ILLINOIS COMMERCE COMMISSION

Docket Nos. 08-0619, 08-0620, 08-0621 (cons.)

REBUTTAL TESTIMONY

of

ROGER L. PONTIFEX

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

March 10, 2009

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I. INTRODUCTION

A. Witness Identification

Q. Please state your name.

A. My name is Roger L. Pontifex. My business address is 370 S. Main Street, A – 14, Decatur, Illinois 62523.

Q. By whom are you employed and in what capacity?

A. I am employed by the Ameren Illinois Utilities (AIU) as an Energy Delivery Business Advisor within the Customer Care Administration.

Q. Please describe your education and work experience.

A. Please see my statement of qualifications, attached as an Appendix to this testimony.

B. Purpose and Scope

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

A. The purpose of my testimony is to respond to Staff and intervenor arguments and recommendations presented in direct testimony concerning disputed charges and consumer protection. I have reviewed

and am responding to the direct testimony of the Illinois Commerce Commission Staff (Staff) witness Clausen, Dominion Retail, Inc. (DRI) witness Barkas, and Citizens Utility Board (CUB) witness McDaniel.

Q. Please summarize the conclusions of your rebuttal testimony.

As detailed below, regarding the subject of disputed charges, I conclude:

- Staff witness Clausen is correct that the original tariffs represent the AIU as being the entities that decide whether a RES charge is disputed.
- While there should be a more consistent process in handling RES disputed charges regardless of bill method, I do not agree with Staff witness Clausen that specific language within the tariff is needed to detail the process.
- Leveraging the existing AIU "Dual Bill" and "Single Bill Option" (SBO) disputed charge process where a third party supplier is involved to be applied to the UCB/POR bill method would provide a consistent and common customer experience.
- CUB witness McDaniel is incorrect that there is no clear dispute process and that the customer's voice has been removed by excluding the customer's ability to contact the AIU and dispute RES charges. Clear dispute processes exist today for customer disputes and will exist when the UCB/POR tariffs are implemented.

As detailed below, regarding the subject of consumer protection I conclude:

- CUB witness McDaniel is incorrect to submit that the tariffs should be rejected and held in abeyance until additional consumer protections are developed. Although I am not an attorney, it is my understanding that consumer protection laws and regulations do exist in Illinois. While it may be warranted to develop additional protections in the future, there is no reason to withhold compliance of SB 1299 at this time.
- The AIU does not object to the opinion of CUB witness McDaniel that a "Do Not Contact List" should be maintained by the utility and provided monthly to RESs so they do not market to residential customers who elect to place their account on the list.

Q. Will you be sponsoring any exhibits with your rebuttal testimony?

A. Yes, I am attaching and sponsoring the following exhibits:

- Ameren Exhibit 7.1 – A work flow chart that describes the process currently used when handling a customer contact regarding the AIU price question.

- Ameren Exhibit 7.2 – A work flow chart that describes the process currently used when handling a customer contact regarding RES – Dual Bill price question.

- Ameren Exhibit 7.3 – A work flow chart that describes the process currently used when handling a customer contact regarding RES – SBO Bill price question.

- Ameren Exhibit 7.4 – A work flow chart that describes the proposed process to be used when handling a customer contact regarding RES – UCB/POR Bill or Rate Ready price question.

- Ameren Exhibit 7.5 – the Ameren Illinois Utilities Response to Retail Energy Supply Association Data Request No. RESA 2.05.

II. <u>DISPUTED CHARGES</u>

Q. Several witnesses to this proceeding offer testimony regarding disputed charges. Staff witness Clausen, (Staff Ex. 3.0, pp 21 – 23); DRI witness Barkas, (DRI Ex. 1.0, pp 5 – 7); and CUB witness McDaniel, (CUB Ex. 1.0, pp 5 – 6). Please explain your understanding of the issues surrounding disputed charges?

A. There are several interrelated relationships implicated when a customer disputes a third-party supply charge on an AIU bill. There is the relationship between the customer and the utility, the customer and the supplier, the utility and the supplier, and the relationship that exists between the Commission and all applicable parties when a complaint

process is initiated. First let me state that the tariffs submitted in this case govern the relationship between the customer and the utility and the utility and the supplier only. The AIU have no practical ability to govern the relationship between the customer and the supplier. Moreover, as an Integrated Distribution Company (IDC), it is our role to deliver the power and energy selected by the customer in a manner that is neutral and disinterested to the customer's choice of supplier. It would therefore be inappropriate for the AIU to adjudicate contractual disputes between suppliers and customers, because it potentially calls into question the AIU' supply neutrality as an IDC.

The tariffs filed in September 2008 contained to the best of our ability the desires of all interested stakeholders at the time of the filing was made. As AIU witness Pearson states in her rebuttal testimony, the AIU' position on bill inquiries and disputed charges have evolved since that time. The AIU have filed revised tariff language as Ameren Exhibit 4.3 further address concerns for more consistent language and ensuring the AIU not be the entity that decides whether a RES charge is disputed. Moreover, the AIU agree that there needs to be a consistent process for handling RES disputed charges. This will make the customer experience better and further ensure neutral handling by the AIU wtih respect to supply choice. A common process does exist today under the Dual and SBO bill options for third party supplied energy. By leveraging this approach to UCB/POR the customer experience and general administration should be

consistent. Finally, CUB expressed a concern that the customers' voice will be lost by their not being able to contact the utility and dispute a RES charge. As discussed below the customers' voice will never be lost in the existing or recommended process.

Q. Please respond to the observations advanced by Staff witness Clausen on page 21 - 23 of his direct testimony.

A. Staff witness Clausen correctly observes on page 21, lines 444 – 453, that there is no definition reference for a dispute of AIU charges in the SBO applicable tariff provisions. He logically concludes the process for disputed charges would be the same regardless of whether the AIU or the RES sends the bill to the customer. Hence he concludes such references are absent from the SBO provisions.

Q. Do you agree with Staff witness Clausen's observations?

A. Not entirely. Comparing SBO to UCB/POR is an apples to oranges comparison. The SBO process does not involve the acquisition of utility receivables by a RES and subsequent socialization of the uncollected portion of those receivables to other customers. RES customers should not knowingly be allowed to sell the AIU receivables related to contracts that are unenforceable. Hence some tariff language to that effect is necessary. However, we do agree it is not appropriate for the AIU to mediate or interfere in disputes between suppliers and customers. We have resolved this potential misinterpretation of our tariffs with some

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adjusted language. AIU witness Pearson sponsors the language change in her rebuttal testimony, and my rebuttal testimony provides the substantive response with regard to how disputed charges are handled. I draw on my experience in utility customer relations and systems in support of the AIU position.

Q. Please provide an overview of the AIU disputed charge process.

A. Ameren Exhibit 7.1 depicts the process that is used by the AIU when a customer contacts the utility because it disputes an AIU rate or price charge:

- First we determine if the disputed charge is an AIU (delivery) or RES (supply) item.
    - If the disputed charge is a supply price item we follow the appropriate steps either for Dual or SBO disputed charge process by referring the customer to the appropriate RES.
    - If the disputed charge is a delivery rate or price item we review the rate assignment and current price charges with the customer.
- If the customer is not satisfied or has previously talked to the AIU about the dispute and after additional sharing of information is still not satisfied, AIU refers the customer to the Illinois Commerce Commission's Consumer Services Division (CSD) by providing the telephone number and/or address.
- If the customer continues its dispute the AIU may receive notification via a three-party call from the CSD that may include the customer to discuss the specific facts in question.
- If the CSD and/or the AIU determine more time will be required to determine the final determination of a dispute and/or we are concerned about late payment fees or potential service interruption to the customer, the AIU will be prepared to enter a suspend charge on the customer's account. This is done with the expectation that these disputes should be quickly addressed.

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- If appropriate, the AIU will make a disputed charge correction to the customer's account.

Q. Why does the AIU have a process for handling a RES Dual Bill disputed charge when AIU separately bills the delivery charges and RES separately bills their supply charges?

A. Since generally all electric customers within the AIU service territories are delivery customers they naturally reach out to us for information and education. We have a defined process to aid our customer service personnel to understand the different interrelationships, be able to better explain these to the customer, and to provide as consistent a customer experience as possible while remaining neutral and disinterested in the customer's supply choice. The Dual Bill disputed charge process is depicted in Ameren Exhibit 7.2.

Q. Please describe the process for handling a RES Dual Bill disputed charge.

A. Ameren Exhibit 7.2 depicts the process that is used by the AIU when a customer contacts the utility because it disputes a RES Dual Bill charge:

- First we determine if the disputed charge is an AIU (delivery) or RES (supply) item.
    - If a delivery item we follow the process discussed above that depicts the AIU disputed charge price process.
- If the disputed charge is a supplier item we check to determine if the item is in a time frame for the active Supplier;
    - If not, we refer the customer to the former Supplier and offer the phone number and web address.

- If the disputed charge is with the active Supplier we ask if the customer has spoken with its Supplier;
    - If not, we refer the customer to the active Supplier and offer the telephone number and web address.
- If the customer has previously talked to the Supplier about the dispute, AIU refers the customer to the CSD by providing the phone number and/or address.

The AIU process then ends since the AIU has no charges as part of the RES Dual Bill nor is the AIU the entity deciding the resolution on the RES Dual Bill disputed charge**.** This process allows the Suppliers to resolve their own disputes on supplier issues while still affording the customer with reasonable and consistent treatment that is aligned to the current practices the AIU use today for our own billing.

Q. Please describe the process for handling a RES SBO disputed charge.

A. Ameren Exhibit 7.3 depicts the process that is used by the AIU when a customer contacts the utility because it disputes a RES SBO price charge:

- First we determine if the disputed charge is an AIU (delivery) or RES (supply) item.
    - If a delivery item we follow the process discussed above that depicts the AIU disputed charge price process.
    - If a delivery item that is simply an unpaid amount previously submitted to the RES for inclusion on the SBO bill we then,
        - Advise the customer of the unpaid delivery amounts and of their ultimate accountability for payment of those charges and refer them to the appropriate Supplier.
- If the disputed charge is a supplier item we check to determine if the item is in a time frame for the active Supplier;

- o If not, we refer the customer to the former Supplier and offer the telephone number and web address.

- If the disputed charge is with the active Supplier we ask if the customer has spoken with its Supplier;
  - o If not, we refer the customer to the active Supplier and offer the telephone number and web address.
- If the customer has previously talked to the Supplier about the dispute, AIU refers the customer to the CSD by providing the telephone number and/or address.
- If the customer continues their RES SBO dispute and there are AIU charges involved, AIU should receive notification from either the CSD and/or Supplier, via a 3 or 4 party call that may include the customer.
- If there are no AIU delivery charges involved then AIU would not expect to receive any notification from either the CSD and/or Supplier similar to the Dual Bill disputed charge process.
- The AIU will suspend charges related to the delivery charges on the customers RES SBO billed account at the direction of either the CSD or Supplier until the dispute has been resolved with the expectation that these should be quickly addressed.
- The AIU Retail Supplier Key Account group will be available to work with the RES to resolve the dispute as required.

This process allows the Supplier to resolve their own disputes on supplier issues while still recognizing multiple interrelationships exist that need coordination, neutral treatment regarding supply, and affording appropriate consumer protection within a process that is consistent to existing practices the AIU use today for our own billing.

Q. Do you have other observations regarding Staff witness Clausen's testimony?

A. Yes. Staff witness Clausen observes in his testimony, pages 21 -23, that the AIU tariff needs a more consistent approach to defining the process of resolving disputed charges. While I agree with Mr. Clausen there should be a consistent process in handling RES disputed charges regardless of bill method, I do not agree that specific language within the tariff is needed to detail the process. Resolving disputes will require some combination of communication between the AIU, the participating RES, the AIU, and potentially the Commission. Every dispute can have its own unique facts and circumstances. Therefore, attempting to codify a roadmap for all future disputes would be difficult, if not impossible. Attempting to do so would likely only frustrate speedy resolution of customer disputes as they arise in the future.

I do agree with Mr. Clausen in the sense it is appropriate to define the AIU' role in disputes that relate to third party supply. AIU witness Pearson has included in her rebuttal testimony modifications to the tariff to remove the sentence "Charges billed by the Company to a Retail Customer for the RES' electric power and energy supply service are deemed to be disputed if such Retail Customer contacts the Company and claims that such charges are not correct" (Reference Original Sheet No. 5.034). This important change reflects the recognition that the AIU are not the appropriate entity to decide whether a charge between a RES and RES customer is disputed. I also agree with Mr. Clausen that it is logical that there be a common approach or process for handling disputed charges.

The AIU have, as a result of reviewing intervenor testimony and completing detail design work for implementing UCB/POR, developed a recommended consistent process for RES disputed charges under UCB/POR.

Q. Do you have any recommendations for a common RES disputed charge process under UCB/POR?

A. Yes. As a result of reviewing intervenor testimony and completing detail design work in collaboration with the SB 1299 working groups on EDI and RES Portal requirements[1], I recommend we leverage the AIU existing, Dual and SBO disputed charge processes and apply them to UCB/POR.

Q. Please describe your recommended processes for a common RES disputed charge process under UCB/POR.

A. Since in UCB/POR the AIU are providing two billing methods, Bill Ready and Rate Ready to expand the potential number of RES' offering mass market supply services, there would be one process.[2] This one process would be identical for either bill method except for the final step that accommodates for the billing method a RES uses, should it be appropriate for the RES to make a correction for a disputed charge. Ameren Exhibit

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[1] The AIU ascribe no position to any party to the ORMD workshops. However, it should be noted that throughout the SB 1299 implementation process, technical and systems coordination with participating RES has occurred and will likely continue to occur under the purview of the ORMD.

[2] "Rate ready" is simply a formula where a supplier price per unit of energy (kwh) is multiplied times usage. "Bill ready" provides a blank price field on the utility bill that a supplier fills in on a utility bill without any formulation.

7.4 depicts the process the AIU recommend when a customer contacts the utility because it objects to an UCB/POR Supplier bill under Bill or Rate Ready.

- First we determine if the disputed charge is an AIU (delivery) or RES (supply) item.
    - If a delivery rate or price item we follow the process discussed above that depicts the AIU disputed charge price process.
- If the disputed charge is a supplier item we check to determine if the item is in a time frame for the active Supplier;
    - If not, we refer the customer to the former Supplier and offer the telephone number and web address.
- If the disputed charge is with the active Supplier we ask if the customer has spoken with their supplier;
    - If not, we refer the customer to the active Supplier and offer the telephone number and web address.
- If the customer has previously talked to the Supplier about the dispute, AIU refers the customer to the CSD by providing the telephone number and/or address.
- If the customer continues its RES dispute the AIU, since it provides UCB/POR service for the RES, may receive notification from the CSD and/or RES via a three or four party call that may include the customer.
    - This occurs if the CSD and/or RES determine more time will be required to determine the final determination of a dispute and/or they are concerned about late payment fees or potential service interruption to the customer.
- AIU will be prepared to enter a suspend charge on the supply charges on the customers account at the direction of either the CSD or Supplier until the dispute has been resolved within the expectation that these should be quickly addressed.
- If appropriate to make a disputed charge correction the UCB/POR RES will depending on UCB/POR bill method either:

- If the RES is using UCB/POR Bill Ready the RES sends an 810 cancel transaction or a new 810 transaction with correct charges.
- If the RES is using UCB/POR Rate Ready the RES enters an adjustment through the RES Portal to correct the charge.

Q. Please address the concerns expressed by DRI witness Barkas testimony concerns, page 6 – 7, regarding disputed charges.

A. DRI witness Barkas is correct that workshops have further defined how the disputed charge process can function to best serve the interrelationships of all involved: customer, supplier, utility, and CSD. The AIU are active participants in that process and our participation has definitely influenced our position on this issue since the time the tariffs were filed in the above captioned docket. The ORMD-led process has been beneficial in this regard and the AIU appreciate the opportunity this forum provides. Additionally, certain of the discovery and testimony provided in this docket has also influenced our position. The AIU has also agreed to remove the sentence referenced in Mr. Barkas direct testimony at page 6, lines 125 – 128. (See the Ameren Illinois Utilities' Response to Retail Energy Supply Association Data Request No. RESA 2.05, attached hereto and identified as Ameren Exhibit 7.5.) The AIU believe its current position and recommended approach to handling RES disputed charges significantly resolve the issue at present

Q. Please identify the arguments made by CUB witness McDaniel on p. 5 - 6 with regard to dispute resolution.

A. CUB witness McDaniel's direct testimony concludes there is no clear dispute process that is fair to both customers and suppliers (lines 110 - 124), the customer's voice from the dispute process has been removed by excluding the customer's ability to contact AIU and dispute RES charges (lines 127 – 139), and the AIU filing should be rejected until all details can be explained in a way to provide a positive customer experience (lines 141 -148).

Q. Do you agree with these arguments?

A. No. While Mr. McDaniel's concerns (page 5, lines 110 -124) are understandable, the proposed tariffs, existing processes for Dual Billing and SBO along with the AIU recommended process for UCB/POR appropriately respond to these concerns at this time. Clearly, these processes have provided customers with a consistent and straightforward customer experience. While customer-utility interaction will never be perfected, it can and should be improved on an on-going basis. That said, in the present docket, the processes in place today and the planned processes developed for the offering of UCB/POR are sufficient to prudently administer the UCB/POR program. It would be inappropriate to delay implementation of a program mandated by the Illinois Public Utilities Act indefinitely with the expectation that all possible future customer dispute-related issues are addressed. Moreover, such delay would only eliminate the best means of determining the best practices going forward, practical experience.

Q. As suggested by CUB witness McDaniel on page 6, lines 127 – 139 of his direct testimony, has the customer's "voice" been removed from contacting the AIU for a RES disputed charge?

A. No. The customer is not removed in the dispute process from contacting the AIU. Again, Ameren Exhibits 7.1 – 7.4 clearly depict the ability to have the customer contact AIU. By recognizing and being supportive of choice and following the recommended process, the AIU does continue to be an educator, neutral to the customer's supply choice, and a trusted source to the customer. The customer is free to contact the AIU knowing we will provide guidance on the process steps to follow and that the steps are consistent. The inclusion of the CSD within all these processes insures fair treatment of the customer.

Q. Should the AIU filing be rejected until all details can be explained in a way to provide a positive customer experience?

A. No. The AIU revised tariffs, along with the recommended process for handling RES disputed charges for UCB/POR, go a long way to address the related concerns (See CUB Exhibit 1.0, page 6, lines 141 – 148).

Q. Why should this recommendation for a RES disputed charge process for UCB/POR should be adopted?

A. The recommended process allows the Suppliers to resolve their own disputes on supplier issues while still affording the customer with reasonable, appropriate and consistent treatment irrespective of supply

choice or bill method that is aligned to the current practices the AIU use today. The on-going workshops can be a forum to discuss interrelationships of how the RESs would interact with the offices of CSD and ORMD and what is necessary to support those interrelationships.

Q. Do you have any other observations with regard to how disputed charges should be handled?

A. No.

III. CONSUMER PROTECTIONS

Q. Do you agree with CUB witness McDaniel, that the tariffs should be rejected and held in abeyance until additional consumer protections are developed?

A. No. First, clearly the General Assembly intended choice for all customers in the law passed in 1997, including residential and small commercial customers. Given that it is now 2009, I would surmise that the intention of SB 1299 was to encourage residential and small commercial customer choice, not delay it further. Second, although I am not an attorney, I am advised that consumer protections do exist including the Commission's Part 451 ARES certificate requirements and the Illinois Consumer Fraud and Deceptive Business Practices Act which includes electricity specific protections as well as those of general applicability.

Q. Do you have any other observations related to the testimony of CUB witness McDaniel?

A. Yes. On page 8, line 191, Mr. McDaniel observes that the utility should maintain a “Do Not Contact List” as an additional consumer protection. The AIU have already agreed to provide on a monthly basis a “Do Not Contact List” to the RES. My recommendation is it would be more appropriate and less confusing to rename it a “Do Not Market List”. There already exists a National Do Not Call listing that is for any residential customer to use to remove their phone number from marketing lists. By renaming this list it would not be confused with other lists the RES might receive from other sources. Likewise it would be less confusing to train our customer service personnel on the function of each list.

IV. CONCLUSION

Q. Does this conclude your testimony?

A. Yes, it does.

APPENDIX

STATEMENT OF QUALIFICATIONS OF ROGER L. PONTIFEX

I graduated from Western Illinois University with a Bachelor of Science degree in Recreation and Parks Administration in 1971. I began my employment with Illinois Power Company d/b/a AmerenIP) in 1979. Following is a list of positions I've held with AmerenIP and the AIU:

- August 1979 - 1981: Assistant Customer Service Supervisor, Champaign/Urbana
- 1981 - 1984: Customer Relations Advisor, Decatur Headquarters
- 1984 - 1991: Customer Service Supervisor, Champaign/Urbana
- 1991 - 1992: Customer Information System Project Director, Decatur Headquarters
- 1992 - 1995: Director of Customer Service, Decatur Headquarters
- 1995 - 2001: Regional Manager, Champaign/Urbana
- 2001 - 2003: Senior Director Eastern Region
- 2003 - 2004: Senior Director Customer Service, Decatur
- 2004 - 2008: Managing Supervisor Customer Service, Decatur
- 2008 to present: Energy Delivery Business Advisor, Customer Care Administration

Work experience in the positions above included; customer relations, customer call handling, community relations, meter reading, customer billing, customer inquires, customer credit and collections, along with the systems to support the customer service functions, and customer relations liaison support to Illinois Commerce Commission Consumer Service Division customer disputes. Experiences covered direct customer interactions, supervision, administration, policy, and customer system development.

I testified before The Illinois Commerce Commission one previous time in reference to Illinois Powers implementation of a replacement Customer Information System.

In my current responsibilities within Customer Care Administration, I provide leadership and guidance from the customer business perspective on special projects, such as the start up of the Power Smart Pricing Program; Post 2006 rate implementation; rate implementations; rate relief implementations; Senate Bill 1299; Smart Grid; and other similar projects. My focus is to insure that the AIU customer care administration can provide timely, cost effective, customer focused results in the implementation of projects and system improvements to the Ameren Energy Delivery Suite.