

REBUTTAL TESTIMONY  
OF  
REX EVANS  
PIPELINE SAFETY PROGRAM  
ENERGY DIVISION  
ILLINOIS COMMERCE COMMISSION

AMEREN CORPORATION  
ILLINOIS POWER COMPANY  
DOCKET NO. 04-0294

An Application of Ameren Corporation and Illinois Power Company  
For Authority to Engage in a Reorganization

August 13, 2004

1 Q. **What is your name and business address?**

2 A. My name is Rex Evans. My business address is 527 East Capitol Avenue,  
3 Springfield, Illinois 62701.

4 Q. **By whom are you employed and in what capacity?**

5 A. I am employed by the Illinois Commerce Commission (“ICC” or “Commission”) as  
6 Program Manager of the Pipeline Safety Program of the Energy Division. In my  
7 current position, I manage the natural gas pipeline safety program, which ensures  
8 the natural gas operators in Illinois are meeting the minimum federal safety  
9 standards as prescribed by 49 CFR Part 192 and the Illinois Pipeline Safety Act.

10 Q. **Have you submitted prior testimony in this proceeding?**

11 A. Yes. My direct testimony is labeled ICC Staff Ex. 13.0. In my direct testimony, I  
12 discuss items related to pipeline safety activities relevant in the merger between  
13 Ameren Corporation (“Ameren”) and Illinois Power Company (“Illinois Power” or  
14 “IP”).

15 Q. **What is the purpose of your rebuttal testimony?**

16 A. My rebuttal testimony responds to the rebuttal testimony of Applicants’ witness  
17 Jimmy L. Davis (Applicants’ Ex: 31.0). This rebuttal testimony confirms the  
18 commitments made by Ameren and Staff’s acceptance or reliance on those  
19 commitments, and responds to other issues.

20 Natural Gas Operations Issues

21 Q. **What determination did you make in your direct testimony concerning the  
22 natural gas operations of Ameren and Illinois Power as it relates to pipeline  
23 safety?**

24 A. I noted that if management intends on sharing resources and performing work  
25 between Ameren and IP, they should be prepared to effectively integrate plans  
26 for: Code Compliance, Operations and Maintenance, Construction, Training,  
27 Operator Qualification and Integrity Plans. I further noted that following Ameren's  
28 acquisition of Central Illinois Light Company ("AmerenCILCO"), it took Ameren  
29 approximately 18 months to effectively integrate their Operations and  
30 Maintenance plans with that of AmerenCILCO. Thus, based on this recent  
31 experience, 18 months should be used as a baseline for determining the  
32 integration of IP into Ameren. ICC Staff Exhibit 13.0, page 2)

33 Q. **In Mr. Davis' testimony, he states that Ameren's objective is to establish**  
34 **integration, but cannot commit to an 18-month schedule (Applicants'**  
35 **Exhibit 31.0, pages 13-14). What should Ameren do to ensure its**  
36 **integration plans are communicated successfully to the ICC?**

37 A. Ameren indicated it would provide ICC Staff ("Staff") with periodic updates on its  
38 efforts in these areas. I suggest that Ameren initially provide Staff with quarterly  
39 progress updates in these areas until complete. We appreciate Ameren's  
40 commitment to completion of these items as rapidly as possible.

41 Quality Assurance Programs

42 Q. **What determination did you make in your direct testimony with respect to**  
43 **the Quality Assurance (QA) Programs of Ameren and IP?**

44 A. I noted that Ameren should commit to retaining, and possibly enhancing, existing  
45 QA Programs and staffing of both Ameren and IP. (ICC Staff Exhibit 13.0, pages  
46 2 – 3)

47 Q. **Did Ameren commit to retaining QA programs?**

48 A. As stated in Mr. Davis' rebuttal testimony (Applicants' Ex. 31, page 14), Ameren  
49 plans to retain the QA personnel of both Ameren and IP. Mr. Davis added that  
50 the QA programs will be consolidated and modified as part of the overall objective  
51 of moving to common practices. Ameren's commitment will satisfy my concerns  
52 provided that the consolidation and any modification of these programs are  
53 consistent with Illinois Power's current program.

54 Response Time to Gas Leak and Odor Complaints

55 Q. **What determination did you make in your direct testimony with respect to**  
56 **response time to odor and leak complaints as a result of Ameren's**  
57 **acquisition of IP?**

58 A. I noted that following Ameren's acquisition of IP, Ameren will effectively have a  
59 service territory that covers the entire lower two-thirds of the State of Illinois. As a  
60 result, it will allow Ameren the ability to place qualified gas personnel throughout  
61 this geographic area and a high level of quality response times should be  
62 expected from the new organization. (ICC Staff Exhibit 13.0, page 4)

63 Q. **Did Mr. Davis provide any rebuttal testimony that addresses your**  
64 **determination with respect to this issue?**

65 A. Mr. Davis stated that Ameren already places the highest priority on responding to  
66 gas leak and odor complaints and will continue to look for ways to effectively  
67 improve its response to these emergencies. Mr. Davis added that Ameren  
68 believes it is among the industry leaders in gas leak response times. He further  
69 stated that since Ameren is committed to responding to all gas leak reports as  
70 soon as possible, following the acquisition, it will ensure IP will adopt the same  
71 philosophy. (Applicants' Ex. 31.0, pages 14 – 15)

72 Q. **Is Ameren an industry leader in leak response times?**

73 A. As Mr. Davis indicated in his rebuttal testimony (Applicants' Ex. 31.0, page 15),  
74 there are no statistics available to substantiate this assertion. As noted in my  
75 direct testimony (ICC Staff Exhibit 13.0, page 3), a gas operator should have the  
76 personnel necessary to respond to any emergency reported to its office on a 24/7  
77 basis. Staff appreciates Ameren's commitment to respond to all gas leak reports  
78 as soon as possible, and this commitment addresses my concerns

79 Excess Flow Valves

80 Q. **Did you make any other determinations in your direct testimony with**  
81 **respect to Ameren's acquisition of IP?**

82 A. Yes. I determined that Ameren should continue, and adopt themselves, the IP  
83 practice of installing Excess Flow Valves ("EFVs") on new and replacement  
84 natural gas services. (ICC Staff Exhibit 13.0, pages 4 – 6)

85 Q. **In the rebuttal testimony of Mr. Davis, he indicates that Ameren is not**  
86 **willing to commit to the voluntary installation of EFVs (Applicants' Ex. 31.0,**  
87 **pages 15 – 16). What technical or economic basis does Ameren give for its**  
88 **decision to not commit to continuing IP's EFV practice?**

89 A. No technical or economic basis is provided in his rebuttal testimony.

90 Q. **What program is Ameren planning on implementing?**

91 A. Mr. Davis stated that although Ameren was not willing to commit to voluntarily  
92 installing EFVs, it does expect to implement its far more beneficial policy  
93 regarding brass appliance connectors at IP. (Applicants' Ex. 31.0, page 16)

94 Q. **Does Ameren's policy of replacing flexible brass appliance connectors**  
95 **eliminate the need for an EFV installation program?**

96 A. No. Flexible brass appliance connectors have been a concern on customer  
97 piping and the replacement of flexible brass connectors has been a practice of  
98 many natural gas utilities to avoid potentially costly litigation in the event of  
99 failure. Ameren should be commended for this practice, which like EFV  
100 installation, is not required by law. The major difference is that flexible appliance  
101 connectors are on non-jurisdictional customer piping and are ultimately the  
102 responsibility of the consumer just like any other customer-owned inside piping.  
103 An EFV is installed on jurisdictional gas company-owned facilities and as noted in  
104 my direct testimony are designed to limit the uncontrollable flow of gas to a level  
105 where danger is minimized until a repair is made on a gas service line. (ICC Staff  
106 Exhibit 13.0, pages 4 –5) The safety aspects of EFV's and flexible brass  
107 appliance connectors are inappropriately combined in Mr. Davis' rebuttal  
108 testimony.

109 Q. **Does this conclude your rebuttal testimony?**

110 A. Yes.