

STATE OF ILLINOIS

ILLINOIS COMMERCE COMMISSION

CENTRAL ILLINOIS LIGHT COMPANY)	
d/b/a AmerenCILCO,)	
)	
Proposal to implement a competitive)	No. 05-0160
procurement process by establishing)	
Rider BGS, Rider BPS-L, Rider RTP,)	
Rider RTP-L, Rider D and Rider MV)	
)	
CENTRAL ILLINOIS PUBLIC SERVICE)	
COMPANY d/b/a AmerenCIPS,)	
)	
Proposal to implement a competitive)	No. 05-0161
procurement process by establishing)	
Rider BGS, Rider BPS-L, Rider RTP,)	
Rider RTP-L, Rider D and Rider MV)	
)	
ILLINOIS POWER COMPANY d/b/a)	
AmerenIP,)	
)	
Proposal to implement a competitive)	No. 05-0162
procurement process by establishing)	
Rider BGS, Rider BPS-L, Rider RTP,)	
Rider RTP-L, Rider D and Rider MV)	
)	

Direct Testimony of

James R. Dauphinais

On Behalf of

Illinois Industrial Energy Consumers

June 15, 2005
Project 8378



BRUBAKER & ASSOCIATES, INC.
ST. LOUIS, MO 63141-2000

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ILLINOIS COMMERCE COMMISSION

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Direct Testimony of James R. Dauphinais

1 Q PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

2 A My name is James R. Dauphinais. My business address is 1215 Fern Ridge
3 Parkway, Suite 208; St. Louis, Missouri 63141.

4 Q PLEASE STATE YOUR OCCUPATION.

5 A I am a consultant in the field of public utility regulation with Brubaker & Associates,
6 Inc. ("BAI"), energy, economic and regulatory consultants.

7 Q PLEASE DESCRIBE YOUR EDUCATIONAL BACKGROUND AND EXPERIENCE.

8 A This is summarized in Appendix A to my testimony.

9 Q ON WHOSE BEHALF ARE YOU APPEARING IN THIS PROCEEDING?

10 A I am appearing on behalf of the Illinois Industrial Energy Consumers (“IIEC”). The
11 IIEC is an ad hoc group of industrial customers eligible to take power and energy or
12 delivery service from one or more of the Ameren Operating Companies (“Ameren”) in
13 Illinois (AmerenCILCO, AmerenCIPS and AmerenIP).

14 Q WHAT IS THE SUBJECT MATTER OF YOUR TESTIMONY?

15 A I address the following issues related to Ameren’s filing in this proceeding, including:

- 16 • The need for the Commission to encourage a single power procurement auction
17 for Ameren and Commonwealth Edison Company (“ComEd”) within Illinois in
18 order to maximize the competitiveness of the proposed power procurement
19 auctions.
- 20 • The need to assure that capacity charges under Rider RTP-L for self-generating
21 customers taking standby service are just and reasonable.
- 22 • The need to allow Rider BGS-L customers to participate as Demand Response
23 Resources in the Midwest Independent Transmission System Operator, Inc.
24 (“MISO”) markets.
- 25 • The need to allow Rider RTP-L customers who meet MISO Interruptible Demand
26 requirements the opportunity to avoid capacity charges.
- 27 • The justness and reasonableness of Ameren’s proposed Default Supply Service
28 Availability Charge.

29 My failure to address an issue should not be interpreted as tacit approval of
30 any position taken by Ameren.

31 Q DO YOU HAVE ANY RECOMMENDATIONS FOR THE COMMISSION?

32 A Yes. I have the following recommendations:

- 33 1. As a condition of any approval to use the proposed power procurement auctions,
34 the Commission should require that Ameren work with ComEd, MISO and the
35 PJM Interconnection LLC (“PJM”) to remove, as soon as practicable, impediments
36 to a single common power procurement market for the Ameren Operating
37 Companies and ComEd in Illinois. In any event, Ameren should be required to
38 work with ComEd, MISO and PJM to implement as soon as practicable a single
39 common deliverability test for resources within the combined MISO and PJM
40 footprint to serve network load within the Ameren Operating Companies and
41 ComEd within Illinois that will permit a joint auction by a date certain. In addition,
42 Ameren should be required to report the status of the development of a common
43 deliverability test and joint procurement market within 90 days of a Commission
44 order in this proceeding and every 90 days thereafter until a common deliverability
45 test and joint auction are implemented.
- 46 2. Ameren’s proposed Rider RTP-L should be modified to ensure that Ameren’s
47 proposal to bill self-generating customers taking Rider RTP-L for capacity on a
48 per kW-Day basis, is properly reflected in the tariff.
- 49 3. The Commission should require Ameren to permit customers under Ameren’s
50 Rider BGS-L to act as Demand Response Resources in the MISO markets.
- 51 4. The Commission should require that Ameren modify its BGS-LRTP auction and
52 Rider RTP-L proposals to permit hourly pricing customers, who meet the MISO
53 Interruptible Demand requirements, an exemption from capacity charges.
54 Otherwise, hourly pricing customers who meet MISO Interruptible Demand
55 requirements will unjustly and unreasonably be required to purchase unneeded
56 capacity through Ameren’s hourly pricing proposal.
- 57 5. The Commission should reject Ameren’s proposed Default Supply Service
58 Availability Charge.

59 **I. THE NEED FOR A SINGLE COMMON POWER PROCUREMENT AUCTION**
60 **Q HAS AMEREN PROPOSED ITS COMPETITIVE PROCUREMENT AUCTION**
61 **(“CPA”) BE PERFORMED JOINTLY WITH COMED’S PROPOSED ILLINOIS**
62 **AUCTION PROPOSAL?**

63 A No. Under a joint auction (“joint auction”) there would be a single set of auction rules
64 and supplier qualification rules. More importantly, bidders would be permitted to
65 freely switch between utility load zones (e.g., Ameren and ComEd) during the rounds
66 of bidding. A joint auction is the approach currently used within the State of New
67 Jersey. Ameren has not proposed a joint auction in Illinois at this time.

68 **Q** **WHAT WOULD BE THE ADVANTAGES OF CONDUCTING A JOINT AUCTION**
69 **FOR COMED AND AMEREN?**

70 A Provided that the resources that would need to be aggregated by bidders to serve
71 load in one load zone were as easily able to serve load in the other load zone, a joint
72 auction would provide lower market clearing prices for the load zones. Lower market
73 clearing prices would result because the auction would be more competitive in both
74 load zones, since the load zones would not be bifurcated into two separate auctions.
75 In separate auctions bidders would likely be inclined to participate in one load zone or
76 the other if they cannot easily move their aggregate resources between the two
77 auctions. This bifurcates the market, making each auction less competitive.

78 **Q** **WHAT IS A PARALLEL AUCTION?**

79 A A parallel auction is a concept ComEd introduced in its Illinois Auction Proposal in
80 Docket No. 05-0159. Under ComEd's parallel auction concept Ameren and ComEd's
81 auctions would be performed at the same time, share the same auction advisor and
82 share the same auction manager. My colleague Mr. Collins has proposed the initial
83 auctions and subsequent auctions for Ameren and ComEd be held in parallel until a
84 joint auction is held. I recommend the Commission require a joint auction be
85 implemented as soon as possible.

86 **Q** **WOULD A PARALLEL AUCTION PROVIDE THE BENEFITS OF A "JOINT"**
87 **AUCTION?**

88 A No. While a parallel auction can potentially provide certain efficiencies through
89 sharing auction managers, and auction advisors, a parallel auction is still bifurcated
90 and will result in higher market clearing prices than a joint auction.

91 **Q IS AMEREN A PART OF THE SAME REGIONAL TRANSMISSION**
92 **ORGANIZATION AS COMED?**

93 A No, it is not. ComEd is a member of PJM, and Ameren is a member of MISO.

94 **Q WHAT IS THE SIGNIFICANCE OF THE FACT THAT THESE COMPANIES**
95 **BELONG TO DIFFERENT RTOs?**

96 A The significance for the purpose of this proceeding is that it can make it difficult for a
97 bidder to rely on the same underlying capacity for both auctions as that capacity is
98 not fully interchangeable.

99 **Q DOES A JOINT AND COMMON MARKET FOR PJM AND MISO NEED TO BE**
100 **OPERATIONAL PRIOR TO IMPLEMENTING A JOINT AUCTION?**

101 A No. While the implementation of a joint and common market should be pursued as
102 soon as practicable to eliminate all vestiges of market bifurcation and maximize the
103 fungibility of capacity products between the two RTOs, full implementation of a joint
104 and common market in itself is not, and should not be, a prerequisite to a joint
105 auction. There are steps that can be taken prior to the implementation of a joint and
106 common market that would allow the implementation of a joint auction. Furthermore,
107 we may be some years away from the implementation of a true joint and common
108 market. MISO and PJM have just begun to conduct stakeholder comments to help
109 develop a detailed timeline for establishing a joint and common market. In a March 3,
110 2005 order in Docket No. ER04-375-017, et al., the FERC has required that MISO
111 and PJM file a proposed detailed timeline by no later than October 31, 2005. It is not
112 necessary to delay the benefits a joint auction may offer until a single market can be
113 achieved.

114 Q IF A JOINT AND COMMON MARKET IS NOT A MANDATORY PREREQUISITE TO
115 A JOINT AUCTION, ARE THERE ANY PREREQUISITES TO A JOINT AUCTION?

116 A Yes, there is one prerequisite. There is an unduly disparate treatment of capacity
117 resources in PJM versus those in MISO for service to MISO load. There is a similarly
118 disparate treatment of capacity resources in MISO versus those in PJM for service to
119 PJM load. These disparities serve as a strong disincentive for those with capacity
120 resources in PJM to bid into the Ameren auction and for those with capacity
121 resources in MISO to bid into the ComEd auction. This disparate treatment strongly
122 bifurcates the Ameren and ComEd auctions making them less competitive. It also
123 precludes the receipt of the benefits a joint auction would bring, because bidders are
124 unlikely to switch their bids between load zones during auction rounds with such
125 market bifurcation. Thus, elimination of this disparate treatment of capacity resources
126 is a prerequisite to conducting a joint auction.

127 Q PLEASE EXPLAIN THE NATURE OF THE UNDULY DISPARATE TREATMENT OF
128 CAPACITY YOU HAVE DESCRIBED.

129 A Separately, the MISO and PJM perform a test for capacity resources to determine
130 whether those capacity resources are deliverable to aggregate load in their respective
131 footprints. For example, all capacity resources within MISO that are deemed
132 “deliverable” may be designated as a Network Resource for any load within MISO
133 without the need of a transmission study.

134 However, capacity resources deemed “deliverable” in PJM are not
135 automatically deemed deliverable to load in MISO. For a capacity resource in one
136 RTO to be deemed deliverable in the other RTO, firm point-to-point transmission
137 service must be requested from the capacity resource to the boundary with the other

138 RTO. In addition, transmission studies that can be lengthy (at least 60 days) and
139 costly (on the order of tens of thousands of dollars) may be required by the RTOs
140 both within the individual RTO in which the capacity resource is located and in the
141 other RTO in which the load is located. Furthermore, even if these studies show that
142 the resource is deliverable for one auction, this deliverability finding would not apply
143 in future auctions. New studies would be needed for future auctions. These hurdles
144 make it cumbersome and expensive for bidders to rely on capacity resources in PJM
145 for the Ameren auction and on capacity resources in MISO for the ComEd auction.
146 Therefore, bidders will be inclined to rely on resources inside PJM for the ComEd
147 auction and inside MISO for the Ameren auction.

148 **Q WHAT WOULD HAPPEN IF THE COMMISSION WERE TO REQUIRE A JOINT**
149 **AUCTION WITHOUT FIRST RESOLVING THE DISPARATE TREATMENT OF**
150 **CAPACITY?**

151 A There would likely be very little switching of bidder offers between the Ameren and
152 ComEd auctions because the capacity or financial equivalent of capacity underlying
153 the bids would not be interchangeable between the Ameren and ComEd load zones.
154 This means the auction results in each load zone could be very different.
155 Furthermore, because a joint auction might only be able to be rejected by the
156 Commission in its entirety, there is a risk that an unsatisfactory price result in one
157 load zone could require the Commission to also throw out a satisfactory price result in
158 the other load zone. While this risk could be mitigated by providing an option for the
159 Commission to reject auctions by load zone, this mitigation would further disincent bid
160 switching between load zones because there would be no certainty the Commission
161 would approve the auction results for both load zones. Thus, it would be risky for

162 bidders to move their bid from one load zone to the other. The implementation of a
163 common deliverability standard as I recommend below would minimize this risk.

164 **Q YOU INDICATED THAT A JOINT AND COMMON MARKET FOR PJM AND MISO**
165 **IS DESIRABLE, BUT NOT NECESSARY TO ENABLE A JOINT AUCTION. SHORT**
166 **OF CREATION OF A JOINT AND COMMON MARKET, WHAT SHOULD BE DONE**
167 **TO FACILITATE A JOINT AUCTION?**

168 A The disparate treatment of capacity resources should be removed in Illinois. This
169 could be achieved by developing a common deliverability test for capacity resources
170 within the combined MISO and PJM footprint to the combined ComEd and Ameren
171 load zones in Illinois. I am not an attorney and cannot determine if the Commission
172 can require MISO and PJM to establish such a joint deliverability test for Illinois only,
173 or require Ameren and ComEd to do so on their own. However, the Commission can
174 require Ameren to work with ComEd, MISO and PJM to establish a common
175 deliverability test for Illinois load and a joint power procurement auction. In addition,
176 the Commission can condition the continued use of procurement auctions on
177 establishment of a common deliverability test and a joint auction by a date certain.
178 Until a joint auction is implemented, the Ameren and ComEd auctions should be
179 conducted in parallel, as discussed in the testimony of Mr. Collins.

180 Q DO YOU RECOMMEND THE COMMISSION CONDITION ITS APPROVAL OF
181 AMEREN'S COMPETITIVE PROCUREMENT AUCTION PROPOSAL ON AMEREN
182 PURSUING AND ULTIMATELY IMPLEMENTING A COMMON DELIVERABILITY
183 TEST FOR ILLINOIS AND A JOINT POWER PROCUREMENT AUCTION?

184 A Yes. Separate auctions will not lead to the acquisition of power and energy at the
185 least cost for customers. I do not believe Ameren's auction and ratemaking proposal
186 would be just and reasonable unless the bifurcation between the MISO and PJM
187 capacity is addressed as soon as practicable and a joint procurement auction is
188 subsequently implemented for the Ameren and ComEd load zones.

189 **II. JUST AND REASONABLE CAPACITY CHARGES FOR SELF-GENERATION**
190 **CUSTOMERS**

191 Q WHAT SERVICE WOULD BE AVAILABLE TO SELF-GENERATION CUSTOMERS
192 5 MW OR LARGER UNDER AMEREN'S PROPOSAL?

193 A For backup service Ameren proposes to offer its self-generation customers 5 MW or
194 larger hourly pricing under Rider RTP-L. These customers include, but are not limited
195 to, customers with generation facilities that are Qualifying Facilities under the Public
196 Utility and Regulatory Policies Act of 1978 ("PURPA") that are 5 MW or larger.

197 Q HOW WOULD HOURLY PRICING SERVICE UNDER RIDER RTP-L BE
198 STRUCTURED?

199 A RTP-L customers would be charged a capacity charge derived from Ameren's
200 proposed BGS-LRTP auction. These customers would pay for energy hourly based
201 on the real-time locational marginal price for their load zone within MISO.

202 Q IS IT APPROPRIATE TO DERIVE AND BILL CAPACITY CHARGES FOR SELF-
203 GENERATING CUSTOMERS IN THE SAME MANNER AS FOR OTHER HOURLY
204 PRICING CUSTOMERS?

205 A Only if such charges are applied to self-generating customers only on the actual days
206 when energy was drawn by self-generating customers. Self-generating customers
207 generally have a very low load factor and generally only draw energy during limited
208 periods of the year, mostly confined to maintenance outages taken during off-peak
209 times of the year. Capacity charges for self-generating customers should reflect their
210 ability to schedule generation maintenance during off-peak periods of the year and
211 the unlikely occurrence of outages during peak system load conditions or
212 simultaneous with other outages. It is common practice for these customers to take
213 service under standby service contracts that require maintenance to be taken during
214 certain times of the year. Moreover, these standby contracts generally include
215 backup power provisions that reflect the fact that forced outages or deratings of
216 multiple customer generation facilities will not occur simultaneously, or during system
217 peak load conditions, or both. For example, AmerenIP's existing Service
218 Classification 22 – Standby Service contains specific requirements on when power for
219 maintenance outages can be taken and includes a demand charge that reflects the
220 fact that simultaneous forced outages and outages under system peak load
221 conditions are unlikely for customer-owned generation. I have attached Service
222 Classification 22 as Schedule 1 to my testimony (IIEC Exhibit 2, Schedule 1).
223 Moreover, FERC regulations related to PURPA require that for qualifying facilities:

224 The rate for sales of back-up power or maintenance power:
225 (1) Shall not be based upon an assumption (unless supported
226 by factual data) that forced outages or other reductions in electric
227 output by all qualifying facilities on an electric utility's system will
228 occur simultaneously, or during the system peak, or both; and
229 (2) Shall take into account the extent to which scheduled
230 outages of the qualifying facilities can be usefully coordinated with
231 scheduled outages of the utility's facilities.

232 (Section 292.205(c) of Title 18 of the Code of Federal Regulations)

233 **Q DO YOU HAVE ANY RECOMMENDATION FOR THE COMMISSION ON THIS**
234 **ISSUE?**

235 **A** Yes, I do. Ameren should be required to either:

236 • Bill self-generating customers taking Rider RTP-L hourly pricing service for
237 capacity on a per kW-day basis on those days energy is actually taken from
238 Ameren or

239 • Adjust self-generating customer capacity charges through a rate translation
240 process to reflect the low likelihood that all such customers will experience
241 generation outages at the same time, at the time of system peak, or both and their
242 ability to commit to performing generation maintenance during off-peak periods of
243 the year.

244 I would note it may be appropriate under the latter approach to place certain
245 operating requirements on customers similar in nature to those under Ameren's
246 existing Service Classification 22 - Standby Service.

247 **Q PLEASE EXPLAIN HOW THE FIRST OPTION UNDER YOUR RECOMMENDATION**
248 **PROPERLY ADDRESSES CAPACITY CHARGES FOR SELF-GENERATING**
249 **CUSTOMERS.**

250 **A** Under the first option, self-generation customers only pay for capacity on those days
251 in which they draw energy. This properly avoids having these customers pay for
252 capacity when they are not placing a demand on the system. This is consistent with
253 the concept of reflecting that it is unlikely forced outages for one standby customer

254 will occur at the same time as forced outages for other standby customers, or at the
255 time of system peak, or both. The first option is my preferred option.

256 **Q HAS AMEREN PROPOSED TO BILL RIDER RTP-L CUSTOMERS, INCLUDING**
257 **SELF-GENERATING CUSTOMERS TAKING SUCH HOURLY PRICING SERVICE,**
258 **FOR CAPACITY ON A PER KW-DAY BASIS?**

259 A Yes, according to Ameren's response to Data Request No. IIEC 3-5 and my
260 understanding of what Ameren is proposing. However, Ameren's language in Rider
261 MV concerning the capacity charge for Rider RTP-L customers, which is referred to
262 as an Hourly Auction Supply Charge, needs to be revised to be consistent with
263 Ameren's stated intention to impose a per kW-day charge for capacity.

264 **Q DOES AMEREN INTEND TO REVISE THE RELEVANT LANGUAGE IN RIDER**
265 **MV?**

266 A It is my understanding that it intends to do so. If Ameren revises the tariff language to
267 be consistent with their expressed intent to bill for capacity on a per kW-day basis
268 then my concern would be satisfactorily resolved. In that event the Commission
269 would not need to act on my recommendation in regard to this issue.

270 **III. MISO DEMAND RESPONSE RESOURCES**

271 **Q WHAT IS A MISO DEMAND RESPONSE RESOURCE?**

272 A It is a load located within the MISO footprint that is monitored by the MISO and
273 permitted to participate in the MISO's markets by offering to interrupt energy
274 consumption.

275 Q CAN NON-RESIDENTIAL CUSTOMERS TAKING FIXED PRICED BUNDLED
276 SERVICE ACT AS DEMAND RESPONSE RESOURCES?

277 A Not under Ameren's proposed rates.

278 Q SHOULD AMEREN BE REQUIRED TO MODIFY ITS FIXED PRICE RIDERS TO
279 PERMIT SUCH CUSTOMERS TO PARTICIPATE IN THE MISO MARKETS AS
280 DEMAND RESPONSE RESOURCES THROUGH AMEREN AND MISO MARKET
281 PARTICIPANTS?

282 A Yes. Demand response is critical for mitigating very high market prices and
283 maintaining supply adequacy during periods when supply adequacy is very tight.
284 Fixed price customers normally have no incentive to curtail demand. The MISO
285 Demand Response Resource opportunity provides a necessary economic incentive
286 for fixed price customers to curtail load when needed. Non-residential customers
287 taking fixed price bundled service, including Rider BGS-L customers, should be
288 provided the option to directly participate as Demand Response Resources in the
289 MISO markets through Ameren and other MISO Market Participants.

290 IV. INTERRUPTIBLE HOURLY SERVICE

291 Q ARE THERE CONDITIONS UNDER THE MISO TARIFFS OR AGREEMENTS
292 UNDER WHICH CAPACITY DOES NOT NEED TO BE CARRIED TO COVER
293 LOAD?

294 A Yes. Load that qualifies under Section 70.1.1 of the Open Access Transmission and
295 Energy Markets Tariff for the Midwest Independent System Operator, Inc. ("MISO
296 EMT") as Interruptible Demand does not have to have a designated Network
297 Resource associated with it. This means capacity does not need to be carried for

298 such loads. I have attached the relevant portions of the MISO EMT as Schedule 2 to
299 my testimony (IIEC Exhibit 2, Schedule 2).

300 **Q SHOULD AMEREN BE REQUIRED TO PROVIDE AN EXEMPTION FROM**
301 **CAPACITY CHARGES FOR CUSTOMERS WHO TAKE SERVICE UNDER RIDER**
302 **RTP-L, IF THOSE CUSTOMERS AGREE TO MEET THE MISO INTERRUPTIBLE**
303 **DEMAND REQUIREMENT?**

304 A Yes. Neither Ameren nor BGS-LRTP suppliers would be required to carry any
305 capacity for the portion of such customer load that qualifies as Interruptible Demand.
306 Without an adjustment, customers would pay for costs of capacity not incurred to
307 serve them.

308 **Q HOW WOULD YOU PROPOSE TO INCORPORATE THOSE CUSTOMERS INTO**
309 **THE BGS-LRTP CONTRACT, RIDER MV AND RIDER RTP-L?**

310 A The BGS-LRTP contract would be modified such that the portion of customer load
311 that did not qualify as Interruptible Demand would be treated as firm load under the
312 BGS-LRTP contract. The portion of load covered that does qualify as Interruptible
313 Demand would not have a capacity charge associated with it and would be
314 interruptible by MISO pursuant to the MISO EMT. Any MISO penalties incurred due
315 to a failure of a customer to interrupt service when notified would be directly
316 assignable to the customer. Riders MV and RTP-L would be similarly modified to
317 reflect these provisions.

318 Q DO YOU RECOMMEND THAT AMEREN BE REQUIRED TO IMPLEMENT THIS
319 MODIFICATION TO THE BGS-LRTP CONTRACT AND TO ASSOCIATED
320 PROVISIONS OF RIDERS MV AND RTP-L?

321 A Yes.

322 V. **DEFAULT SUPPLY SERVICE AVAILABILITY CHARGE**

323 Q PLEASE EXPLAIN AMEREN'S PROPOSED DEFAULT SUPPLY SERVICE
324 AVAILABILITY CHARGE ("DSSAC").

325 A This is a charge Ameren proposes to apply to Rider RTP-L customers and customers
326 who are eligible to take service under Rider RTP-L but are taking service from a
327 Retail Electric Supplier ("RES"). In the latter case the charge is applied through
328 Ameren's proposed Rider D.

329 Ameren proposes this charge as a cost recovery mechanism for BGS-LRTP
330 suppliers because those suppliers must be on call to supply both existing Rider
331 RTP-L customers and customers eligible for Rider RTP-L who are being supplied by
332 a RES.

333 Q HAS AMEREN PROVIDED ANY COST SUPPORT FOR THIS CHARGE?

334 A No. Ameren has proposed a fixed hard-wired charge of 0.015 cents per kWh which it
335 identifies as a proxy for some amount of the costs to be incurred by suppliers in
336 providing the BGS-LRTP product (Ameren response to Data Request No. EPS 2.02).
337 In addition, Ameren concedes it has no study or analyses to support the charge
338 (Ameren response to Data Request No. IIEC 3-6).

339 Q DID COMED PROPOSE A SIMILAR CHARGE IN ITS FILING IN DOCKET NO.
340 05-0159?

341 A No.

342 Q IS AMEREN'S PROPOSED DSSAC JUST AND REASONABLE?

343 A No. Ameren has provided no cost support for the charge. Furthermore, Rider RTP-L
344 has been basically proposed as a default service for customers not taking service
345 from a RES or under Rider BGS-L. As such it is appropriate to reflect any price
346 premium associated with the service in the rates for that service -- not as a
347 non-bypassable charge applicable to customers not currently taking the service.
348 Finally, the proposal does not allow bidders to compete to cover this risk. By this I
349 mean the charge is fixed and not based on what price bidders are willing to accept to
350 cover this risk. Therefore, bidders should simply be permitted to include any premium
351 for this risk in their BGS-LRTP capacity bids.

352 Q DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?

353 A Yes.

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Qualifications of James R. Dauphinais

354 Q PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

355 A James R. Dauphinais. My business address is 1215 Fern Ridge Parkway, Suite 208,
356 St. Louis, Missouri 63141.

357 Q PLEASE STATE YOUR OCCUPATION.

358 A I am a consultant in the field of public utility regulation with the firm of Brubaker &
359 Associates, Inc. ("BAI"), energy, economic and regulatory consultants.

360 Q PLEASE SUMMARIZE YOUR EDUCATIONAL BACKGROUND AND EXPERI-
361 ENCE.

362 A I graduated from Hartford State Technical College in 1983 with an Associate's Degree
363 in Electrical Engineering Technology. Subsequent to graduation, I was employed by
364 the Transmission Planning Department of the Northeast Utilities Service Company as
365 an Engineering Technician.

366 While employed as an Engineering Technician, I completed undergraduate
367 studies at the University of Hartford. I graduated in 1990 with a Bachelor's Degree in
368 Electrical Engineering. Subsequent to graduation, I was promoted to the position of
369 Associate Engineer. Between 1993 and 1994, I completed graduate level courses in
370 the study of power system transients and power system protection through the
371 Engineering Outreach Program of the University of Idaho. By 1996, I had been
372 promoted to the position of Senior Engineer.

373 In the employment of the Northeast Utilities Service Company, I was
374 responsible for conducting thermal, voltage and stability analyses of the Northeast

375 Utilities' transmission system to support planning and operating decisions. This
376 involved the use of load flow and power system stability computer simulations.
377 Among the most notable achievements I had in this area include the solution of a
378 transient stability problem near Millstone Nuclear Power Station, and the solution of a
379 small signal (or dynamic) stability problem near Seabrook Nuclear Power Station. In
380 1993 I was awarded the Chairman's Award, Northeast Utilities' highest employee
381 award, for my work involving stability analysis in the vicinity of Millstone Nuclear
382 Power Station.

383 From 1990 to 1997, I represented Northeast Utilities on the New England
384 Power Pool Stability Task Force. I also represented Northeast Utilities on several
385 other technical working groups within the New England Power Pool ("NEPOOL") and
386 the Northeast Power Coordinating Council ("NPCC"), including the 1992-1996 New
387 York-New England Transmission Working Group, the Southeastern
388 Massachusetts/Rhode Island Transmission Working Group, the NPCC CPSS-2
389 Working Group on Extreme Disturbances and the NPCC SS-38 Working Group on
390 Interarea Dynamic Analysis. This latter working group also included participation
391 from a number of ECAR, PJM and VACAR utilities.

392 In addition to my technical responsibilities, I was also responsible for oversight
393 of the day-to-day administration of Northeast Utilities' Open Access Transmission
394 Tariff. This included the creation of Northeast Utilities' pre-FERC Order No. 889
395 transmission electronic bulletin board and the coordination of Northeast Utilities'
396 transmission tariff filings prior to and after the issuance of Federal Energy Regulatory
397 Commission ("FERC" or "Commission") FERC Order No. 888. I was also responsible
398 for spearheading the implementation of Northeast Utilities' Open Access Same-Time
399 Information System and Northeast Utilities' Standard of Conduct under FERC Order

400 No. 889. During this time I represented Northeast Utilities on the Federal Energy
401 Regulatory Commission's "What" Working Group on Real-Time Information Networks.
402 Later I served as Vice Chairman of the NEPOOL OASIS Working Group and Co-
403 Chair of the Joint Transmission Services Information Network Functional Process
404 Committee. I also served for a brief time on the Electric Power Research Institute
405 facilitated "How" Working Group on OASIS and the North American Electric Reliability
406 Council facilitated Commercial Practices Working Group.

407 In 1997, I joined the firm of Brubaker & Associates, Inc. The firm includes
408 consultants with backgrounds in accounting, engineering, economics, mathematics,
409 computer science and business. Since my employment with the firm, I have
410 presented testimony before the Federal Energy Regulatory Commission in
411 Consumers Energy Company, Docket No. OA96-77-000, Midwest Independent
412 Transmission System Operator, Inc., Docket No. ER98-1438-000, Montana Power
413 Company Docket No. ER98-2382-000, Inquiry Concerning the Commission's Policy
414 on Independent System Operators, Docket No. PL98-5-003, SkyGen Energy LLC v.
415 Southern Company Services, Inc., Docket No. EL00-77-000, Alliance Companies, et
416 al., Docket No. EL02-65-000, et al., Entergy Services, Inc., Docket No. ER01-2201-
417 000, and Remedying Undue Discrimination through Open Access Transmission
418 Service and Standard Electricity Market Design, Docket No. RM01-12-000. I have
419 also presented testimony before the Illinois Commerce Commission, the Indiana
420 Utility Regulatory Commission, the Iowa Utilities Board, the Kentucky Public Service
421 Commission, the Michigan Public Service Commission, the Missouri Public Service
422 Commission, the Public Utility Commission of Texas, the Wisconsin Public Service
423 Commission and various committees of the Missouri State Legislature. I have also
424 participated on behalf of clients in the Southwest Power Pool Congestion

425 Management System Working Group, the Alliance Market Development Advisory
426 Group and several working groups of the Midwest Independent Transmission System
427 Operator, Inc. ("MISO"), including the Congestion Management Working Group. I am
428 currently an alternate member of the MISO Advisory Committee in the end-use
429 customer sector. In addition to our main office in St. Louis, the firm also has branch
430 offices in Phoenix, Arizona; Chicago, Illinois; Corpus Christi, Texas; and Plano,
431 Texas.