

**ILLINOIS COMMERCE COMMISSION**

**Docket Nos. 08-0619, 08-0620, 08-621 (cons.)**

**DIRECT TESTIMONY**

**of**

**Joseph M. Solari**

**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**

**St. Louis, Missouri**

**December 22, 2008**

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10  
11 **Q. Please state your name and business address.**

12 A. My name is Joseph M. Solari. My business address is 1901 Chouteau  
13 Ave., St. Louis, MO 63101.

14 **Q. By whom are you employed and in what position?**

15 A. I am employed by Ameren Services Company ("Ameren Services") as  
16 Manager of Development Energy Delivery.

17 **Q. Please describe your educational background and work**  
18 **experience.**

19 A. I received a Bachelor of Arts Degree in Philosophy from St. Louis  
20 University in 1993 and a Bachelor of Science Degree in Computer Science from  
21 Webster University in 1996. I am currently working on acquiring a Masters Degree  
22 in Business Administration at Webster University with a target graduation date of  
23 May 2009. I was hired by Ameren Services in December 1996 as a Programming  
24 Analyst and worked on the Customer Service System ("CSS"). I was promoted to

25 Information Technology (“IT”) Supervisor in February 2000. In that capacity I was  
26 assigned the roles of project manager for the Residential and Small Commercial  
27 CSS integration project (2002), the Central Illinois Light Company acquisition CSS  
28 project (2003), and the Illinois Power Company acquisition CSS project (2005). In  
29 January 2006, I was promoted to IT Account Consultant for Energy Delivery. In  
30 June 2007, I was promoted to my current position of Manager of Development  
31 Energy Delivery in IT. My career at Ameren Services has been in service of the  
32 applications required to support the day-to-day activities of Ameren Services’ energy  
33 delivery employees and customers with a primary focus on the CSS application.

34 **Q. What are your duties as the Manager of Development Energy**  
35 **Delivery?**

36 A. I manage the IT Development resources responsible to support and  
37 enhance the Energy Delivery Suite of Applications. These applications include, but  
38 are not limited to, the meter-to-cash applications (ex. Automated Meter Reading  
39 System, Unbundled Management Services System, CSS, etc.), outage analysis  
40 system, work management system, computer telephony integration and voice  
41 response units, external customer facing applications (ex. eCustomer), Ameren  
42 Corporation’s (“Ameren”) intranet, and content management systems.

43 **Q. Are you familiar with the subject matter of this proceeding?**

44 A. Yes, I am.

45 **Q. What is the purpose of your direct testimony in this case?**

46 A. My testimony is intended to describe the systems enhancements  
47 developed to (1) allow the Ameren Illinois Utilities (“AIU”) to bill their customers for

48 receivables which AIU acquires from Retail Electric Suppliers (“RES”), (2) facilitate  
49 the transactions required to purchase and take title to receivables from participating  
50 RES, and (3) provide clear communications to AIU customers impacted by Senate  
51 Bill 1299 (“SB 1299”). The systems enhancements described herein are only the  
52 incremental enhancements necessary to implement the Utility Consolidated Billing  
53 and Purchase of Receivables Program (“UCB/POR”). As established in the Direct  
54 Testimony of Ms. Lynn Pearson, the AIU’s are seeking recovery of prudently  
55 incurred incremental costs made necessary by the provision of UCB/POR. It is the  
56 purpose of my testimony to describe the technical details associated with those  
57 costs.

58 **Q. Please describe generally the AIU’s billing system.**

59 A. The AIU CSS enables the AIU’s to bill for delivery services rendered to  
60 customers, and for Company procured electric power and energy supply service.  
61 Additionally, this system enables the AIU’s to bill customers for various other  
62 charges, taxes and fees associated with the provision of utility service. This  
63 application is the core application within AIU’s Energy Delivery Suite of Applications.

64 **Q. What changes are made necessary by the implementation of a**  
65 **UCB/POR Program?**

66 A. Overall, the systems are not changed substantially in the manner in  
67 which they function. However, in order to provide UCB/POR service, the AIU must  
68 modify the existing CSS and related systems in order to allow it to bill for supply  
69 related to receivables purchased from RES as an alternative to billing for electric

70 power and energy supply products procured by AIU in conjunction with the Illinois  
71 Power Authority.

72 **Q. Specifically, what additional functionalities must be added to**  
73 **these systems?**

74 A. The most significant changes to AIU's Energy Delivery Suite of  
75 Applications are in the following areas: (1) Providing mass market customers with  
76 the appropriate information to understand their energy supply choices. This includes  
77 changes to the AIU's existing billing system to ensure customer choice information is  
78 communicated at the appropriate consumer touch points (ex. turn-on/turn off  
79 processes), as well as changes to AIU's internet applications to provide RES  
80 information to the consumer. (2) Significant modifications are required to the  
81 Electronic Data Interchange ("EDI") transaction process to support UCB/POR,  
82 including multiple changes to existing EDI file formats. (3) A new RES portal (i.e.  
83 internet enabled application), will be created to support the RES activities associated  
84 to their mass market accounts (ex. functionality to allow the RES to apply a credit or  
85 debit to an account, modify RES rate codes, bill message or prices). (4)  
86 Modifications to AIU's existing cancel/re-bill processes are required to automatically  
87 inform RES of changes impacting their accounts. (5) Budget Billing modifications  
88 must be implemented to support rate ready and bill ready functionality. (6) Additional  
89 application changes within AIU's Energy Delivery Suite of Applications will be made  
90 to ensure that existing AIU processes can support the high-volume processing  
91 needs that will result as mass market customers' switch to an RES. These

92 programmatic changes will reduce AIU's need to add staff to support UCB/POR  
93 requirements.

94 **Q. Please describe the system development and programming**  
95 **required to make transactions with participating RES in order to purchase**  
96 **those receivables?**

97 A. Existing systems provide for coordination with third party suppliers in  
98 order for AIU to provide electric delivery service to RES customers. Those systems  
99 and functionalities were developed as a result of the 1997 legislative changes  
100 establishing customer choice. Systems coordination with RES is necessary to  
101 provide delivery service. SB 1299 requires additional functions be added in order to  
102 facilitate the purchase of RES receivables: (1) modifications to the current EDI  
103 processes between AIU and RES, (2) modifications to the charge-off process and  
104 associated reports, and (3) modifications to multiple financial reports.

105 **Q. Describe the development lifecycle and timeframe of the**  
106 **UCB/POR project?**

107 A. Requirements were initially identified through the review of over fifty  
108 business processes currently supported within the AIU Energy Delivery Suite of  
109 Applications in light of the UCB/POR impacts. At this time, requirements continue to  
110 be identified through the SB 1299 workshops.

111 The Application Development phase of the project, which includes the  
112 design, code and unit test of the new functionality required to support UCB/POR,  
113 began on December 1, 2008 and is scheduled to complete on July 1, 2009. The  
114 timeframe for this phase overlaps with the testing phases: (1) Product Test and (2)

115 Production Readiness Test. Within the Product Test Phase, Development and AIU  
116 resources identify and execute test scripts to validate the accuracy of the new or  
117 modified functionality. While unit test is performed by the analyst and is a validation  
118 of the programming logic, product test scripts are executed by business analysts and  
119 AIU resources and validates that the programming logic meets the business  
120 requirements and process. The timeframe for this testing phase is March 2, 2009  
121 through May 1, 2009. Once complete, the Production Readiness Test Phase  
122 begins. This phase includes “day-in-the-life” scenario testing. The goal of this  
123 phase is to ensure that all of the components of the AIU Energy Delivery Suite of  
124 Applications are functioning as designed and will support the day-to-day operations  
125 of AIU, RES and mass market customers. This phase includes extensive testing  
126 with RES to validate that the interfaces between AIU and RES are functioning  
127 properly and efficiently. This phase will begin on May 4, 2009 and is scheduled to  
128 conclude on August 28, 2009. Production implementation of the UCB/POR  
129 functionality is scheduled to occur on September 1, 2009, and will initiate the Post  
130 Implementation Support phase of the project. The original implementation date of  
131 June 1, 2009 has been adjusted. The original estimated implementation date was  
132 aggressive, and at this juncture does not appear workable. Additionally, we are  
133 requesting a compliance period subsequent to the date of the final order to include  
134 time for any re-work that may result from a final order that may require changes.  
135 During the Post Implementation Support phase, Development resources will monitor  
136 the new functionality in production and will address production issues appropriately  
137 and in a timely manner.

138           **Q.     What phases of the project are included within this testimony and**  
139 **are considered Capital Expenses?**

140           A.     The project includes both capital and O&M phases. Only the  
141 incremental capital phases are included for cost recovery in this docket. The capital  
142 phases include: Application Development, Product Test, Production Readiness  
143 Test, Implementation and Post-Implementation Support Phases.

144           **Q.     What are the estimated capital costs for this project?**

145           A.     The total costs of this project are estimated at \$2,928,231. Of this  
146 estimate approximately ninety-five percent of the costs relate to the systems  
147 changes necessary to provide consolidated billing to our customers (UCB costs) and  
148 five percent of the costs are associated with the purchase of receivables from RES  
149 (POR costs). This includes all capital costs and a 20% contingency on Development  
150 and Product Test phases. Contingency is warranted as all of the requirements have  
151 not been defined to date, workshops are in progress and detail design activities are  
152 not complete.

153           **Q.     Does this conclude your direct testimony?**

154           A.     Yes, it does.