

**ILLINOIS COMMERCE COMMISSION
DOCKET NOS. 06-0070 / 06-0071 / 06-0072 (CONSOLIDATED)**

**SURREBUTTAL TESTIMONY
OF
KEITH P. HOCK**

**Submitted On Behalf
Of
AMEREN COMPANIES**

July 14, 2006

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23

ILLINOIS COMMERCE COMMISSION

DOCKET NOS. 06-0070 / 06-0071 / 06-0072 (CONSOLIDATED)

SURREBUTTAL TESTIMONY

OF

KEITH P. HOCK

Q. Please state your name and business address.

A. My name is Keith P. Hock. My business address is One Ameren Plaza, 1901 Chouteau Avenue, St. Louis, Missouri 63103.

Q. Are you the same Keith Hock that provided rebuttal testimony in this proceeding?

A. Yes.

Q. What is the purpose of your testimony?

A. The purpose of my testimony is to respond to the rebuttal testimony of Peoples Energy Services Corporation (PES) witness Jennifer Witt in the specific areas of General Account Agency, proposed improvements to Ameren's website, and the Ameren Companies' communications with customers and RESs.

Q. Ms. Witt states in her rebuttal testimony that she is concerned Ameren intends to continue to present information on the Ameren website via two separate and distinct Customer and RES portals. How do you respond to her concerns?

A. Ameren Services Company ("Ameren Services"), for the benefit of the Ameren Companies, does intend to continue to offer two separate portals through which

24 users may obtain customer information. Ameren Services' intention is not to
25 confuse or create inefficiencies as Ms. Witt suggests. In fact, the continued
26 maintenance of two separate portals, which results in extra work for us, is done in
27 order to provide users, both retail customers and RESs, the greatest possible
28 flexibility and usability. As I explained in my rebuttal testimony, RESs are not
29 restricted to using only the RES Portal. In fact, all users whether they are retail
30 customers, RES or agents, may use any portal that they choose. Multiple portals
31 simply mean multiple options for all users. The Ameren Companies are strongly
32 opposed to the suggestion that one of these options be eliminated. Having
33 established that Ameren Services will continue to maintain two distinct portals, I
34 do agree with Ms. Witt's position that allowing RES to have access to certain
35 information via the RES Portal is fundamental to the functioning of the retail
36 electric market. Therefore, in addition to the data items that I have already stated
37 would be available via the RES Portal, Ameren Services will also provide the
38 current supply group and type, the future supply group and type and the DASR
39 eligibility date. RES will continue to have access to account information via the
40 RES Portal using a valid account and meter number.

41 **Q. At lines 589-597 of her rebuttal testimony, Ms. Witt suggests that the**
42 **Customer Portal be eliminated and combined with the RES Portal. Do you**
43 **have any concerns about this recommendation?**

44 A. Yes. I have two serious concerns with this recommendation. First, the
45 implementation of Ms. Witt's proposal would lead to a great deal of inefficiency.
46 Ms. Witt suggests that in order to prevent anyone other than themselves from

47 viewing their data online, the customer would need to proactively block the use of
48 their account and meter number. The successful implementation of this proposal
49 would require contacting and educating each of Ameren Companies' more than
50 one million Illinois customers. I still fail to understand how this proposal would
51 be more efficient than simply providing two portal options that the customer can
52 manage as it pleases. For the majority of customers that do not use Ameren's
53 website, the additional burden of understanding how to use the website as well as
54 maintaining the blocking and unblocking of their account is simply unreasonable.
55 I make this statement not only as an Ameren Services employee, but as an
56 AmerenUE customer. I have never used the Ameren website to view my own
57 account information. I don't even have a userID. The idea that I would need to
58 take some action to block a third party from viewing my personal data despite the
59 fact that I never use the service myself is not palatable. Second, eliminating the
60 Customer Portal would significantly reduce the amount of information that a
61 customer can view on Ameren's website. For example, a retail customer can now
62 view its payment history and bill image via the Customer Portal. The RES Portal
63 does not have this capability. Customers have told us through focus groups that
64 this capability is very valuable, and Ameren Services is strongly opposed to
65 removing this option.

66 **Q. Ms. Witt has pointed out some advantages to having a single portal. What**
67 **are some of the advantages to maintaining multiple portals?**

68 A. Multiple portals provide flexibility for customers. A perfect example of this
69 would be a customer that is seeking a RES from whom to take service. The most

70 efficient way for this customer to provide the RES with usage history is to provide
 71 the RES with an account and meter number so that the RES can access the data
 72 via the RES Portal. The customer could, and likely would, allow multiple RES
 73 access to this data. However, the customer may not want to allow all these RES
 74 to access the customer's payment history or current supply choice. The customer
 75 could reserve the right to view this information for itself through the Customer
 76 Portal.

77 **Q. Ms. Witt expresses concern that Ameren is not moving quickly enough to**
 78 **implement changes to its website. Do you share her concern?**

79 A. No. Ameren Services is moving forward with requirements definition. In fact,
 80 the exchange of data requests and testimony in this case is part of the
 81 requirements definition process. However, we are not planning a major overhaul
 82 of the website. The planned changes that I have described in my testimony are
 83 appropriately being treated as minor enhancements, not major changes. In
 84 comparison to the other computer system development projects that are currently
 85 underway, such as building systems to manage the auction or perform supplier
 86 settlement, the website enhancement project is relatively minor and is proceeding
 87 at the appropriate pace.

88 **Q. Ms. Witt states that it is the assumption of Constellation NewEnergy (CNE)**
 89 **and PES that the 24 months of historical usage will be provided via Ameren's**
 90 **website will be free of charge. Is this correct?**

91 A. Yes.

92 **Q. Ms. Witt recommends that Ameren assign each RES one primary point of**
 93 **contact within the TSBC that would be in charge of managing all RES-**
 94 **specific issues. Although you have responded to this recommendation in**
 95 **your rebuttal testimony, do you have any additional comments regarding this**
 96 **recommendation?**

97 A. Yes. First, I am continuing to struggle with understanding what problem it is that
 98 Ms. Witt is proposing to solve. The TSBC has an excellent reputation in dealing
 99 with RES. In dealing with the TSBC, I doubt that Ms. Witt or anyone else from
 100 PES could site an instance where they did not receive a timely response from our
 101 department on a RES related question. My primary concern is that our RES
 102 partners receive timely and accurate responses to their questions, and not who the
 103 specific person is that answers the question or who the conduit is for providing
 104 that answer. Interestingly, the TSBC has conducted several customer satisfaction
 105 surveys over that last six years, most recently in the Spring of 2006. The TSBC
 106 received responses from several RES and wholesale transmission customers. Not
 107 a single response mentioned the need to assign a specific person to be the single
 108 point of contact. It is somewhat puzzling that neither PES nor CNE mentioned
 109 this concept as an improvement opportunity when afforded that opportunity in our
 110 survey, and that these parties would prefer to discuss this issue as part of a
 111 litigated proceeding. It certainly doesn't seem like this is the most efficient way
 112 to deal with the issue. As stated in my rebuttal testimony and acknowledged in
 113 Ms. Witt's testimony, Ameren Services has recently assigned responsibility for
 114 each RES to one of two account managers for transmission billing related matters.

115 While I acknowledge that this change does not entirely address Ms. Witt's
116 concerns, I do want to make it clear the representatives from PES or any other
117 RES are certainly welcome to contact their transmission billing account manager
118 for RES related matters other than transmission billing. Because the TSBC is a
119 small department, less than ten employees, the account manager will most likely
120 know to whom to refer the question. In many cases, the account manager will be
121 able to answer the question directly. However, there are times, during summer or
122 holiday vacations for example, when one or both of the account managers are not
123 available. During these times, contacting the toll-free TSBC hotline is the best
124 way to receive a timely response. Further, a representative from any RES is
125 always welcome to contact any member of the TSBC, including myself, directly.
126 In fact, it is my experience that this is the preference of at least some of the
127 representatives from CNE. It is Ameren Services' objective to provide flexibility
128 as well as timely and accurate responses. I am opposed to reducing the flexibility
129 that at least some of the representatives from CNE and PES prefer. Looking for
130 opportunities to improve the operation of the TSBC is part of our ongoing
131 department mission, which is why we conduct customer satisfaction surveys. In
132 addition, any representative from any RES should always feel free to contact me
133 directly with questions or concerns. I look forward to working with CNE and
134 PES, as well as other RESs, to effect change that will improve the business
135 relationship between Ameren Services and our customers. I would much prefer to
136 effect change through an open and direct relationship, rather than through
137 litigation.

138 **Q. What does Ms. Witt contend in her recommendation regarding General**
139 **Account Agency?**

140 A. Ms. Witt (lines 109 through 115 and lines 179 through 181) recommends the
141 Ameren Companies should be required to split a Customer's bill and create
142 separate invoices for electric and gas service upon a customer's and or their
143 Agents request.

144 **Q. Do you agree with this recommendation?**

145 A. No. Ameren Services believes it's policy of requiring the request for splitting
146 accounts only upon the sole request of the Customer is in the best interest of the
147 customer. The only method for handling Ms. Witt's request for providing
148 separate invoices for a non-RES Agent is to physically split the account.

149 **Q. Why do you believe this policy is in the best interest of the Customer?**

150 A. By using Ameren Service's policy of making the Customer the only party to
151 authorize the splitting of an account(s), we can be certain we are acting based on
152 the wishes of the Customer, that they fully understand 1) a new account number
153 will be created, 2) what that account number is 3) that an added bill for payment
154 and credit issues will exist, 4) make certain that proper authorizations and Agent
155 designations from the Customer are on file, and 5) make certain that the
156 expectations of the Customer, Ameren Services, and the Customer's Agent are
157 aligned.

158 **Q. Can you explain some of the issues that could create misaligned**
159 **expectations?**

160 A. Yes. First allow me to define the terms of "Agent" within Ameren Service's
 161 protocol:
 162 An "Agent" or "Account Agent" is an entity designated by the Customer to obtain
 163 and manage services for the Customer for a specific account(s). A Customer may
 164 designate more than one Agent for an individual account and furthermore, may
 165 designate one Agent to handle the electric matters and a second, separate Agent to
 166 handle gas matters on the same account. Once designated, an Agent (or any one
 167 of the Agents in the case of multiple Agents) may act on behalf of the Customer
 168 for the purposes of arranging and managing services for the Customer and will
 169 have all the rights and obligations the Customer would have under the Ameren
 170 Company's tariffs with the exception that Agents are not permitted to start and
 171 stop service on behalf of the Customer, split a Customer's account(s), or to
 172 discuss credit issues with Ameren Services. For Ameren Companies other than
 173 AmerenIP, an Agent has the right to pay on behalf of the Customer; however, if
 174 an account has multiple Agents, only one Agent is allowed to receive and pay the
 175 invoice for the account. Customers are still responsible for their account(s) and
 176 any decisions or actions made by the Agent(s) on their behalf. This is applicable
 177 to all of the Ameren Companies.

178 **Q. What additional requirements are in place regarding AmerenIP?**

179 A. In AmerenIP territory, an Agent must follow the same requirements and shall
 180 have the same rights that an authorized Agent does with the other Ameren
 181 Companies with the following additional requirement. Pursuant to AmerenIP's
 182 Rider IFC electric revenue "securitization" requirements, before an Agent can pay

183 invoices on behalf of the Customer, an agent must sign a written agreement in
184 which it agrees to certain payment provisions in order to make payments to the
185 Company on behalf of the Customer. Once the Agent has executed and returned
186 this agreement to AmerenIP, it can then receive and pay invoices on behalf of
187 Customers for which it has obtained the properly executed Account Agent
188 Designation Statement. As in the case of the other Ameren Companies, if an
189 account has multiple Agents, only one Agent is allowed to receive and pay the
190 invoice for the account. Customers are still responsible for their account(s) as
191 well as any decisions or actions made by the Agent(s) on their behalf.

192 **Q. How does a Customer elect an Agent and approximately how many agents**
193 **are on file with Ameren Services?**

194 A. In all Ameren Companies, a Customer designates an Agent(s) by account(s)
195 number and meter number(s). This is accomplished by the Customer signing the
196 Account Agent Designation Statement indicating a valid account(s) number and
197 meter number(s). The Ameren Companies have over 8,900 accounts with such
198 electric and natural gas Agent type relationships. There are approximately 10,000
199 Agents associated with those same accounts. Note that many accounts have more
200 than one Agent as determined and authorized by the Customer. Therefore,
201 multiple Agents can be asking Ameren Services to make changes to the same
202 account or access the account data, all on behalf of the Customer.

203 **Q. How is the splitting of account accomplished and what are the impacts to a**
204 **Customer and to Ameren Services?**

205 A. Splitting of combination electric and natural gas accounts is a manual process that
 206 removes a meter from the existing account number in Ameren Service's Customer
 207 Information Systems and establishes a new account number for the relocated
 208 (split) meter. Since the Customer has designated the Agent via the Ameren
 209 Statement to represent a certain valid account(s) and meter combination which
 210 has now changed post-split, Ameren Service technically no longer has accurate
 211 legal written authorization from the Customer for the Agent to have access to and
 212 make decisions regarding for the newly established account(s) and meter
 213 combination.

214 Ameren Services would incur added costs by having more accounts split due to
 215 increased postage, billing costs, and general handling.

216 **Q. Having provided this background, how does that bear upon the proposal to**
 217 **split electric and natural gas accounts as now being proposed?**

218 A. Ameren Services is intending to act in the best interest of the Customer by
 219 prohibiting the Agent (third party) from splitting the account. Recent practical
 220 experience with splitting of accounts at the time of the Customer Information
 221 Systems billing changes at AmerenIP raised several logistical issues related to the
 222 splitting. Since these logistical issues could affect the Customer's internal
 223 payment processes, its credit history with the Ameren Company, and its
 224 relationship with other Agents and possibly it's RES, we believe that the
 225 Customer needs to initiate the split, be aware of the split and manage the split to
 226 minimize problems. Practical examples of several concerns related to the split
 227 follow:

228 a. There are no built-in communications that could allow communication
229 of the new account and meter number combinations to be sent to the Customer,
230 RES or Agent(s) as well as to all of the connected Ameren systems at the time of
231 the split.

232 b. Ameren Services has no knowledge if the Customer realizes that the
233 split was made, when the split was made and if the Customer now realizes that it
234 is now expecting to receive a separate bill for the newly established account.

235 c. Because there can be multiple Customer authorized Agents on
236 account(s), Ameren Services would need to then establish some method to first
237 determine which of the Agents has the right to make the request for splitting the
238 account and who would be responsible for notifying other Agents on the
239 account(s). To be transparent and still retain appropriate consumer safeguards,
240 there would need to be established some uniform hierarchy surrounding account
241 management for this issue. Since no uniform structure currently exists, it remains
242 appropriate to use Ameren Service's policy. The intent of the policy is that the
243 Customer would be the most likely choice to notify its other Agent(s).

244 d. If the Customer's Agent is receiving the bill, the Customer may receive
245 multiple bills for one premise when the Customer only expected to receive a
246 single bill for the account. In theory, post-split, the Customer would get one bill
247 for the original account from the Agent and another for the remainder of the
248 services from the Ameren Company.

249 e. There would be issues related to the new account related to the ability to
250 use Ameren Service's ebill/ecustomer/RES portal web sites which validate on

251 account and meter combinations. The user, whether the Customer or a third party
252 having access to the original account, would lose access to the data/billing related
253 to the meters on the new account. Note: This may be gas as well as electric data.

254 f. Initially, EDI invoicing and payment processing for both Ameren
255 Services and the Agent may be affected. Dependent on when the split is made, it
256 could be between invoicing an account and payment of the account. Also
257 payment posting issues may arise. This payment/posting issue may result in
258 credit and disconnect notice issues for the Customer.

259 g. The Customer's internal accounting and payment tracking would
260 certainly be affected by the split and they have a need to know the new account
261 numbers for that purpose.

262 By using Ameren Service's policy of making the Customer the only party to
263 authorize the splitting of an account(s) we can be certain we are acting based on
264 the wishes of the Customer, that they fully understand 1) a new account number
265 will be created, 2) what that account number is, 3) that an added bill for payment
266 and credit issues will exist, 4) that proper authorizations and Agent designations
267 forms from the Customer are on file, and 5) the expectations of the Customer,
268 Ameren Services, and the Customer's Agent are aligned.

269 We recognize this topic continues to be discussed by third parties and utilities and
270 are willing to review these processes and policy after some appropriate amount of
271 time under the new structure. It may be appropriate to have the Commission
272 convene a workshop in the later part of 2007 to have all concerned parties present,

273 to discuss this issue and to determine a “best practice”. All parties should also
274 include non-RES Agents in such a workshop invitation.

275 **Q. Does this conclude your surrebuttal testimony?**

276 A. Yes.

277 CHI-1543697v1