

**STATE OF ILLINOIS  
ILLINOIS COMMERCE COMMISSION**

ILLINOIS COMMERCE COMMISSION :  
On Its Own Motion :  
 :  
Investigation of Rider CPP of Commonwealth : Docket No. 06-0800  
Edison Company, and Rider MV of Central :  
Illinois Light Company d/b/a AmerenCILCO, :  
of Central Illinois Public Service Company :  
d/b/a AmerenCIPS, and of Illinois Power :  
Company d/b/a AmerenIP, pursuant to :  
Commission Orders regarding the Illinois :  
Auction. :

**REBUTTAL TESTIMONY OF**

**JOHN DOMAGALSKI  
AND  
KATIE PAPADIMITRIU  
CONSTELLATION NEWENERGY, INC.**

**ON BEHALF OF THE  
COALITION OF ENERGY SUPPLIERS**

**COMPRISED OF:**

**CONSTELLATION NEWENERGY, INC.  
DIRECT ENERGY SERVICES, LLC  
MIDAMERICAN ENERGY COMPANY  
PEOPLES ENERGY SERVICES CORPORATION**

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1 **I. INTRODUCTION**

2 **Q. Ms. Papadimitriu, please provide your name and employment background**  
3 **relevant to your appearance as a witness in this proceeding.**

4 A. My name is Katie Papadimitriu, and I am employed by Constellation NewEnergy,  
5 Inc. (“NewEnergy”), an intervening party in this proceeding, as Manager,  
6 Regulatory Affairs, for Illinois.

7  
8 **Q. Mr. Domagalski, please provide your name and employment background**  
9 **relevant to your appearance as a witness in this proceeding.**

10 A. My name is John Domagalski, and I am also employed by NewEnergy as Director  
11 of Pricing, Structuring, Products and Programs.

12  
13 **Q. Are you the same Ms. Papadimitriu and Mr. Domagalski who filed Direct**  
14 **Testimony in this proceeding?**

15 A. Yes. We filed Direct Testimony on behalf of the Coalition of Energy Suppliers  
16 (“CES” or the “Coalition”). The members of the Coalition are NewEnergy,  
17 Direct Energy Services, LLC, MidAmerican Energy Company, and Peoples  
18 Energy Services Corporation. As with the Direct Testimony submitted by the  
19 Coalition, the positions set forth in this Rebuttal Testimony represent the positions  
20 of the Coalition as a group but not necessarily the positions of individual CES  
21 member companies.

22 **Q. What is the purpose of your testimony?**

23 A. Our Rebuttal Testimony responds to certain portions of the Direct Testimony filed  
24 by the following Parties: the Staff of the Illinois Commerce Commission  
25 (“Staff”); Commonwealth Edison Company (“ComEd”); Central Illinois Light  
26 Company d/b/a AmerenCILCO, Central Illinois Public Service Company d/b/a  
27 AmerenCIPS, and Illinois Power Company d/b/a AmerenIP (collectively  
28 “Ameren”); (ComEd and Ameren can be referred to as “the utilities.”); NERA  
29 Economic Consulting (in the role of the Illinois Auction Manager (“NERA” or  
30 “Auction Manager”); and, the Illinois Industrial Energy Consumers (“IIEC”).  
31 Specifically, we will respond to the Direct Testimony of ComEd witness William  
32 P. McNeil (ComEd Ex. 1.0); the Direct Testimony of Staff witnesses Thomas  
33 Kennedy and Richard Zuraski (Staff Ex. 1.0); the Direct Testimony of Ameren  
34 witness Craig D. Nelson (Ameren Ex. 1.0); the Direct Testimony of Auction  
35 Manager witness Chantale LaCasse (Auction Manager Ex. 1.0); and the Direct  
36 Testimony of IIEC witness Robert Stephens (IIEC Ex. 1.0).

37  
38 **Q. Do you have any overall observations regarding the Staff and intervenor**  
39 **Direct Testimony?**

40 A. Yes. We have the following three (3) general observations regarding the Direct  
41 Testimony filed in this proceeding:

42  
43 **First**, we are pleased to see Staff, ComEd, Ameren, the Auction Manager, and the  
44 IIEC, to varying degrees, acknowledge that the first Illinois Auction was a

45 resounding success. We also agree with NERA’s assessment that the Auction  
46 result was consistent with market conditions that existed at the time the Illinois  
47 Auction was conducted. (*See* Auction Manager Ex. 1.0 at lines 302-03.)

48  
49 **Second**, certain parties recommend revisions to the auction process that, if  
50 accepted by the Illinois Commerce Commission (“Commission”), would  
51 unnecessarily limit customers’ flexibility and freedom to choose competitive  
52 retail electric service. While the auction design is certainly crucial to the success  
53 of the auction, small changes can have widely different results, intended or  
54 unintended. Thus, although it remains unclear whether these parties’ proposed  
55 enrollment window and migration rules recommendations address a “problem”  
56 actually exists, it is unquestionably clear that many of the proposed enrollment  
57 window and migration rules recommendations would limit customers’ ability to  
58 choose a competitive supplier.

59  
60 **Third**, certain parties ignore strong evidence that refutes and undermines the  
61 foundation of their proposed modifications to the Commission’s previous decision  
62 regarding the length of enrollment window. Earlier this year, NERA conducted  
63 an anonymous survey of prospective wholesale suppliers on possible changes for  
64 the 2008 Auction. The Summary Report on the Questionnaire on Auction  
65 Improvements for Potential Suppliers (“Supplier Survey”) demonstrates that  
66 **shorter enrollment windows would not affect potential suppliers’ bids.** (*See*  
67 Auction Manager Ex. 1.8.) (Emphasis added.)

68

69           Simply put, the trade-off that results from these proposals is not justified. Given  
 70           the success of the first Illinois Auction, the Coalition strongly urges the  
 71           Commission to maintain policies aimed at empowering customers and to avoid  
 72           adopting rules that would change customers’ current rights to choose competitive  
 73           supply.

74

75   **Q.    What specific recommendations do you address in this Rebuttal Testimony?**

76   A.    The Commission should:

- 77           • Reject the Staff’s proposal to create an enrollment window for all BGS-FP  
 78           and CPP-B (hereinafter “Blended Product”) eligible customers;
- 79           • Reject the Staff’s proposal to institute a pre-enrollment process for large non-  
 80           residential customers;
- 81           • Affirm the Commission’s previous findings that approved a 45-day  
 82           enrollment window for customers to evaluate their supply options for the next  
 83           auctions;
- 84           • Reject the IIEC’s proposed pre-qualification process as it is too  
 85           administratively cumbersome;
- 86           • Reject certain parties’ recommendations to restrict ComEd’s CPP-A (hereafter  
 87           “Annual Product”) eligible customers that default to ComEd’s fixed price  
 88           from switching to RES service after the enrollment window closes;
- 89           • Reject additional regulatory and institutional impediments to the exercise of  
 90           individual customers’ risk preferences; and
- 91           • Require the utilities to initiate a stakeholder process to develop customer

92 communications regarding the way in which the enrollment window operates.

93

94 **II. ENROLLMENT OR SIGN-UP WINDOW (Issues List Items II(E)(1), (2))**

95

96 **Q. Please summarize the various modifications to the enrollment window**  
 97 **proposed in Direct Testimony.**

98

99 A. In Auction Manager Ex. 1.0 at lines 1041-1105, NERA accurately summarized  
 100 the various enrollment window proposals as follows:

101 **▪** Staff proposed an enrollment window for small non-residential  
 102 customers and proposed either to require pre-commitment or to shorten the  
 103 enrollment period for large non-residential customers. (NERA designated  
 104 “Staff 11”).

105

106 **▪** ComEd recommended reducing the enrollment window for CPP-A  
 107 eligible customers, from 30 days to 20 days, for customer over 3 MW that  
 108 are in the Very Large Load Customer Group and from 45 days to 20 days  
 109 for all other customers in the Large Load Customer Group. (NERA  
 110 designated “ComEd 1”).

111

112 **▪** Ameren recommended shortening the enrollment window for  
 113 BGS-LFP eligible customers, from 45 days to 20 days. (NERA  
 114 designated “Ameren 1”).

115

116 **▪** IIEC witness Stephens recommended a 3-part categorization of  
 117 customers during the pre-qualification process. (See IIEC Ex. 1.0 at lines  
 118 207-17, 337-47.)

119

120 We will address each proposal separately.

121

122 **A. The Pre-Enrollment Process Should Be Rejected**

123 **Q. Do you agree with ComEd’s and NERA’s respective assessments that there**  
 124 **should be no pre-enrollment process for large non-residential customers and**  
 125 **no enrollment window for smaller non-residential customers?**

126 A. Yes. We agree with ComEd and NERA that a pre-commitment requirement

127 obligating customers to make supply decisions before they know the rates is  
128 unlikely to be effective. (*See* ComEd Ex. 1.0, at lines 309-13; Auction Manager  
129 Ex. 1.0 at lines 1158-63.) Similarly, we share ComEd and NERA’s opinion that  
130 an enrollment window for smaller non-residential customers is likely to lead to  
131 customer confusion. (*Id.*) With respect to the former point, it appears that IIEC  
132 witness Stephens agrees. (*See* IIEC Ex. 1.0 at lines 177–84.) Finally, it appears  
133 that Staff no longer advocates this position. (*See* Staff Ex. 1.0 at lines 285-99.)  
134 Simply put, the Coalition does not believe that a pre-commitment requirement for  
135 larger customers is necessary.

136

137 **Q. Have you reviewed IIEC witness Stephens’ 3-part pre-qualification process?**

138 A. Yes, we have. The Coalition does not believe that a pre-commitment requirement  
139 for larger customers is necessary. We believe that Mr. Stephens’ proposal is  
140 overly burdensome and will only serve to unnecessarily complicate customers’  
141 enrollment process. We also agree with ComEd and NERA that a pre-  
142 commitment that requires customers to make service decisions before they know  
143 the rates is unlikely to provide any benefit to consumers. (*See* ComEd Ex. 1.0 at  
144 lines 311-13; Auction Manager Ex. 1.0 at lines 1158-63.) Accordingly, we do not  
145 support the IIEC’s proposal and urge the Commission to maintain the existing  
146 enrollment process.

147 **B. The Enrollment Window Should Not Be Shortened**

148 **Q. Do you agree with the various proposals to shorten the enrollment window**  
149 **for the Annual Products (ComEd BES-NRA and Ameren BGS-LFP)?**

150 A. We do not. Although we agree with the overall objective to improve the balance  
151 between flexibility and price in the auction product for these larger customers, we  
152 do not believe that the recommended modifications will achieve this objective.

153

154 **Q. Would shortening the enrollment window affect the bids of suppliers?**

155 A. The findings of the Supplier Survey are instructive on this point. According to  
156 the Supplier Survey, **potential bidders stated that shorter enrollment windows**  
157 **would not affect their bids.** (See Auction Manager Ex. 1.8 at B-16.) (Emphasis  
158 added.) For instance, a majority of respondents (10 of 12 responses) ranked  
159 ComEd's CPP-A product from the Illinois Auction riskier than ComEd's CPP-B  
160 product and stated that they are less likely to bid on ComEd's CPP-A product in  
161 subsequent auctions. When asked whether a shorter enrollment window would  
162 change these rankings, only one (1) of the thirteen (13) suppliers stated that it  
163 would. Even with a shorter enrollment window, prospective suppliers continue to  
164 believe that the CPP-A product is riskier than the CPP-B product. (See Auction  
165 Manager Ex. 1.8 at B-15-16.)

166

167 The same holds true for Ameren. For the Ameren products, a majority of  
168 respondents (nine (9) of twelve (12) responses) ranked Ameren's LFP product  
169 from the 2006 Auction riskier than the Companies' FP product. An

170 overwhelming majority (nine (9) of the (11) responses) also stated that they are  
171 less likely to bid on Ameren’s LFP product in subsequent auctions. (*See* Auction  
172 Manager Ex. 1.0 at lines 1145-48.) When asked whether a shorter enrollment  
173 window would change these rankings, only one (1) of the thirteen (13) suppliers  
174 stated that it would. Again, even with a shorter enrollment window, prospective  
175 suppliers continue to believe that the LFP product is riskier than the FP product.  
176 (*See* NERA Ex. 1.8 at B-18-19). Accordingly, the responses of eleven (11) of the  
177 twelve (12) suppliers indicate that the current length of the enrollment window is  
178 not problematic.

179

180 As noted above, NERA concluded that suppliers perceive the ComEd CPP-A  
181 auction product as riskier than the ComEd CPP-B auction product, and Ameren’s  
182 LFP auction product as riskier than Ameren’s FP auction product. (*See* Auction  
183 Manager Ex. 1.0 at lines 1136-38, 1145-48.) If the goal of these proposals is to  
184 mitigate price, the suppliers’ own responses demonstrate that a truncated  
185 enrollment window most likely will not achieve that objective. Rather, the  
186 “solution” to price concerns should not be to limit customers’ access to the  
187 competitive market. One of the clearest ways to mitigate prices is to create and  
188 retain a competitive retail market that supports the ability of competitive suppliers  
189 to make offerings tailored to meet consumers’ needs. By doing so, customers are  
190 empowered to create their own solutions. Limiting the customers’ enrollment  
191 window undermines this goal.

192

193 **Q. What do you believe is the basis for the proposals to shorten the timeframe**  
194 **for customers to enroll in the utilities' Annual products?**

195 A. There appears to be an underlying assumption that shortening the enrollment  
196 window will materially affect the price of the utilities' default service. Although  
197 we can appreciate Staff's desire to assure reliable and lower-priced supply for  
198 non-switching customers, we urge the Commission, in the strongest terms, to  
199 refrain from changing customers' current rights to choose between utility service  
200 and competitive alternatives.

201

202 **Q. How do you respond to ComEd witness McNeil's Direct Testimony that**  
203 **purports to quantify the reduction in the Illinois Auction price that could**  
204 **result from shortening the enrollment window?**

205 A. Mr. McNeil's analysis is flawed on a number of levels.

206

207 **First, Mr. McNeil admits that his analysis is not predicated on any legitimate**  
208 **basis.** Mr. McNeil states that "data are not available to perform a comprehensive  
209 quantitative analysis." (ComEd Ex. 1.0 at lines 329-30.)

210

211 **Second, Mr. McNeil's choice of enrollment window length is problematic.**

212 For example, although Mr. McNeil correctly notes that a supplier must hold open  
213 its bid price from the time it makes the bid until the end of the enrollment  
214 window, Mr. McNeil notes elsewhere in his Direct Testimony that customers are  
215 unlikely to make supply decisions until they know the price of the utility's default

216 service. (*See* ComEd Ex. 1.0 at lines 312-13.) Mr. McNeil neglects to  
217 acknowledge that customers do not know the price of the default service until  
218 ComEd files its supply charge tariffs with the Commission. As such, customers'  
219 migration risk may be lower during the early part of the enrollment window, when  
220 customers do not know the default service price. Further, on the day that  
221 customers do find out the default service price, there is an equal chance that the  
222 market will have moved in a direction that will render the supplier's bid price  
223 lower than the then-prevailing market price. Finally, Mr. McNeil's analysis  
224 incorrectly factors in the number of days for ComEd's supply charge filing.  
225 ComEd and Ameren have proposed shortening the supply charge window from  
226 nine (9) days to two (2) days, and no one has opposed this proposal. (*See* ComEd  
227 Ex. 1.0 at lines 78-79; Ameren Ex. 1.0 at lines 48-50.) Although Mr. McNeil  
228 takes into account the two (2) days for the part of the analysis regarding ComEd's  
229 twenty (20) day proposal, his base case incorrectly assumes the supply charge  
230 window will remain at nine (9) days. Thus, Mr. McNeil improperly applied the  
231 change in the number of days associated with the filing of the supply charges in  
232 his calculation.

233

234 **Third, Mr. McNeil attributes 100% of the price differential to the length of**  
235 **the enrollment window without adequate support.** As noted above, the  
236 Supplier Survey indicates that most wholesale suppliers surveyed believe that the  
237 utilities' Annual products are riskier than the utilities' Blended products,  
238 regardless of the enrollment window's length. Accordingly, something less than

239 100% of the price differential between the utilities' respective Blended and  
240 Annual products may be attributed to the length of the enrollment window.

241

242 **Q. Do you have an alternative calculation of this premium?**

243 A. Again, we agree with Mr. McNeil that there is inadequate data to calculate this  
244 premium. Instead, we recommend that the Commission look to the Supplier  
245 Survey - a current, specific, and highly pertinent source of information - for  
246 guidance. Suppliers quite frankly stated that the length of the enrollment window  
247 did not and would not affect their bidding strategies.

248

249 **Q. Do you think that consumer protection considerations might have also**  
250 **played a role in the Staff proposal?**

251 A. To the extent consumer protection considerations contributed to the adoption of  
252 the Staff's proposal, the Commission should recognize that large customers  
253 simply do not require the same measure of protection that may be appropriate for  
254 residential and small commercial consumers. Medium and large commercial and  
255 industrial customers in Illinois are more sophisticated with regard to energy  
256 procurement and are more likely to avail themselves of offerings in the  
257 competitive marketplace. The Commission must ensure that this freedom to  
258 exercise competitive options is not further restricted via a truncated enrollment  
259 window.

260

261 Consistent with the Commission's statutory mandate to actively promote

262 competition, it is essential that the Commission re-affirm all customers' rights to  
263 exercise competitive choice in a robust competitive marketplace that is built upon  
264 viable market-based rates, as currently established under the Illinois Auction  
265 structure and rules. (*See* 220 ILCS 5/16-101A(d).)

266

267 **Q. Why is it important that customers have 45 days to choose the utilities'**  
268 **respective Annual products rather than the 20 days that the utilities**  
269 **currently propose?**

270 A. There are many reasons to justify the Commission's retention of the Illinois  
271 Auction's enrollment windows' duration of 45 days. For the sake of brevity, we  
272 will enumerate two reasons.

273

274 **First**, the concept of a shorter enrollment window was rejected by the  
275 Commission in the original Procurement Dockets, after having been extensively  
276 debated by many of the same parties that have proposed the twenty (20) day  
277 enrollment window in the instant proceeding. In the original Post-2006  
278 Procurement Dockets (ICC Docket No. 05-0159 and ICC Docket Nos. 05-0160  
279 (consol.)) (collectively, the "Procurement Dockets"), ComEd, Ameren, and Staff  
280 initially proposed a 30-day enrollment window. After evaluating the evidence,  
281 parties recognized that customers required additional time to evaluate their  
282 competitive procurement options. Despite the 30-day enrollment window  
283 proposals, ComEd, Staff and, ultimately, the Commission recognized that a longer  
284 45-day enrollment window following the first auction was appropriate. (*See* ICC

285 Docket No. 05-0159 Order at 175, 182-83; ICC Docket Nos. 05-0160 (consol.)  
286 Order at 213-14.)

287

288 **Second**, there are very practical reasons that justify the Commission’s retention of  
289 the current 45-day enrollment window for the next Illinois Auction. Customers in  
290 these groups (ComEd: 400 kW – 3MW; Ameren: 1 MW+) are more likely than  
291 others to look for competitive suppliers to either beat the utilities' offer with  
292 similar contract provisions or supply contract options different from those offered  
293 by the utilities. As CES explained in the Procurement Dockets, customers require  
294 sufficient time to:

295 (1) Gather usage and billing information and review internally their  
296 expected needs and desired service options;

297 (2) Investigate and decide what types of supply options are available;

298 (3) Send out Requests for Proposals to retail electric suppliers (“RESs”);

299 (4) Compile and analyze RESs’ proposals;

300 (5) Submit proposals to corporate executives and/or Boards of Directors  
301 for their review and approval; and,

302 (6) Finalize and execute the approved contract.

303 (*See* Direct Testimony of John L. Domagalski and Richard Spilky, ICC Docket  
304 Nos. 05-0159, 05-0160 (consol.), ComEd Procurement Docket, CES Ex. 3.0 at  
305 lines 602-28.) Additionally, RESs require a sufficient amount of time to obtain  
306 and analyze customer usage and billing data, prepare pricing proposals, and enter

307 into contract negotiations with prospective customers. Nothing has changed in  
308 the interim period that would supplant these steps.

309

310 **Q. In your experience, is there any particular segment of the marketplace for**  
311 **which there is a greater need for more time to make energy supply decisions?**

312 A. Yes. As the Coalition testified in the Procurement Dockets, customers such as  
313 governmental entities, park and school districts, universities, hospitals, and many  
314 other types of retail customers typically need more time to analyze their electricity  
315 choices, make proposals to their directors, negotiate contracts, and, finally, close  
316 their purchase transactions. (*See* ComEd Procurement Docket CES Ex. 5.0 at  
317 lines 94-188.) Many of the governmental bodies have part-time, unpaid boards  
318 who, by law, must act on such matters at scheduled open meetings. These  
319 processes often require more time to facilitate. (*Id.*)

320

321 **Q. Did your experience during the enrollment window for the first Illinois**  
322 **Auction as well as your subsequent experiences comport with the Coalition's**  
323 **prior observations?**

324 A. Yes. Our experiences during this past year have only reinforced our prior  
325 observations that customers require sufficient time to evaluate their supply  
326 options. In fact, the switching numbers for all customer classes continue to  
327 increase on a monthly basis, thereby demonstrating that, even with significant  
328 price differences, customers still require sufficient time to evaluate their supply  
329 options.

330

331 **Q. Can you please summarize your observations and recommendations**  
332 **regarding the enrollment window proposals?**

333 A. If adopted, these proposals will unnecessarily limit the enrollment window for  
334 customers who have historically received and currently receive the largest number  
335 of RES product offerings in the market. Even large customers, while often  
336 sophisticated in their purchasing capabilities, need time to review and assess the  
337 value of the competitive offers presented to them. Reducing customers' time to  
338 20 days - less than three (3) weeks - to evaluate their various available supply  
339 options is simply an insufficient amount of time. As we noted above, in the  
340 original Procurement Dockets, the Commission deliberated on this matter and  
341 agreed with the Coalition's assessment that an abbreviated enrollment window  
342 inevitably would not allow customers to have sufficient time to evaluate and  
343 negotiate competitive supply contracts.

344

345 In the original Procurement Dockets, the Commission attempted to strike the "the  
346 right balance" between allowing time for customers to make decisions and  
347 avoiding higher product premiums. (ICC Docket No. 05-1059 Order at 182.) The  
348 Commission did so by adopting the 50/45 day enrollment windows that ComEd  
349 proposed as a settlement of the issue. (*Id.* at 183.) The current proposals to  
350 further restrict the time during which customers must evaluate critical, high-value  
351 and long-term purchasing decisions would force large electric customers to  
352 remain with the utilities' products simply because they were not provided

353 adequate time to engage in the requisite decision-making steps to evaluate any  
 354 other supply alternatives.

355  
 356 The Commission can ensure that such a scenario does not become a reality.  
 357 Twenty (20) days is simply too short a time frame to accomplish these tasks.  
 358 Based upon our practical experiences and observations, we recommend that the  
 359 Commission reiterate its prior determination and retain the current 45-day  
 360 enrollment window.

361

362 **III. CUSTOMER MIGRATION RULES (Issues List Items II(E)(3))**

363 **Q. Please summarize proposals for changes to the customer migration rules.**

364 A. For convenience, we will utilize the issue numbering as referenced in the Auction  
 365 Manager’s exhibit. (*See* Auction Manager Ex. 1.0 at lines 1041–05). In its “Post-  
 366 Auction Public Report of the Staff,” (“Staff Report”) Staff recommended that the  
 367 Commission limit customers’ ability to migrate off the utilities’ Blended and  
 368 Annual products (ComEd: BES-NRB & BES-NRA; Ameren: BGS-FP & BGS-  
 369 LFP). (*See* Staff Report at 42-49.) In addition to recommendations in the Staff  
 370 Report, Staff filed Direct Testimony that modifies ComEd large non-residential  
 371 customers’ rights to leave fixed-price service from ComEd (Staff 12). (*See* ICC  
 372 Staff Ex. 1.0 at lines 300-15.)

373

374 ComEd now supports Staff’s recommendation to eliminate the ability of Annual  
 375 product-eligible customers that default to ComEd’s fixed price bundled rate (Rate

376 BES-NRA) to switch to a RES after the enrollment window closes. ComEd's  
377 recommendation would require these customers to remain on the Annual product  
378 until the next enrollment window. (See ComEd Ex. 1.0 at lines 443-62.) We  
379 understand that this change would not affect the rights of ComEd's current  
380 Annual product customers to switch to a RES through the May 2008 billing cycle.

381

382 **Q. Does the Coalition support this modification?**

383 A. No. The Coalition has not seen any justification for this modification, especially  
384 if the enrollment window is further narrowed to twenty (20) days. This migration  
385 rule modification would unduly penalize customers who, for whatever reason, are  
386 unable to act within the enrollment window. We reiterate our opposition to any  
387 changes that restrict further customers' ability to exercise their right to choose a  
388 competitive retail offering from a RES.

389

390 **Q. What is the practical effect of Staff's and ComEd's respective proposals to**  
391 **prevent CPP-A eligible customers from switching to a RES after the**  
392 **expiration of the enrollment window?**

393 A. ComEd asserts that more liberal customer migration rules rendered ComEd's  
394 CPP-A product riskier than Ameren's product. (See ComEd Ex. 1.0 at lines 410-  
395 19.) According to ComEd, the uncertainty of load led to bid assumptions by  
396 wholesale bidders that increased costs for customers that remained on utility  
397 service. These bid assumptions may be either: (1) to offer a higher bid price to  
398 serve CPP-A load than otherwise would be offered if volatility were less of an

399 issue; or (2) not to bid at all, which reduces the amount of competition for the  
400 distribution companies in procuring CPP-A supply. (*See* Staff Report at 40-42.)  
401 Therefore, Staff and ComEd recommend migration limitations to reduce CPP-A  
402 load volatility, and consequently, to achieve lower CPP-A pricing.

403

404 The Commission should be wary of modifying the Illinois Auction in a manner  
405 that further restricts customers' ability to choose RES service. In our view, this  
406 represents a step in the wrong direction. As we previously noted, these CPP-A  
407 eligible customers already have competitive alternatives to ComEd's utility  
408 service and generally do not require a change in the current market structure to  
409 encourage such options.

410

411 **Q. Why should the Commission be wary of limiting customers' access to the**  
412 **competitive retail market?**

413 A. It is imperative that the Commission maintain structures that foster a competitive  
414 market environment in which customers are allowed to switch and have access to  
415 the competitive retail market. Because integral pieces of any competitive  
416 marketplace are a customer's right and ability to choose, the Commission should  
417 reject these proposals to further restrict customers' ability to choose RES supply.

418

419 While we do not take lightly the need for the Commission to protect those  
420 customers that truly need to be protected - e.g., through the continued availability  
421 of a reliable, market-based service - the Commission should be careful not to

422 throw the baby out with the bath water. Therefore, if customers can obtain supply  
423 arrangements by switching to RESs that meet their needs, they must have the right  
424 to do so, free of any newly-instituted switching restrictions that differ from those  
425 currently in effect.

426

427 We urge the Commission to reject these proposals to further restrict customers'  
428 ability to switch between utility service and the competitive market. Further  
429 restrictions on switching may prevent customers from receiving the wide array of  
430 products and services that are available in a competitive retail marketplace.

431

432 **IV. CONCLUSION**

433 **Q. Do you have any other recommendations with regards to the issues that have**  
434 **been presented in Direct Testimony?**

435 A. Yes. The Commission should ensure that the utilities properly inform customers  
436 regarding both the enrollment and switching rules to ensure that their customers  
437 know their options and decision-making timeframes. Therefore, the Commission  
438 should require the utilities to engage in a stakeholder process with interested  
439 parties to develop appropriate customer communication materials for Commission  
440 review prior to their dissemination. This will ensure that customers receive a  
441 coordinated message. By doing so, customers will know exactly what will  
442 happen, and when, as a consequence of their action or inaction. The Coalition  
443 looks forward to working with Staff, the utilities, and other interested  
444 stakeholders in this educational endeavor.

445

446 **Q. Please summarize your recommendations in this proceeding.**

447 A. In this proceeding, the Commission is reviewing the auction framework. The  
 448 Coalition recommends that the Commission:

- 449 • Reject the Staff’s proposal to create an enrollment window for all CPP-B  
 450 eligible customers;
- 451 • Reject the Staff’s proposal to institute a pre-enrollment process for large non-  
 452 residential customers;
- 453 • Affirm the Commission’s previous findings that approved a 45-day  
 454 enrollment window for customers to evaluate their supply options for the next  
 455 auctions;
- 456 • Reject the IIEC’s proposed pre-qualification process as it is too  
 457 administratively cumbersome;
- 458 • Reject certain parties’ recommendations to restrict CPP-A eligible ComEd  
 459 customers that default to the Annual product from switching to RES service  
 460 after the enrollment window closes;
- 461 • Reject regulatory impediments to the exercise of individual customers’ risk  
 462 preferences; and
- 463 • Require the utilities to initiate a stakeholder process to develop customer  
 464 communications regarding the way in which the enrollment window and  
 465 switching rules will operate.

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

467 A. Yes.

468