ILLINOIS COMMERCE COMMISSION

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

SURREBUTTAL 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

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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. Are you the same Roger L. Pontifex that previously filed testimony in this proceeding?

A. Yes.

B. Purpose and Scope

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

A. The purpose of my surrebuttal testimony is to respond to Illinois Commerce Commission Staff ("Staff") and Intervenor arguments and recommendations presented in rebuttal testimony concerning disputed charges and consumer protection. I have reviewed and am responding to the rebuttal

testimonies of the Staff witnesses Theresa Ebrey and Christy Pound, and Citizens Utility Board ("CUB") witness Bryan McDaniel.

Q. Please summarize the conclusions of your surrebuttal testimony.

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

- Staff witness Pound's recommendation to add tariff language to AIU' Revised Sheet No. 5.017, stating that upon initial contact from a customer with a RES dispute, the AIU will provide the customer with the contact information for both the RES and the Illinois Commerce Commission 's ("Commission") Consumer Services Division ("CSD") for dispute resolution, is not necessary.

- Staff witness Pound's recommendations to keep the Original Sheet No 5.032 consistent with the definition of Disputed Charges on the 3rd Revision Sheet 5.017, by adding the phrase "as defined on Sheet 5.017," and removing the phrase "that are disputed by such retail customer." and changing "1" to "one", are acceptable.

- Staff witness Pound's recommendation to change "bona fide" to legitimate" in the Disputed Charges definition to be consistent with language used on Sheet 5.012 referenced in both the Single Billing and UCB/POR Billing Options section, is acceptable.

- Staff witness Pound's recommendation to add the phrase "RES or the" to clarify that the AIU will consider a charge as being disputed upon notice from either the RES or the CSD of the Commission, is acceptable.

- CUB witness McDaniel's recommendation that the RES disputed charge process could be improved if the AIU transfers the consumer's call to its supplier is too restrictive and unnecessary.

- CUB witness McDaniel's recommendation to have in the AIU' Supplier Handbook an obligation that the RES supply the Commission's CSD phone number, is premature and should not be accepted.

- CUB witness McDaniel's recommendation that the dispute process should be codified in the AIU tariffs is unnecessary.

As detailed below, regarding the subject of application of partial payments, I conclude:

- Staff witness Ebrey is incorrect that AIU has not identified a procedure to process partial payments at the time payments are received.

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

- CUB witness McDaniel is incorrect to recommend the AIU UCB/POR tariff filing be rejected based on the presumption that inadequate consumer protections are not already in place.

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

A. Yes, I am sponsoring one exhibit. Ameren Exhibit 10.1 is the AIU Revised Response to Staff Data Request No. TEE 7.01

II. <u>DISPUTED CHARGES</u>

Q. Please explain your understanding of the currently contested issues regarding disputed charges?

A. Staff witness Pound recommends:

- Tariff language be included in the definition of Disputed Charges on the AIU' 3rd revised Sheet No. 5.017 stating upon initial contact from a customer with a RES dispute, the AIU will provide the customer with the contact information for both the RES and the Commission's CSD for dispute resolution.
- To keep the Original Sheet No 5.032 consistent with the definition of Disputed Charges found on the 3rd Revised Sheet No 5.017 adding the phrase "as defined on Sheet 5.017," and removing the phrase "that are disputed by such retail customer." and changing "1" to "one".

- Changing “bona fide” to “legitimate” in the Disputed Charges definition, in order to be consistent with language used on Sheet 5.012 as referenced in both the Single Billing and UCB/POR Billing Options section.
- Added the phrase “RES or the” to Sheet 5.017 to clarify the AIU will consider a charge disputed upon notice from either the RES or the Consumer Services Division of the ICC.

Q. Please respond to the recommendations by Staff witness Pound.

A. The AIU support the above last three recommendations made by Staff witness Pound, however, the first recommendation may be too restrictive, create added contacts to the CSD, and/or create a potential to inadvertently misrepresent the actual number of legitimate RES disputed charges.

Q. Why do you think this recommendation is too restrictive?

A. As stated by Staff witness Pound (ICC Staff Exhibit 9.0, p. 12, lines 214 – 230) there is no need for more specific tariff language detailing each step of the process. Indeed, the AIU process for handling RES disputed charges does show a flow where a customer who had previously contacted the AIU and been referred to the RES for resolution, would be given the contact information for the CSD. However in practical application our customer service representatives (“CSR”) do listen to the customer. We can provide both the RES and CSD contact information if requested by the customer or if the CSR concludes it is appropriate for the customer situation. To be clear, the AIU CSR will only

provide the RES contact number when the CSR determines the nature of the customer's concern is, indeed, with the RES. I believe that is Ms. Pound's intent and how the modified tariff language reads.

Q. How could this recommendation for added tariff language add contacts to the CSD and/or inadvertently misrepresent the number of actual legitimate RES disputed charges?

A. It is my understanding that the plurality of stakeholders would agree that if the customer had a dispute with a RES charge the customer should first contact the RES to seek resolution. Given my experience in handling customer service contacts, many of the calls the AIU will flow to the RES will likely be inquiry type calls to confirm pricing information. Pricing information would not fall into the category of what constitutes a Disputed Charge. If the customer is arbitrarily provided both the RES and CSD contact information on the initial AIU call, the customer may call the CSD first without giving the RES the opportunity to resolve the inquiry. Hence, the CSD must handle a call and, if they determine the customer had not first contacted the RES, the CSD would need to decide if they needed to log this as an inquiry or complaint before involving the RES. This may create unnecessary handling, loss of time for the CSD, and/or potentially impact RES complaint numbers if a general inquiry call is inadvertently logged as a dispute.

Our primary concern is customer satisfaction. It is important the customer know the proper avenues for dispute resolution. If the customer is automatically given the RES and CSD contact information, no matter the nature of the inquiry,

it becomes evident the problems that may ensure. We do not believe that is Staff's intent and only desire to ensure there is no misunderstanding. Rather, it must be understood that the CSR will make an informed decision as to where it is appropriate to provide the RES contact information.

Q. What do you recommend regarding this recommendation for added tariff language?

A. I recommend the tariff language not be changed to state that upon initial contact from a customer with a RES dispute, the AIU will provide the customer with the contact information for both the RES and the ICC's CSD for dispute resolution. The AIU will continue to instruct our customer contact personnel to listen to the customer issues and provide the appropriate contact information within an initial contact that may include both the RES and CSD contact information if requested by the customer and where the nature of the inquiry lends itself to such disclosure.

Q. Will the AIU accept the other three recommendations by Staff witness Pound?

A. Yes.

Q. Please respond to the recommendations by CUB witness McDaniel.

A. CUB witness McDaniel, (CUB Exhibit 3.0, pp. 3 - 4, lines 81 – 101) recommends two improvements to the RES disputed charge process. The first would have the AIU, at the time we provide the customer with the RES's contact information, transfer the customer to their respective supplier. While important

for the AIU to help educate customers on the dispute process it is equally important for the customer to understand the separation between delivery and supply issues. Having the AIU automatically transfer may imprint there is no separation and in fact confuse the customer in their thinking about electric choice. Customers may also desire to retain more control of their individual situation and time by deciding for themselves if and when they wish to pursue additional information from the supplier rather than seemingly being controlled by the AIU. For these and the reasons expressed above, we do not support this proposal.

Q. What was the second RES disputed charge improvement recommendation by CUB witness McDaniel?

A. CUB witness McDaniel's second recommendation is to have in the AIU's Supplier Handbook an obligation that the RES supply the ICC CSD number to consumers who have a RES disputed charge complaint that is not satisfied. This recommendation is premature and should not be implemented. It is my understanding that the plurality of RES stakeholders would agree to, or already do, provide the ICC CSD number if needed. However, the issue should be addressed in an ORMD lead discussion, and hence it seems inappropriate for the AIU to mandate. The AIU will strongly consider adding this obligation to our handbook, but want to see how the issue is addressed by the ORMD in future workshops.

Q. Does CUB witness McDaniel make any other recommendations regarding disputed charges?

A. Yes, CUB witness McDaniel on page 4, line 102 – 107, recommends the dispute process should be codified in the AIU tariffs.

Q. How do you respond to this recommendation?

A. This recommendation is unnecessary. Staff witness Pound in rebuttal, page 12, lines 214 – 230, concludes "a consistent process can be implemented by the AIU to handle RES disputed charges without specific tariff language detailing each step in the process". This opinion is shared by Mr. Barkas as stated in his direct testimony, page 7, lines 134 - 138: "Ameren should revise the tariff to contain neutral language that could then be used to implement the agreement that should soon be reached in the workshops. Such neutral language would allow the process agreed to in the workshops to be implemented without the need to rewrite the tariff again." The AIU listened to the opinions of all and modified our tariff language to be more neutral and recommend the disputed charge process not be codified.

III. <u>APPLICATION OF PARTIAL PAYMENTS</u>

Q. Please respond to the rebuttal testimony regarding application of partial payments by Staff witness Ebrey.

A. Staff witness Ebrey is incorrect in stating that the AIU has not identified a procedure to process partial payments at the time the payments are received. There is no need to identify such a process because the only UCB service being

offered at this time provides for the acquisition of RES receivables ("POR"). Therefore, the supply charges will be owned by the AIU and thus become utility charges. One of the primary reasons that the AIU decided to initiate SB 1299 compliance with a UCB service inclusive of POR was that it could be implemented with minimal billing system changes. The minimal changes required are due to that fact POR essentially involves billing for third party supplied power and energy as a utility charge. Additionally, it should be noted that essentially a UCB/POR service will always mean the RES is paid first, because the utility will purchase the receivables associated with RES contracts on a monthly basis.

Q. Would there be impacts to UCB/POR by developing an application of partial payments?

A. Yes, it should be considered that under UCB/POR, putting the delivery service charges first will skew the actual uncollectibles experienced on the receivables purchased. To keep from skewing these uncollectibles, the AIU is making the calculations at the time of write-off as shared in AIU's Revised Response Staff Data Request No. TEE 7.01 (See Ameren Exhibit 10.1.) Additionally, there is no need to modify cash posting so our data response is now firm for the UCB/POR service. It should be noted consideration of program design for a UCB "pay as paid" type program has not begun.

Q. What do you mean by a UCB "pay as paid" program?

A. Although I am not an attorney, pursuant to SB 1299, another form of UCB is required to be offered by utilities that does not involve the purchase of receivables. This UCB service would be potentially a separate standalone service where the utility would provide the RES space on the utility bill to list the RES charges and have the utility remit any payments to the RES as appropriate. It is my understanding, that in some jurisdictions the delivery charges are paid first. Consideration of program design for a UCB "pay as paid" has not begun and should be discussed in detail at the ORMD workshops so that stakeholders can be involved. Therefore, the ORMD workshops are a more appropriate forum for consideration of application of partial payments under other programs such as UCB.

Q. How do you respond to Staff witness Ebrey's reference to the language in Section 16-118(b) of the Public Utilities Act as it addresses partial payments from customers billed under the Single Billing Option ("SBO")?

A. The SBO analogy is an apple to orange comparison. Under SBO the RES does not purchase the utilities delivery receivables, while under UCB/POR the utility does purchase the RES supply receivable. In making this purchase the utility then has the total amount due from customers (delivery and supply); consequently, there is no need to determine how to apportion a partial payment.

Q. Are there other considerations?

A. Yes, altering cash posting will create unknown costs and indefinite delay to no discernable advantage given the reasons stated above. Additionally, future opportunity to address this issue and garner input from all affected stakeholders would appear more appropriate within the ORMD workshops.

IV. CONSUMER PROTECTIONS

Q. Please respond to the rebuttal testimony of CUB witness McDaniel and your review of rebuttal testimony of witnesses Pound and Barkas.

A. CUB witness McDaniel states the AIU UCB/POR tariff filing should be rejected until adequate consumer protections are in place. While I'm not a lawyer it is my opinion that would be to ignore the intent of the General Assembly's passage of SB 1299. The rebuttal testimony of ICC Staff witness Pound, page 2 -9, lines 28 - 163 and Dominion Retail witness Barkas, line 304 – 393 support my rebuttal testimony that appropriate and adequate consumer protections exist today to allow for the approval of the AIU UCB/POR tariff filing. There are no new arguments contained in CUB witness McDaniel's rebuttal testimony which overshadow the specifics provided in rebuttal testimony by myself, ICC Staff witness Pound, and Dominion Retail witness Barkas. Consequently, I conclude CUB witness McDaniel's recommendation be rejected and the AIU UCB/POR tariff filing be approved.

V. CONCLUSION

Q. Does this conclude your testimony?

A. Yes, it does.