

ILLINOIS COMMERCE COMMISSION

DOCKET NO. 07-0585 (CONS.)

REBUTTAL TESTIMONY

OF

MARK R. LIVASY

Submitted On Behalf

Of

**CENTRAL ILLINOIS LIGHT COMPANY d/b/a AmerenCILCO,
CENTRAL ILLINOIS PUBLIC SERVICE COMPANY d/b/a AmerenCIPS, and
ILLINOIS POWER COMPANY d/b/a AmerenIP
(The Ameren Illinois Utilities)**

April 14, 2008

TABLE OF CONTENTS

	Page
I. INTRODUCTION	1
A. Witness Identification	1
B. Purpose and Scope	2
II. INVOICES FOR ELECTRONIC TRANSACTIONS.....	2
III. CONCLUSION.....	4

23 **B. Purpose and Scope**

24 **Q. What is the purpose of your rebuttal testimony in this proceeding?**

25 **A.** The purpose of my testimony is to discuss how electronic transactions for contractor
26 payment were created and kept by Illinois Power Company (“IP” as I reference the utility
27 prior to Ameren Corporation’s (“Ameren”) acquisition) for project costs associated with
28 plant additions prior to April 1, 2005. These electronic transactions, and associated
29 invoice records, are the subject of direct and rebuttal testimonies provided by the Ameren
30 Illinois Utilities’ witness Ronald D. Stafford. I will explain how the records for
31 electronic transactions were created and stored at IP. I also will discuss the nature of the
32 information contained in the invoice records. Further, I will discuss how the information
33 contained in the invoice records is retrieved from the electronic database in which the
34 invoices are stored so that it can be reviewed and used to determine costs associated with
35 plant additions.

36 **II. INVOICES FOR ELECTRONIC TRANSACTIONS**

37 **Q. Are you familiar with how electronic transactions for contractor payment were**
38 **created and stored at IP?**

39 **A.** Yes. In my former positions as Director – Supply Chain Services, which I held from
40 1999 through 2001, and Senior Director – Utility Services, which I held from 2001
41 through 2003 at IP, my job duties included functional responsibilities for Accounts
42 Payable. These responsibilities required me to become familiar with, and understand,
43 how electronic payment transactions associated with plant additions were created and
44 kept by IP. The business records maintained and used by IP for electronic payment

45 transactions to contractors we did business with on a regular basis were created and
46 stored according to a two-step process.

47 **Q. Please describe the first step in that process.**

48 **A.** First, a contractor that had completed work for a plant addition would submit a paper
49 timesheet for manpower and equipment to IP. An IP employee would enter the
50 information contained in the time sheet into an electronic database called Contractor
51 Invoicing. The information entered into Contractor Invoicing included the time that the
52 contractor spent working on a particular project, any reimbursable costs incurred by the
53 contractor for work on the project, a work order number to identify the project for which
54 the work was done and a vendor number to identify the contractor. The information
55 entered into Contractor Invoicing accurately reflected the information contained in the
56 contractor timesheet, and was regularly kept and maintained by IP in the Contractor
57 Invoicing database in the ordinary course of business.

58 **Q. Please describe the second step in the process.**

59 **A.** Second, an IP supervisor would review the contractor time sheet information contained in
60 Contractor Invoicing, and approve or disprove the records for payment. This supervisor
61 would have been involved in the project and knowledgeable about the contractor's work
62 performance. Once approved, the time sheet information contained in Contractor
63 Invoicing would be transferred on a nightly basis into an electronic database known as
64 the Accounts Payable ("AP") system. Use of the AP system was part of the regular
65 business protocol for IP. (The transfer was accomplished through a computer program
66 designed to collect and transfer the information in Contractor Invoicing.) The

67 information transferred to AP included the amount due to the contractor for time and
68 costs incurred for working on a particular project, a work order number to identify the
69 project for which the work was done, an invoice number, an invoice date and a vendor
70 number to identify the contractor. The information transferred into AP accurately
71 reflected the billing information contained in Contractor Invoicing, and was regularly
72 stored and maintained by IP in the AP database in the ordinary course of business.

73 **Q. What happened next?**

74 **A.** Once the business record information from Contractor Invoicing was transferred into
75 AP, the contractor would be paid, usually by an electronic funds transfer.

76 **Q. How is the contractor invoice information that is stored in AP retrieved so that it
77 can be reviewed?**

78 **A.** That information is retrieved using a tool called Bi-Query. The AP database was
79 archived on April 1, 2005 following the Ameren's purchase of IP the previous year. The
80 Bi-Query tool can be queried to "read" the archived AP database and retrieve any
81 information contained in AP. The information can be formatted or printed for review in
82 various ways. The information retrieved from AP using the Bi-Query tool accurately
83 reflects the electronic information maintained and kept by IP in the AP database in the
84 ordinary course of business.

85 **III. CONCLUSION**

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

87 **A.** Yes, it does.

STATEMENT OF QUALIFICATIONS

My name is Mark R. Livasy. I am the Superintendent – Energy Delivery Illinois in the Supply Chain Operations Department of Ameren Services Company (“Ameren Services”), a subsidiary of Ameren Corporation.

I received a Bachelor degree in Management from Millikin University in 1977. I earned Advanced Supply Chain Management Certification from St. Louis University in 2007.

I began my career at Illinois Power Company in 1978 as an Accountant in the accounting department, which included direct supervision of personnel in Accounts Payable. Over the next 21 years, I worked 13 different positions in 7 different departments:

- Accountant, Accounting
- Benefits Analyst, Employee Relations
- Labor Relations Analyst, Employee Relations
- Senior Internal Auditor, Internal Auditing
- Stores Coordinator, Service Area Operations
- Supervisor – Material Control, Purchasing and Material Control
- Director – Material Control, Purchasing and Material Control
- Director – Contract Administration, Purchasing and Material Control
- Director - Purchasing, Purchasing and Material Control
- Director – Customer Business Strategies, Customer Business Strategies
- Director – Central Dispatch, Energy Delivery
- Director – Energy Delivery Process & Technology, Energy Delivery
- Manager – Energy Delivery Operations, Energy Delivery

In 1999, I began working as the Director - Supply Chain Services, as the department head of the Supply Chain Services department. The duties included the leadership and administrative responsibilities for Purchasing, Stores and Warehousing, Stock Control, Strategic Sourcing, Accounts Payable, Material Logistics and Distribution. In 2001, I became the Senior Director of Operations Support, which included the leadership and administrative responsibilities for the following Energy Delivery / support departments: Supply Chain Services (which included Accounts Payable), Central Dispatch, Safety & Training, Environmental Programs, Fleet, Central Meter Shop, Administrative Services and Energy Delivery Process & Technology. In

2002, my title changed to Senior Director – Utility Services, and my responsibilities were expanded to include strategic services development.

In 2003, I became the Director – Asset Performance and Compliance Management, responsible for the leadership and administration of Electric Reliability, Electric Planning, Electric Standards, Gas Planning and Gas Standards.

In 2004, I returned to Supply Chain Services when Ameren purchased Illinois Power as the Director – Supply Chain Services with the same responsibilities I held earlier (1999 – 2001). By April of 2005, I had facilitated the transfer of responsibilities and systems for purchasing, stock control, sourcing and accounts payable to their respective Ameren departments. My title changed to Superintendent – AmerenIP Stores, and my responsibilities were focused on stores operations, warehousing and material distribution for AmerenIP. In 2005, I assumed similar additional responsibilities for AmerenCILCO Stores. In 2006, I became employed by Ameren Services Company and assumed additional responsibilities for AmerenCIPS Stores. My title also changed at that time to Superintendent – Energy Delivery Illinois, which is my current position.