

1 ILLINOIS COMMERCE COMMISSION
2 DOCKET No. 09-0042

3 DIRECT TESTIMONY
4 OF
5 Michael F. Altherr
6 Submitted On Behalf of
7 Compainants

8 8 APRIL 15, 2009
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21 DIRECT TESTIMONY of

22 Michael F. Altherr

23 I. INTRODUCTION

24 A. Witness Identification

25 Q. Please state your name and business address.

26 A. My name is Michael F. Altherr. My business address is 2909 Forest Crest
Road,
Decatur, ILLinois 62521

27 B. Purpose and Scope

28 Q. What is the purpose of your testimony?

29 A. The purpose of my testimony is to rebut the statements made by Peter J.
Millburg

30 Q. What documents did you review in preparation for your testimony?

31 A. I have not had a chance to review the usage and contact history, Illinois
Power Company
32 d/b/a AmerenIP's ("AmerenIP" or "Company") response, the Customer Service
Representatives'
33 ("CSR") notes, the e-mail from the field engineering representative involved
in establishment
34 of service at the Customers' location because Ameren's CRS refused to send
me the documents
35 since I had an active formal complaint.
36 I have since requested a copy of all documents from Erika M. Dominick and
expect them soon.

37 II. DISCUSSION OF RESIDENTIAL RATE STRUCTURE AND SELECTION
38 OF SERVICE

39 Q. Are you familiar with AmerenIP's rates?

40 A. No. Although I have reviewed the rate documents from time to time, I am a
lay person and
41 typically do not have the capacity to understand a 1/4 inch thick document
that has been
42 prepared by a team of trained utility attorneys.

43 Q. When you first began taking service from AmerenIP in 2005, what rates or
tariff services
44 were offered or explained to you by the CRS you spoke to?

45 A. The representative did not offer any explanation of the rates or mention
that there were
46 any choices for different rates even after I made it clear that there would
be only electric
47 power used for heat and the water heater. They were only interested in a
credit report.

48 Q. whose responsibility is it to seek a change in service or rate classification?

49 A. It is the customer's choice and responsibility. It is also abundantly clear that AmerenIP
50 is responsible for making a reasonable effort to inform the customer of the rates available.
51 This was clearly not done even though I discussed the type of power I was wanting with the
52 CRS and was requesting information on how to proceed.

53 Selection of Rate Schedule: Utility will make a reasonable effort to provide
54 Customer with any necessary information relating to applicable Electric Rate
55 Schedules. when more than one service classification is applicable, the selection
56 of a service classification is the responsibility of Customer.
57 The utility's representative clearly did not provide the necessary information relating to
58 the applicable Electric Rates when asked during our conversation regarding service.

59 (See AmerenIP Ex. 1.3)

60 Q. During your discussion with the Ameren CRS in 2005, Did Ameren ever mention that there
61 was a space heating option or suggest that they needed to inspect the heating system for
62 compliance?

63 A. No. At no time during any of my questioning of AmerenIP about obtaining electric service
64 did the CRS offer any information regarding optional rates even though it would have been
65 a reasonable and minimal effort to do so on their part.

66 III. COMPLAINANTS' CLAIMS REGARDING SELECTION OF THE
67 ELECTRIC SPACE HEAT OPTION

68 Q. AmerenIP states that there are no records within the Customer Service System regarding
69 the Altherrs request to be charged the space heating rates. Ameren also states that their
70 engineering representative was not informed of the altherrs expectation of receiving the
71 space heating rate. Have you questioned Mr. William Lee regarding the accuracy of these
72 statements? what was his response?

73 A. Yes. I questioned Mr. Lee regarding his recollection of the conversations with Tammy
74 Ballinger, the engineering representative assigned to this project. He stated that he DID
75 in fact discuss the options of going all electric vs natural gas with Ms Ballinger a couple
76 of times during the project. He stated that she made the comment to him that "If you talk
77 the Altherrs into going all electric, they can get the all electric rate".
Mr Lee said
78 "her point was that if we elected to use gas heat it would be very expensive to run gas

79 service to the house and the gas rates at the time were very high, and she
thought it would
80 make more sense to go all electric considering the variables." At that point
we decided to
81 go all electric.

82 Q. During this discussion, did the engineering representative indicate she
needed a formal
83 request to inspect the house for complying equipment?

84 A. No. We were lead to beleive our conversation with her and subsequent
decision was adequate
85 notice.

86 Q. Do you know why there were no records of any requests on your part to
consider the
87 electric space heat option tariff which is at issue in this docket?

88 A. Not exactly, but there may be a clue to this lack of record keeping in
the following
89 statement from Mr. Lee. "Ever since Ameren took over from IP, there have been
many instances
90 of mis-communication and missing or wrong work orders for many of the homes
he has built.
91 Ms Ballinger in particular has mis-managed her duties in interacting with
him on other projects,
92 including the Cindy Griffin home he build subsequent to ours. In that case,
she sent a truck
93 out with 200 amp material to work on a 400 amp service. The Griffins were
also refused the
94 correct rate until she went to the attourny general's office with a
complaint, but never filed a
95 formal complaint with the ICC. She did, however, get the lower rate applied
to her residence even
96 though their temporary electric service account was started prior to
December 2006."

97 Q. How do you resond to AmerenIP's allegation that there is no credible
evidence supporting any
98 claim AmerenIP discussed this particular electric service billing options
with the you? Also,
99 how do you respond to the allegation that it was not until early 2007 when
the Customers
100 first voiced concerns that they were being served under an inappropriate
rate, even though
101 they had been served under the rate they now complain of for nearly two
years? Two heating seasons
102 had elapsed and numerous bills issued and paid, since the initiation of
billing under the
103 principle residential electric service rate. I question why the billing
concern had not been
104 raised earlier had the Customers, in fact, specifically requested service
under the Space Heating
105 Service option.

106 A. My response to the first question is that the AmerenIP representatives
are poor at record
107 keeping and recording complete information, as supported by Mr. Lee's
statements.
108 My response to the second question is as follows: Service was initiated in
2005 to a building
109 that was a combination garage/efficiency apartment that we stayed at on
weekends and

110 sporadically during the week. The power bills were so low (\$30.) we did not
notice the improper
111 billing. It wasn't until we moved in and the 2007 rate increase was in force
that we had proper
112 incentive to investigate the cause of our high electricity bills. We spent
the first several
113 months thinking the problem was with the heating equipment and had Tica Inc
out numerous
114 times to correct some deficiencies. After it became clear that the equipment
was in good
115 working order, we turned to AmerenIP to investigate the rates and changes in
billing.

116 Q. How do you respond to Ameren's statement that the customers are not
available to
117 receive service under BGS-1 SH?

118 A. Had AmerenIP and its representatives done their jobs correctly in 2005
or in 2006
119 when service was initiated, we would have complied with the obscure ruling
that we
120 needed to be on the electric space heating rate at the time the rates went
into effect January
121 2, 2007.

122 IV. DISCUSSION REGARDING CREDIT ENTITLEMENTS

123 Q. What is your response to the credit entitlement statements made by
AmerenIP?

124 A. I don't see what bearing that information has to do with us not being
given
125 the correct rates nor with having accurate information recorded by AmerenIP.

126 V. COMPLAINANTS' MISCELLANEOUS ARGUMENTS SHOULD BE 127 DISREGARDED.

128 Q. Ameren states that the Altherrs do not qualify for the supplemental
Space Heat
129 Credit program in conjunction with the Electric Rate Relief Act of 2007.
How do
130 you respond?

131 A. This credit was given to the Altherrs on October 21, 2008. It appears
that the Griffin
132 residence was also given this rate after the supposed deadline. Yet another
error on
133 AmerenIP's part. If the utility cannot keep track of its own regulations,
how do they expect
134 a consumer to do so? If we are not eligible for the lower rate, we would
expect that all
135 other customers on this rate be removed, or that we continue on with this
rate. It appears
136 Ameren IP also erred in coming out to verify the heating fuel source in
this case too.
137 The omissions, errors and mistakes by AmerenIP appears to be more
overwhelming the deeper
138 we investigate. Why is it any more correct for Mr Millburg to fail to focus
his attention
139 on this issue than for us lay people to fail to investigate Ameren's rates
immediately?

140 VI. CONCLUSION

141 Q. Do you have any other comments?

142 A. Yes. Though I'm not an attorney, I am advised that the misleading
statements by Tammy

143 Ballinger regarding the lower electric rate (which was only going to be in
effect for a few more

144 months), caused us additional financial harm with respect to the type of
heating

145 and cooling equipment we installed based on her comments. Since this impacts
us for the next 25 years,

146 it deserves additional investigation.

147 Q. Does this conclude your direct testimony?

148 A. Yes