internal reorganization in 2010 which, as relevant here, resulted in the merger of Central Illinois Light Company (CILCO) and Illinois Power Company (Illinois Power) with and into Central Illinois Public Service Company, which then changed its name to Ameren Illinois (Reorganization Transaction).<sup>3</sup> However, the Commission also found that Ameren Illinois had improperly

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<sup>1</sup> *Ameren Corp.*, 143 FERC ¶ 61,240 (2013) (June 2013 Order).

<sup>2</sup> *Ameren Corp.*, 140 FERC ¶ 61,034 (2012) (July 2012 Order).

<sup>3</sup> *See Ameren Corporation*, 131 FERC ¶ 61,240 (2010).

included acquisition premiums associated with the earlier acquisitions of CILCO and Illinois Power in its transmission formula rate, and directed Ameren Illinois to make refunds with interest pursuant to the Commission's regulations.

3. Specifically, the Commission found that Ameren Illinois included journal entries for the Reorganization Transaction that incorporated adjustments related to its acquisition of CILCORP, Inc. (CILCORP), the parent holding company of CILCO, in 2003, and the acquisition of Illinois Power, in 2004. In the CILCORP transaction, \$197 million of goodwill was recorded and maintained on the books of CILCORP. However, in connection with the Reorganization Transaction in 2010, CILCORP was merged into Ameren and the goodwill relating to the 2003 CILCORP acquisition was pushed down to Ameren Illinois, as successor to CILCO. In the acquisition of Illinois Power in 2004, goodwill of \$214 million was initially recorded on Illinois Power's books. As a result of the Reorganization Transaction, that goodwill is now maintained on the books of Ameren Illinois. The Commission found that, as a result of these two transactions, goodwill of \$411 million was transferred to Ameren Illinois in the Reorganization Transaction.<sup>4</sup> The Commission also noted that other acquisition premiums, i.e., purchase accounting adjustments to record certain assets and liabilities at fair value, were recorded and may have affected formula rate billings by Ameren Illinois.

4. According to Ameren, the goodwill related to the CILCORP acquisition (i.e., \$197 million) was first reflected in the equity component of Ameren Illinois' cost of capital in its formula rates under Attachment O of the Midwest Independent System Operator, Inc. (MISO)<sup>5</sup> Open Access Transmission, Energy and Operating Reserve Markets Tariff (Tariff) in June 2011, and the goodwill related to the Illinois Power acquisition (i.e., \$214 million) was first reflected in Illinois Power's cost of capital in its Attachment O rates under the MISO Tariff in June 2005. Ameren acknowledged that the increase in equity related to the goodwill also impacted the computation of Ameren Illinois' allowance for funds used during construction (AFUDC).<sup>6</sup>

5. In the July 2012 Order, the Commission stated that, under Commission policy, rate recovery for an existing facility is generally limited to the original cost of the facility unless express authorization is received to recover an acquisition premium, and recovery

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<sup>4</sup> July 2012 Order, 140 FERC ¶ 61,034 at P 2 & n.1.

<sup>5</sup> Effective April 26, 2013, MISO changed its name from "Midwest Independent Transmission System Operator, Inc." to "Midcontinent Independent System Operator, Inc."

<sup>6</sup> *Id.* PP 25-29.

of acquisition premiums including goodwill in cost-based rates is authorized only if the acquisition is prudent and provides measurable, demonstrable benefits to ratepayers. The Commission emphasized that, to receive rate recovery of any amounts related to an acquisition premium, including goodwill, a public utility must request Commission authorization pursuant to section 205 of the Federal Power Act (FPA). In that regard, however, the Commission noted that Ameren never made a demonstration that its 2003 acquisition of CILCORP, its 2004 acquisition of Illinois Power, or the 2010 Reorganization Transaction provided measurable, demonstrable benefits to ratepayers that would justify recovery of goodwill.<sup>7</sup> Therefore, the Commission directed Ameren Illinois to adjust its formula rate billings for amounts it, and Illinois Power before it, inappropriately recovered from customers as a result of including acquisition premiums in its rates beginning in June 2005.<sup>8</sup> The Commission also directed Ameren Illinois to adjust its formula rate billings for any other acquisition premiums, besides the identified goodwill resulting from the above acquisitions, that may have affected Ameren Illinois' and Illinois Power's Attachment O rates.<sup>9</sup> In addition, the Commission directed Ameren Illinois to adjust its transmission service formula rate billings, as appropriate, for any amounts inappropriately recovered from its (and, prior to the Reorganization Transaction, from Illinois Power's) customers associated with acquisition premiums and related over-accrual of AFUDC.<sup>10</sup>

**B. Ameren's First Refund Report and Protest**

6. On November 15, 2012, Ameren, on behalf of Ameren Illinois, submitted a refund report and request for guidance. Ameren explained that its interpretation of the required adjustments directed by the Commission resulted in \$19,693,343, plus interest, that Ameren Illinois had not billed to or collected from customers, and that thus was owed to Ameren Illinois. Ameren requested that the Commission accept the refund report, and either terminate this proceeding with no refunds or surcharges due, or, if it did not accept the refund report, provide guidance on how to collect the amounts Ameren believed was owed to Ameren Illinois.

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<sup>7</sup> *Id.* PP 30-31, 37-38.

<sup>8</sup> *Id.* P 39.

<sup>9</sup> *Id.* P 40.

<sup>10</sup> *Id.* PP 41-42.

7. In its first refund report, Ameren stated that it had identified acquisition premium transactions as directed by the Commission, going back to 2004. Ameren explained that it then reversed the purchase accounting (for ratemaking purposes only) relating to the CILCORP and Illinois Power transactions, which put Ameren Illinois back to the historical cost of all of its assets and liabilities. Ameren added that some of the acquisition premium adjustments removed assets and liabilities that would have been amortized had Illinois Power not been acquired by Ameren.

8. Ameren also noted that Illinois Power's balance sheet as of September 30, 2004, included multiple series of long-term debt notes with stated interest rates that were above then-current market rates at the acquisition date. Ameren added that, in accordance with a recapitalization plan that was approved by the Illinois Commerce Commission as part of Ameren's acquisition of Illinois Power, Illinois Power repurchased three series of notes within the first three months of being acquired by Ameren, the largest of which, a \$550,000,000 series of 11.5 percent notes, were scheduled to mature in 2010. Ameren explained that, to repurchase this higher cost debt, Illinois Power had to pay a redemption premium of approximately \$100 million, and, because of the long-term debt adjustment established in purchase accounting, the redemption premium paid to debt holders was never included in Illinois Power's income statement. Thus, Ameren argued that the cost of this debt redemption was not previously included in the calculation of Ameren Illinois' and Illinois Power's annual transmission revenue requirement (ATRR). Ameren asserted that the July 2012 Order's directive to remove acquisition premiums related to this loss on repurchased debt results in that cost being included in the ATRR calculation under Attachment O. Ameren also stated that, consistent with the July 2012 Order, Ameren Illinois recalculated its AFUDC rate for the relevant periods.

9. Ameren concluded that removing all of the acquisition premiums, continuing the pre-acquisition amortization of assets and liabilities that were removed in purchase accounting and including the amortization of the loss (i.e., the redemption premium) on the repurchased debt resulted in increases in Ameren Illinois' and its predecessors' ATRR for almost every rate year or portion of a rate year from June 2005 through June 2012. Ameren stated that these increased amounts were not previously reflected in the formula rate billings of Ameren Illinois and its predecessors and, thus, were not previously recovered from customers. Ameren stated that Ameren Illinois applied the percentage increases for each period to its historical billings for each period to derive an amount not previously recovered and, thus, owed to Ameren Illinois of \$19,693,343, plus interest of \$3,054,030.

10. Illinois Municipal Electric Agency, Prairie Power Inc., Southern Illinois Power Cooperative, and Wabash Valley Power Association (jointly, Customers) filed a joint protest in which they asserted that the July 2012 Order required Ameren Illinois to remove goodwill and other acquisition premiums from the calculation of cost of equity and AFUDC in its Attachment O rates beginning in 2005 and to make appropriate

refunds. Instead, citing statements of Ameren's accountants, Customers argued that Ameren Illinois "reversed all transaction-related accounting entries and then substituted those faux accounting entries into the Attachment O formula rate to derive a phantom rate higher than the rate which gave rise to the required refunds."<sup>11</sup> Customers maintained that Commission policies and precedent hold that the acquisition premiums paid for assets over and above historical cost may not be included for ratemaking purposes absent Commission approval. Customers also contended that Ameren Illinois' refund report inappropriately included extraneous matters, and also claimed that the Ameren Illinois' refund report lacked adequate support.

### C. June 2013 Order

11. In the June 2013 Order, the Commission agreed with Customers that Ameren Illinois' refund report inappropriately included extraneous matters, and lacked adequate support. Therefore, the Commission rejected the refund report. The Commission held that the accounting adjustments outlined in the refund report improperly went beyond the scope of the July 2012 Order, and that the refund report did not contain sufficient detail for the Commission to follow the actions listed in the refund report. The Commission also provided additional guidance on the scope of the items to be included in the new refund report that Ameren Illinois was directed to file.<sup>12</sup>

12. First, the Commission found that the adjustments proposed by Ameren Illinois in its refund report, including amortization of the redemption premium on Illinois Power's high cost debt, improperly went beyond the scope of the July 2012 Order. In rejecting Ameren's reversal of all purchase accounting for the 2003 and 2004 transactions, the Commission stated that, in the July 2012 Order, it only directed Ameren Illinois to remove the acquisition premiums associated with those transactions from its transmission formula rates. The Commission emphasized that it did not direct Ameren Illinois to create theoretical accounting entries that established new assets and then to amortize these assets for rate purposes. The Commission also reiterated that Ameren Illinois could pursue the recovery of merger-related costs or other costs not previously included in rates only through a section 205 filing, and not through a refund filing.<sup>13</sup>

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<sup>11</sup> Customers Protest at 7.

<sup>12</sup> June 2013 Order, 143 FERC ¶ 61,240 at P 16.

<sup>13</sup> *Id.* P 18.

13. Second, the Commission found that, with the exception of the discussion on the debt redemption premium, Ameren Illinois' refund report included only a summary spreadsheet with some explanatory notes to support Ameren Illinois' refund calculation. The Commission held that, given the information before it, the Commission could not ensure the refund report's accuracy because Ameren Illinois did not provide sufficient details on what acquisition premiums were originally recorded, the manner each acquisition premium was included in prior formula rate calculations, the effect on formula rate billings of including each acquisition premium in prior formula rate calculations, or the manner by which the effects were removed from billings. Furthermore, the Commission stated that for those acquisition premiums that were reversed, it was impossible to tell from the filing what adjustments, if any, Ameren Illinois made to establish new theoretical assets for ratemaking purposes, and how those assets were amortized, since Ameren Illinois' filing did not provide sufficient detail on those adjustments.<sup>14</sup>

14. Therefore, the Commission rejected Ameren Illinois' first refund report and directed Ameren Illinois to submit a new refund report, with the corrections noted in the order and with additional detail. The Commission stated that, as required by the July 2012 Order, Ameren Illinois must exclude from the formula rates for the period in question all acquisition premiums from the calculations, without adjustment for new assets or the amortization of such assets by Ameren Illinois. In addition, the Commission stated that Ameren Illinois should separately identify each acquisition premium adjustment being removed from its transmission formula rates, by account, along with related dollar amounts. Finally, the Commission added that Ameren Illinois must separately disclose the effect on the transmission formula rate of each acquisition premium being removed for each period the item was included in rates.<sup>15</sup>

## **II. Instant Filing**

### **Ameren's Second Refund Report**

15. In this second refund report, Ameren states that the adjustments required by the June 2013 Order result in no refunds due to customers; that, instead, the required adjustments again result in a revenue shortfall of albeit of only \$7,712,859, exclusive of interest, over the relevant period that Ameren Illinois has not billed or collected.<sup>16</sup>

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<sup>14</sup> *Id.* P 20.

<sup>15</sup> *Id.* P 21.

<sup>16</sup> July 22, 2013 Refund Report at 2.

Ameren contends that, while it has endeavored to make the adjustments as directed by the Commission in the June 2013 Order, the broad directive in the June 2013 Order and the definition of acquisition adjustments do not limit it to making adjustments only when the subject adjustment reflects a positive difference between the acquisition cost and the net assets. Rather, Ameren argues that the Commission's directives mean that any accounting entries for Ameren Illinois and its predecessors that reflect an adjustment to the historical cost basis of assets and liabilities due to purchase accounting for the CILCORP and Illinois Power acquisitions should be revised to remove such adjustment so it is not included in the formula rate billings for Ameren Illinois and its predecessors. Ameren adds that each of the adjustments reflected in the second refund report conforms to this requirement.<sup>17</sup>

16. Ameren asserts that the affidavits and exhibits filed with the second refund report comply with the June 2013 Order's requirements to separately identify each acquisition premium adjustment being removed from its transmission formula rates, by account, along with related dollar amounts, and to separately disclose the effect on the transmission formula rate of each acquisition premium being removed for each period the item was included in rates.<sup>18</sup> Ameren states that it has removed the amounts associated with goodwill, as required by the July 2012 Order, as well as amounts associated with the debt redemption premiums as required by the June 2013 Order, and that it has specifically limited proposed adjustments to purchase accounting items directly associated with the CILCORP and Illinois Power acquisitions. Ameren adds that, contrary to the Commission's findings in the June 2013 Order, it did not create theoretical accounting entries that establish new assets or make adjustments for new assets or the amortization of such assets. Rather, Ameren specifically limited its proposed acquisition premium adjustments to purchase accounting items directly associated with the CILCORP and Illinois Power acquisitions.<sup>19</sup> Ameren also states that Ameren Illinois recalculated its AFDUC for the relevant periods by removing the purchase accounting adjustments, and determined the applicable AFUDC rates in accordance with the Commission's regulations.<sup>20</sup>

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<sup>17</sup> *Id.* at 4-5.

<sup>18</sup> *Id.* at 4, 6.

<sup>19</sup> *Id.* at 5.

<sup>20</sup> *Id.* at 5-6.

17. Ameren requests that the Commission address all issues in Docket No. AC11-46-000 at one time. Repeating arguments it made in its earlier November 15, 2012 refund report filing and in its pending request for rehearing of the July 2012 Order, Ameren asserts that reflecting the goodwill associated with the CILCORP and Illinois Power acquisitions in the equity component of the formula rate used to determine Ameren Illinois' ATRR is proper and consistent with Attachment O and the filed rate doctrine, and produced lower rates than otherwise would have occurred.<sup>21</sup> According to Ameren, this is because the impact of goodwill was to reduce the equity component of Illinois Power's Attachment O ATRR rates, and ultimately reduce the rates at issue. Ameren asserts that this shows that the presumption in the July 2012 Order, that Ameren's treatment of the purchase adjustments associated with the CILCORP and Illinois Power acquisitions increased rates to customers, is incorrect.<sup>22</sup>

### **III. Notice, Interventions, and Responsive Pleadings**

18. Notice of Ameren's filing was published in the *Federal Register*, 78 Fed. Reg. 49748-49 (2013), with interventions and protests due on or before August 30, 2013.

#### **Protest and Answers**

19. On August 30, 2013, Customers filed a joint protest to Ameren's second refund report. They argue that Ameren again failed to reverse the effects of including goodwill and other acquisition premiums in Ameren Illinois' formula rate billings, and to provide refunds, with interest, to its transmission customers. Customers claim that Ameren advances an incorrect theory of what the Commission meant by acquisition premium. They assert that, as it did in the first refund report, Ameren reversed transaction-related accounting entries and then substituted faux accounting entries into the Attachment O formula rate to derive a phantom rate higher than the rate which gave rise to the required refunds. Customers maintain that Ameren's use of accounting entries and theory to drive ratemaking is prohibited without express Commission authorization.<sup>23</sup>

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<sup>21</sup> In an order issued contemporaneously with the instant order, we deny Ameren's requests for rehearing of the July 2012 Order and the June 2013 Order. *Ameren Corporation*, 147 FERC ¶ 61,225 (2014).

<sup>22</sup> July 22, 2013 Refund Report at 7-8.

<sup>23</sup> Customers Protest at 6-7.

20. Customers also argue that Ameren incorrectly asserts that there is nothing in the July 2012 and June 2013 Orders that limits the adjustments to instances when there is a positive difference between acquisition cost and historical basis of net assets acquired. In this regard, Customers contend that Ameren ignores the fundamental point that the Commission was ordering rate changes due to premiums paid for assets, i.e., amounts paid above book costs and not as to costs less than book value. Customers explain that removing goodwill from Ameren Illinois' books does not involve any other corresponding or offsetting adjustments to any other accounts. Customers assert that the accounting entries as presented by Ameren bear no relationship to reality. They claim that, if Ameren is correct, ratepayers must pay a premium for all dollars spent by Ameren above net book value, or they must pay a higher premium for all assets that were purchased and then written down.<sup>24</sup>

21. In addition, Customers argue that Ameren not only failed to comply with the Commission orders, its refund report contains extraneous matters. They claim that Ameren repeats arguments that its recovery of goodwill and other premiums is lawful under the requirements of Attachment O, even though Ameren Illinois never filed for such recovery as it was required to do. Customers also argue that Ameren's assertion that Attachment O obligates Ameren Illinois to include goodwill and acquisition premiums in its formula rate has no basis in fact or law. They explain that Commission policy is that goodwill costs should be excluded from rates absent a section 205 filing, and the Commission must expressly approve that recovery, neither of which has happened here.<sup>25</sup>

22. Finally, Customers argue that the Commission should require Ameren Illinois to remove the known amounts of goodwill from its formula rates billings and Attachment O calculations, and issue refunds to the affected transmission customers. Customers request that to effectuate that order, the Commission should conduct an audit of Ameren Illinois' books and fix the necessary refund amount. In addition, Customers ask that the Commission order that any and all costs incurred by Ameren Illinois in creating and submitting the two refund reports be borne by Ameren's shareholders, and not passed through to ratepayers. Thus, Customers request that the Commission require Ameren Illinois to identify such costs and make an adjustment to the appropriate accounts to reduce expenses and other related entries by the amount of those costs to ensure those costs are not recovered in rates, but instead are paid by Ameren's shareholders.<sup>26</sup>

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<sup>24</sup> *Id.* at 7-8.

<sup>25</sup> *Id.* at 8-10.

<sup>26</sup> *Id.* at 10-11.

23. On September 16, 2013, Ameren filed a motion for leave to answer and answer. In response to Customers' assertions, Ameren argues that it fully complied with the July 2012 and June 2013 Orders. On September 30, 2013, Customers filed a motion for leave to answer and answer. Customers argue that Ameren continues to advance its self-serving interpretation of the July 2012 and June 2013 Orders, and that none of Ameren Illinois' accounting entries have merit since they have no bearing on the refund obligation required by the Commission.

#### **IV. Discussion**

##### **A. Procedural Matters**

24. Rule 213(a)(2) of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.213(a)(2) (2013), prohibits an answer to a protest or answer unless otherwise ordered by the decisional authority. We are not persuaded to accept either Ameren's or Customers' answers and will, therefore, reject them.

##### **B. Refund Report Analysis**

25. In the July 2012 Order, we stated that under Commission policy, rate recovery of an existing facility is generally limited to the original cost of the facility,<sup>27</sup> and recovery of acquisition premiums including goodwill in cost-based rates is allowed only if the acquisition is prudent and provides measurable, demonstrable benefits to ratepayers.<sup>28</sup> The July 2012 Order explained that acquisition premiums are the difference between the total acquisition costs of assets and the historical basis of the net assets acquired, and can include goodwill. The impetus behind the Commission policy on acquisition premiums is to ensure that ratepayers are not charged more in rates solely because of changes in ownership of an asset or entity.<sup>29</sup> In the July 2012 Order, we noted that Ameren Illinois and its predecessors had previously increased the equity component in the formula rate calculations with amounts related to goodwill from the CILCORP and Illinois Power acquisitions. We also noted that formula rate billings could have been affected by other acquisition premiums. Therefore, we directed Ameren Illinois to adjust formula rate

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<sup>27</sup> In situations where the purchase price is less than original cost, the Commission has limited cost recovery to the purchase price. The difference between purchase price and the original cost is commonly referred to as a negative acquisition adjustment.

<sup>28</sup> July 2012 Order, 140 FERC ¶ 61,034 at P 30.

<sup>29</sup> *ITC Holdings Corp.*, 139 FERC ¶ 61,112, at P 49 & nn.109-113 (2012).

billings for amounts it inappropriately recovered from customers as a result of including acquisition premiums in its rates beginning in June 2005.

26. Ameren Illinois interprets the July 2012 Order to require that all accounting entries for Ameren Illinois and its predecessors that reflect an adjustment to the historical cost basis of assets and liabilities due to purchase accounting for the CILCORP and Illinois Power acquisitions should be revised to remove such adjustments so they are not included in formula rate billings for Ameren Illinois and its predecessors. Ameren Illinois claims that these adjustments were both positive and negative adjustments to the historical cost basis of its assets and liabilities and, in sum, results in it being owed a surcharge of \$7.7 million.

27. We find that Ameren Illinois incorrectly interprets the July 2012 Order. The order in no way gave Ameren Illinois the right to surcharge customers for a supposed under-recovery through the vehicle of a refund report. In addition, the July 2012 and June 2013 Orders did not redefine the Commission's long-standing meaning of "acquisition premiums" to include reductions to the historical basis of net assets acquired. An acquisition premium, as suggested in the July 2012 Order as well as in other Commission precedent, is the amount of the total acquisition costs of assets above the historical basis of the net assets acquired and has the effect of increasing rates.<sup>30</sup> Accordingly, to the extent Ameren Illinois' purchase accounting adjustments for either acquisition results in changes to the components of the formula rate calculation, which, in total, increased Ameren Illinois or its predecessors' formula rate billings, Ameren must refund customers for the increase. Conversely, to the extent Ameren Illinois wants to collect additional amounts in rates related to the CILCORP and Illinois Power acquisitions, it is obligated to first make a separate FPA section 205 filing demonstrating that the acquisitions provided measurable and demonstrable benefits to ratepayers.

28. Turning to the specifics of Ameren's second refund report, we find that Ameren's second refund report raises issues of material fact that cannot be resolved based on the record before us, and that would be more appropriately addressed in the hearing and settlement judge procedures we order below. Specifically, we set for hearing and settlement judge procedures the goodwill and purchase accounting adjustments recorded as a result of the CILCORP and Illinois Power acquisitions, in order to identify the acquisition premiums included in Ameren Illinois' and its predecessors' formula rates. The hearing and settlement judge procedures should also identify the ratemaking adjustments required to remove the impact of such acquisition premiums on rate base and

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<sup>30</sup> *Arkla Energy Res., Inc.*, 61 FERC ¶ 61,004, at 61,038 (1992).

cost of service from Ameren Illinois' formula rate for the years 2005 through 2012.<sup>31</sup> We are not setting for hearing the collection of any additional amounts in rates related to the CILCORP and Illinois Power acquisitions because Ameren Illinois is obligated to first make a separate FPA section 205 filing demonstrating that the acquisitions provided measurable and demonstrable benefits to ratepayers.

29. While we are setting these matters for a trial-type evidentiary hearing, we encourage the parties to make every effort to settle their disputes before hearing procedures are commenced. To aid the parties in their settlement efforts we will hold the hearing in abeyance and direct that a settlement judge be appointed, pursuant to Rule 603 of the Commission's Rules of Practice and Procedure.<sup>32</sup> If the parties desire, they may, by mutual agreement, request a specific judge as the settlement judge in the proceeding; otherwise, the Chief Judge will select a judge for this purpose.<sup>33</sup>

30. The settlement judge shall report to the Chief Judge and the Commission, within thirty (30) days of the date of the appointment of the settlement judge, concerning the status of the settlement discussions. Based on this report, the Chief Judge shall provide the parties with additional time to continue their settlement discussions or provide for commencement of a hearing by assigning the case to a presiding judge, as appropriate.

The Commission orders:

(A) Pursuant to the authority contained in and subject to the jurisdiction conferred upon the Federal Energy Regulatory Commission by section 402(a) of the Department of Energy Organization Act and by the FPA and pursuant to the Commission's Rules of Practice and Procedure and the regulations under the FPA (18 C.F.R., Chapter I), a public hearing shall be held concerning Ameren's second refund report, as discussed in the body of this order. However, the hearing shall be held in

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<sup>31</sup> In addition, the refund determination will need to be calculated separately for the CILCORP and Illinois Power acquisitions, as well as the effect on Ameren Illinois' formula rate and that of its predecessors. Such separate determinations are needed since the refunds may vary among different customers and different classes of customers.

<sup>32</sup> 18 C.F.R. § 385.603 (2013).

<sup>33</sup> If the parties decide to request a specific judge, they must make their joint request to the Chief Judge by telephone at (202) 502-8500 within five (5) days of this order. The Commission's website contains a list of Commission judges available for settlement proceedings and a summary of their background and experience (<http://www.ferc.gov/legal/adr/avail-judge.asp>).

abeyance to provide time for settlement judge procedures, as discussed in Ordering Paragraphs (B) and (C) below.

(B) Pursuant to Rule 603 of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.603 (2013), the Chief Administrative Law Judge is hereby directed to appoint a settlement judge in this proceeding within fifteen (15) days of the date of this order. Such settlement judge shall have all powers and duties enumerated in Rule 603 and shall convene a settlement conference as soon as practicable after the Chief Judge designates the settlement judge. If the parties decide to request a specific judge, they must make their request to the Chief Judge within five (5) days of the date of this order.

(C) Within thirty (30) days of the appointment of the settlement judge, the settlement judge shall file a report with the Commission and the Chief Judge on the status of the settlement discussions. Based on this report, the Chief Judge shall provide the parties with additional time to continue their settlement discussions, if appropriate, or assign this case to a presiding judge for a trial-type evidentiary hearing, if appropriate. If settlement discussions continue, the settlement judge shall file a report at least every sixty (60) days thereafter, informing the Commission and the Chief Judge of the parties' progress toward settlement.

(D) If settlement judge procedures fail and a trial-type evidentiary hearing is to be held, a presiding judge, to be designated by the Chief Judge, shall, within fifteen (15) days of the date of the presiding judge's designation, convene a prehearing conference in these proceedings in a hearing room of the Commission, 888 First Street, NE, Washington, DC 20426. Such a conference shall be held for the purpose of establishing a procedural schedule. The presiding judge is authorized to establish procedural dates and to rule on all motions (except motions to dismiss) as provided in the Commission's Rules of Practice and Procedure.

By the Commission.

( S E A L )

Nathaniel J. Davis, Sr.,  
Deputy Secretary.