

DIRECT TESTIMONY  
OF  
MARK MAPLE  
ENGINEERING DEPARTMENT  
ENERGY DIVISION  
ILLINOIS COMMERCE COMMISSION

SOUTH BELOIT WATER, GAS AND ELECTRIC COMPANY

DOCKET NO. 04-0684

JANUARY 10, 2006

1 Q. Please state your name and business address.

2 A. My name is Mark Maple and my business address is Illinois Commerce  
3 Commission, 527 East Capitol Avenue, Springfield, Illinois 62701.

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

5 A. I am employed by the Illinois Commerce Commission ("Commission") as a  
6 Gas Engineer in the Engineering Department of the Energy Division.

7 Q. Please state your educational background.

8 A. I hold a Bachelor of Science degree in Mechanical Engineering and a  
9 minor in Mathematics from Southern Illinois University - Carbondale. I  
10 also received a Master's degree in Business Administration from the  
11 University of Illinois at Springfield. Finally, I am a registered Professional  
12 Engineer Intern in the State of Illinois.

13 Q. What are your duties and responsibilities as a Gas Engineer in the  
14 Engineering Department?

15           A.     My primary responsibilities and duties are in the performance of studies  
16                     and analyses dealing with the day-to-day, and long-term, operations and  
17                     planning of the gas utilities serving Illinois. For example, I review  
18                     purchased gas adjustment clause reconciliations, rate base additions,  
19                     levels of natural gas used for working capital, and utilities' applications for  
20                     Certificates of Public Convenience and Necessity. I also perform utility  
21                     gas meter test shop audits.

22           Q.     What is the purpose of this proceeding?

23           A.     On November 10, 2004, the Commission initiated its annual reconciliation  
24                     of the Purchased Gas Adjustment (“PGA”) for calendar year 2004, as filed  
25                     by South Beloit Water, Gas and Electric Company (“South Beloit” or  
26                     “Company”), pursuant to Section 9-220 of the Illinois Public Utilities Act.  
27                     This investigation was initiated to determine whether South Beloit’s PGA  
28                     clause reflects actual costs of gas and gas transportation for calendar year  
29                     2004 and whether those purchases were prudent.

30           Q.     What is your assignment within this proceeding?

31           A.     My assignment is to determine if South Beloit’s natural gas purchasing  
32                     decisions made during the reconciliation period were prudent.

33 Q. Did you discover any imprudent purchases during the reconciliation  
34 period?

35 A. No. Using the Commission's criteria for prudence, I found no reason to  
36 dispute the Company's assertion that all gas supply purchases were  
37 prudently incurred during the reconciliation period.

38 Q. What criteria does the Commission use to determine prudence?

39 A. The Commission has defined prudence as:

40 **[...] that standard of care which a reasonable person**  
41 **would be expected to exercise under the**  
42 **circumstances encountered by utility management**  
43 **at the time decisions had to be made. In determining**  
44 **whether or not a judgment was prudently made, only**  
45 **those facts available at the time the judgment was**  
46 **exercised can be considered. Hindsight review is**  
47 **impermissible.**

48 **Imprudence cannot be sustained by substituting**  
49 **one's judgment for that of another. The prudence**  
50 **standard recognizes that reasonable persons can**  
51 **have honest differences of opinion without one or**  
52 **the other necessarily being 'imprudent'.**  
53 **(Commission v. Commonwealth Edison Company,**  
54 **Docket No. 84-0395, Order dated October 7, 1987,**  
55 **page 17).**

56 Q. What material did you review to determine the prudence of South  
57 Beloit's natural gas purchasing decisions during the reconciliation  
58 period?

59 A. I reviewed the direct testimony of South Beloit witness Sonya  
60 Kessinger. I also reviewed Company responses to numerous Staff  
61 data requests that directly addressed issues related to the  
62 prudence of South Beloit's natural gas purchasing.

63 Q. Does this conclude your direct testimony?

64 A. Yes, it does.



**SOUTH BELOIT WATER, GAS AND ELECTRIC COMPANY**  
**Docket No. 04-0684**  
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