Respondents'
Exhibit 51.0

ILLINOIS COMMERCE COMMISSION

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

SURREBUTTAL TESTIMONY

OF

JON R. CARLS

Submitted On Behalf

Of

AMEREN COMPANIES

July 14, 2006

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Q. Please state your name and business address.

A. My name is Jon R. Carls and my business address is 607 E. Adams, Springfield, IL 62739.

Q. Are you the same Jon R. Carls that provided rebuttal testimony in this proceeding?

A. Yes I am.

Q. What is the purpose of your surrebuttal testimony?

A. I will respond to certain issues addressed in the rebuttal testimony of Staff witness Greg Rockrohr and IBEW witness Daniel Miller regarding the Ameren Companies' proposed line and service extension tariffs.

Q. What topic from Mr. Rockrohr's rebuttal testimony do you address in your surrebuttal testimony?

A. Mr. Rockrohr continues to disagree that the Ameren Companies proposed Line Extension Provisions to Individual Customers are "generally more favorable" to applicants than the Commission's line extension provisions that are contained in 83 Illinois Administrative Code Subsections 410.410 (b) and (c). Instead of accepting the proposed tariff provisions "in lieu of" Part 410, he recommends that

they be amended to provide an "either/or" choice of proposed tariffs or Part 410 to applicants. His concern centers around the Ameren Companies proposal to track potential refunds for five years instead of the ten years included in Part 410.

Q. Has Mr. Rockrohr convinced the Ameren Companies to accept his recommendation?

A. No. The Ameren Companies proposal, taken as a whole, meets the "generally more favorable" requirement. Mr. Rockrohr, at lines 185-208 discusses his concerns about three provisions which I indicated would be favorable, which he either does not agree with or does not yet fully understand. Let me address them. First, he doesn't accept that offering an option for customers to convert the potentially refundable deposit to a non-refundable contribution in exchange for a reduced over-distance charge, is favorable to all customers as it depends on whether other applicants ultimately utilize the line extension. He is correct in that regard, but we have found in limited use of this concept that applicants have a pretty good idea of whether someone else will be utilizing that extension in the near future and often opt for the benefit of paying less upfront and foregoing the tracking/refunding possibility. This a factual observation on our part that Staff cannot dispute. Second, he indicates that the change of demarcation point between "line" and "service" probably has additional costs to offset any benefits. It is my belief that this change will result in charges being moved from "line" to "service", and historically the costs for service extensions are almost always lower than for line extensions. Again, Staff's position is premised on the rare occasion that more costs may be borne by the customer but the reality is that is

not the case. Third, Mr. Rockrohr does not see how installation of conduit by an applicant "would have any effect on the cost of the line extension". Perhaps that was not well-explained in my previous testimony, but the cost to the applicant will be a reduced charge in this situation, perhaps even being totally free for services in conduit, depending on actual footages. In sum, all of these three options offer applicants significant potential for cost savings.

Q. Do you accept his recommendation to amend the provisions to provide applicants the choice of either Part 410 or the Ameren Company proposed provisions?

A. I do not. While his recommendation is workable, it is both cumbersome and slanted entirely to the benefit of applicants. The other options will most often be accepted and will reduce the number of potentially refundable deposits which are collected. Thus, it is reasonable to seek in return a reduction of the period (from 10 years to 5 years) for which those refunds must be tracked for possible refund.

Q What is the alternative to Mr. Rockrohr's proposal if the Commission should decide not to accept the proposed five-year period?

A. The simplest approach would be to only change the refund tracking period from 5 to 10 years in our proposal. The other provisions are still being offered "in lieu of" Part 410 and it would be better administratively to have the entire proposal in tariffs instead of having the "either/or" method proposed by Mr. Rockrohr. If that change is made, however, the Ameren Companies will need to study the impact of the change and it could lead to a later filing seeking to withdraw the "in lieu of " provisions and return to only the free footage required by Part 410.

Q. What topics from IBEW witness Miller's rebuttal testimony will you address in your surrebuttal testimony?

A. As in my rebuttal testimony, although three IBEW witnesses filed testimony in the three Ameren Company dockets, my testimony will respond to Mr. Miller's testimony in the AmerenCIPS docket as the three sets of testimony appear to be virtually identical. I will address the parts of Mr. Miller's testimony which discuss the line and service extension provisions of the Ameren Companies proposed tariffs, and more specifically the proposals regarding customer-installed conduit.

Q. At lines 30 through 38 of his testimony, Mr. Miller discusses "safety hazards" associated with customer or contractor-installed line and service extensions. Are his concerns valid?

A. No, they are not. Mr. Miller's testimony is pure speculation. Mr. Miller does not identify an instance where any of the "safety hazards" mentioned in his testimony has ever actually occurred. In addition, the proposed tariffs specifically state that all installations must comply with good engineering practices and otherwise meet Ameren Company specifications. The Ameren Companies will inspect these installations to ensure that these good engineering practices and specifications are followed.

Q. But Mr. Miller claims at lines 167 through 176 of his testimony that the Ameren Companies' commitment to inspect customer and contractor installations is an "empty promise." Is this true?

A. No. Although Mr. Miller discusses an IBEW meeting where unidentified individuals allegedly stated that AmerenCIPS does not currently inspect customer-installed conduit, it is the Ameren Companies' policy that these inspections are to be performed. Whether there is a dispute about the Ameren Companies' policies having been followed in the past is somewhat beside the point in this proceeding. The Ameren Companies will inspect customer-installed conduit as necessary to ensure customer's compliance with our specifications.

Q. What is your response to Mr. Miller's statements, at lines 43 through 53, that you are not qualified to offer "credible testimony" on the subject of safety issues regarding customer or contractor-installed line and service installations?

A. I am advised by counsel that the Commission, not Mr. Miller, will make the ultimate determination of whether I am qualified to testify on the subjects addressed in my testimony. With that said, Mr. Miller's challenge of my qualifications does not respond to my testimony. At lines 158-66 of my rebuttal testimony, I simply pointed out that Mr. Miller's "sky is falling" scenario is unsupported by facts. My qualifications have nothing to do with the fact that Mr. Miller has made statements with no supporting evidence to back them up. Moreover, in my current position as Managing Supervisor, Regulatory Compliance for Ameren Services Company, part of my responsibilities are to ensure that the Ameren Companies' policies and practices are consistent with Commission regulations and good engineering practices. In determining whether polices are consistent with good engineering practices, I rely on the judgment of

Ameren Company engineers. I have also participated in Commission workshops relating specifically to line extensions; most notably, Docket Nos. 99-0580, 99-0013 and 03-0767. One does not have to be a journeyman lineman to understand the policies and principles underlying the Ameren Companies' proposed tariffs.

Q. At lines 63 through 91, Mr. Miller attempts to explain how an alleged "dramatic loss in man hours" due to the Ameren Companies' proposed tariffs is relevant to the "just and reasonable" standard for approval of those tariffs. What is your response to this testimony?

A. I agree with Mr. Miller's statement, at lines 90-91, that "this is ultimately a legal issue the Commission must decide." The remainder of his testimony on this subject seems to really constitute the testimony of his counsel and not Mr. Miller. For example, Mr. Miller purports to render a legal interpretation of Section 16-108(a) and "unbundling," but he admits that his analysis and conclusions are based on the advice of counsel. Since none of this testimony is based on Mr. Miller's personal knowledge, there is really nothing else to say about it than what I have already said in my earlier rebuttal testimony: that during the 21-month period of the proceeding in Docket No. 99-0013 or at any time since, the Commission has never made a determination that customer-installed conduit constitutes "unbundling." Without such a determination by the Commission that this proposed conduit option constitutes "unbundled services," Mr. Miller's testimony regarding job loss or safety issues are not relevant to the Commission's determination of whether the proposed rates are "just and reasonable."

Q. Mr. Miller also criticizes the proposed subdivision developers options in the proposed tariffs as being "a transparent attempt to further cut costs to the detriment of system reliability and public safety" (Lines 142-143). Is that true?

A. Not at all. This is yet another example of a wild assertion with no supporting facts. Contrary to Mr. Miller's beliefs, "cost cutting" was never even discussed in the development phase as a possible benefit of our proposal. Our focus was on addressing various concerns about project management and developer cost options which have been brought to us over time by developers and their trade associations.

Q. At lines 100 through 143, Mr. Miller discusses a document produced by Ameren Companies that describes AmerenIP's 2003 pilot program for residential developers to install their own conduit. Is Mr. Miller's interpretation of that document correct?

A. No it is not. The document clearly states that the pilot program "will not result in any job losses" for AmerenIP employees. Mr. Miller's attempt to show that the document means something other than what it says does not make sense. He claims, for example, that although the pilot program would not result in direct job losses to current employees, the description of the pilot program "says nothing about the lost wages IBEW journeymen linemen would experience for no longer having to perform work outsourced to subdivision developers." (Lines 119-20.) Left unsaid is how, if these employees are not losing their jobs, they will lose wages. Mr. Miller then digresses to a discussion of workforce reductions since

1993 and how these reductions supposedly are detrimental to system reliability, but he offers no evidence to support his claim that a reduced workforce has been detrimental to reliability or safety.

Q. Mr. Miller testifies that the tariffs lack "defined features" and should therefore be rejected. Do you agree?

A. No. Mr. Miller never fully explains what he means by "defined features" and which "defined features" are lacking that are necessary for approval of the tariffs. The Ameren Companies are offering other options to the developer community and seek the "enabling language" to develop such pilot programs. The Ameren Companies have not developed the details to a level that Mr. Miller wishes because we are not completely sure what the developers might desire, but we are expressing an interest in exploring options with them. The whole point of a "pilot program" is to promote a general concept, with the details to be filled in based on experience and stakeholder input.

Q. Does this conclude your surrebuttal testimony?

A. Yes.

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