

ILLINOIS COMMERCE COMMISSION

DOCKET NO. 06-0800

REBUTTAL TESTIMONY

OF

LEONARD M. JONES

Submitted On Behalf

Of

CENTRAL ILLINOIS LIGHT COMPANY d/b/a AmerenCILCO

CENTRAL ILLINOIS PUBLIC SERVICE COMPANY d/b/a AmerenCIPS

ILLINOIS POWER COMPANY d/b/a AmerenIP

(The Ameren Illinois Utilities)

April 6, 2007

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LEONARD M. JONES

Q. Please state your name and business address.

A. My name is Leonard Jones. My business address is 1901 Chouteau Avenue, St. Louis, Missouri 63103.

Q. Are you the same Leonard Jones that filed direct testimony in this proceeding?

A. Yes.

Q. What is the purpose of your rebuttal testimony?

A. The purpose of my rebuttal testimony is to respond to two issues raised by IIEC witness Mr. Robert Stephens. Specifically, I will respond to Mr. Stephens' recommendation regarding reversal of the current "opt-out" policy to an "opt-in" policy for large customers. I will also address certain suggestions regarding prequalification of load.

Q. Please describe the current tariff terms and conditions as they relate to the eligibility of customers for service under BGS-LFP (also known as "Rider BGS-L" or "BGS-4") power and energy service.

A. Customers must have a demand of 1,000 kilowatts ("kW") or more. Customers with demands at or over 3,000 kW must have also signed and returned a non-binding "Pre-Qualification Form" stating they wish to remain eligible for the

24 BGS-LFP product. Customers meeting one of these two conditions may elect to
25 take BGS-LFP service during the Open Enrollment Period.

26 The Open Enrollment Period begins after the "Declaration of a Successful
27 Auction Result" and the Ameren Illinois Utilities have submitted the "Retail
28 Supply Charge Informational Filing" to the ICC. The "Open Enrollment Period"
29 in the first auction (September 2006) allowed customers with demands at or above
30 3,000 kW up to 30 calendar days to opt out of service under Rider BGS-L.

31 Customers with demands less than 3,000 kW were allowed 50 calendar days to
32 opt-out of Rider BGS-L. In subsequent auctions, customers with demands under
33 3,000 kW are allowed 45 calendar days to opt-out of Rider BGS-L.

34 **Q. Do you agree with Mr. Stephens suggestion that a reversal of the opt-out**
35 **policy to an opt-in policy may be the better consumer protection in future**
36 **auction periods.**

37 A. Based on the results of the first auction, I agree that an opt-in policy may have
38 provided better consumer protection. Service under Rider BGS-L represents a
39 commitment for service for the next year. The requirement of opting-in would
40 ensure that customers are aware of this one year commitment to Rider BGS-L
41 service, as opposed to being defaulted to a one-year commitment. Moreover,
42 customers who do not elect to opt-in retain the option to elect a third-party supply
43 contract, or to default to or elect service from the Ameren Illinois Utilities under
44 the hourly energy price rate (Rider RTP-L). Service under RTP-L does not
45 require a one-year commitment and, therefore, customers can opt-out at any time
46 and switch to a third-party supply contract. Under the current tariff provisions, a

47 customer who fails to opt-out would no longer have those two supply options
48 available.

49 **Q. How many customers would be impacted by changing Rider BGS-L**
50 **eligibility to an opt-in policy?**

51 A. The present switching rules within Rider MV – Market Value of Power and
52 Energy (“Rider MV”) calls for only customers presently served under Rider BGS-
53 L to opt-out of service. The Ameren Illinois Utilities serve less than 30 customers
54 under Rider BGS-L. Approximately 510 customers, who are presently served
55 through a third-party supplier or through the Ameren Illinois Utilities’ Rider RTP-
56 L, are already subject to an “opt-in” policy.

57 **Q. Regarding the Pre-Qualification Form, Mr. Stephens suggests it be modified**
58 **from simply asking customers whether they want their loads to be included**
59 **in the auction segment or not, to a complete form whereby they certify they**
60 **are eligible to take the auction product. Do you agree that this change is**
61 **warranted?**

62 A. Yes. Prior to the initial Auction, all current customers with demands at or above
63 3,000 kW returned their Pre-Qualification Forms affirming their desire to have
64 their loads included in the auction segment, but not requiring them to either
65 certify eligibility or commit to Rider BGS-L service. Such result provided
66 suppliers with no new information to assess the potential risk, and cost, of serving
67 the BGS-LFP load. Mr. Stephens’ suggestion to modify the form so that
68 customers certify that they are eligible to take the auction product should they
69 elect to do so is more likely to result in some customers removing themselves

70 from consideration. This is so because these customers are likely taking service
71 from a third party supply whereby the contractual provision may preclude the
72 customer from the abandoning the contract earlier than the contract term.

73 **Q. What other changes to the Pre-Qualification Form may be necessary?**

74 A. Mr. James Blessing proposes in his rebuttal testimony that the prequalification
75 process be extended to all customers at or above 1,000 kW. In the new Pre-
76 Qualification Form, customers would certify that they are eligible to take BGS-
77 LFP service for the applicable period, and would further select either a seven day
78 open enrollment window product or a 20-day open enrollment window product.
79 Mr. Craig Nelson discussed the Ameren Illinois Utilities' proposal to reduce the
80 Open Enrollment Window to 20 days in his direct testimony.

81 **Q. Do you agree with Staff's position regarding the enrollment period for
82 customers with loads 400kW or greater?**

83 A. Staff's position remains somewhat unclear, but to the extent that I understand it, I
84 disagree with it. It appears that Staff is recommending that there be an enrollment
85 window of 20 days for customers of 400 kW or more, even if those customers
86 remain within BGS-FP. Staff's view, as I understand it, is that it would reduce
87 risk premiums. This, however, would place a substantial administrative burden
88 on the utilities, and in the absence of any quantification of the benefit that Staff
89 foresees, I cannot say that the benefit outweighs the costs.

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

91 A. Yes.

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