

DIRECT TESTIMONY

of

PHILIP RUKOSUEV

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Illinois Commerce Commission

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

Proposed General Increase in Electric Rates

and

Proposed General Increase in Gas Rates

Docket Nos. 09-0306 – 09-0311 (Cons.)

September 28, 2009

1 **Q. Please state your name and business address.**

2 A. My name is Philip Rukosuev, and my business address is 527 E. Capitol Avenue,
3 Springfield, Illinois 62701.

4

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

6 A. I am currently employed by the Illinois Commerce Commission (“ICC” or
7 “Commission”) as a Rates Analyst in the Rates Department of the Financial
8 Analysis Division. My responsibilities include rate design and cost of service
9 analyses for electric, gas, water and sewer utilities and the preparation of
10 testimony on rates and rate related matters.

11

12 **Q. How long have you been employed by the Commission?**

13 A. I have been employed by the Commission since September of 2008.

14

15 **Q. Please discuss your educational and professional background.**

16 A. I received a BA in Economics/Business Administration from the University of
17 Illinois at Springfield in May of 2007. I was previously employed by the Illinois
18 Manufacturing Association as a Management Intern and by the Department of
19 Healthcare and Family Services Weather Assistance Division (Weatherization
20 and LIHEAP) as a Fiscal Intern.

21

22 **Q. Have you previously testified before the Commission or any other**
23 **regulatory bodies?**

24 A. Yes, I have testified on several occasions before the Commission.

25

26 **Q. What is the purpose of your direct testimony?**

27 A. I have reviewed and analyzed the electric filings of Central Illinois Light
28 Company, d/b/a AmerenCILCO (“AmerenCILCO”), Central Illinois Public Service
29 Company, d/b/a AmerenCIPS (“AmerenCIPS”), and Illinois Power Company,
30 d/b/a AmerenIP (“AmerenIP”) (jointly “Ameren” or “Companies”) for a proposed
31 general increase in electric rates for delivery service. My testimony examines the
32 new electric tariff pages submitted by each electric Company in relation to the
33 current tariff book.

34

35 **Q. Are you familiar with the petition, testimony and exhibits presented by**
36 **the Companies?**

37 A. Yes, I have reviewed the testimony of the Companies’ witness Leonard M.
38 Jones (Ameren Exhibit 16.0E (Revised) – 16.15E).

39

40 **Q. Are you sponsoring any schedules or attachments with your testimony?**

41 A. Yes. I am sponsoring Attachments A and B.

42

43 **Q. How is your testimony organized?**

44 A. For Ameren Illinois Utilities – Electric (AmerenCILCO, AmerenCIPS, and
45 AmerenIP), I address the issues in the following order:

- 46 • Miscellaneous language changes contained in the Customer Terms and
- 47 Conditions section of its tariffs.
- 48 • Certain changes in the Standards and Qualifications section of its tariffs.
- 49 • Language changes to DS-2, DS-3, DS-4 and DS-5.
- 50 • Language changes to Rider BGS.
- 51 • Language changes to Rider PER.
- 52 • Language changes to Rider RDC – Reserve Distribution Capacity.
- 53 • Language changes to Rider QF – Qualifying Facilities.
- 54 • Miscellaneous Fees and Charges section of its tariffs.

55

56 **Customer Terms and Conditions**

57

58 **Q. Are there any changes that the Companies propose in the Customer Terms**
59 **and Conditions of Service?**

60 A. Yes. The Companies propose word changes in the Terms and Conditions of
61 Service section of their tariffs. In 4th Revised Sheet No. 3.007, 4th Revised Sheet
62 No. 3.010, 3rd Revised Sheet No. 3.011, 3rd Revised Sheet No. 3.015, 5th
63 Revised Sheet No. 3.020, 5th Revised Sheet No. 3.022, 5th Revised Sheet No.
64 3.024, and 5th Revised Sheet No. 3.025, various language changes are made to
65 clarify that “Demand” and “Billing Demand” are not interchangeable terms.

66

67 **Q. Please explain why the two terms are not interchangeable.**

68 A. In response to Staff Data Request (“DR”) PR 1.03 which asked to clarify the
69 intended difference between the two terms, Companies witness Jones stated:

70 “As stated in lines 1022 and 1023 of Ameren Exhibit 16.0E (Revised), the terms
71 “demand” and “billing demand” are not interchangeable terms. The Distribution
72 Delivery Charge within DS-3 and DS-4 is assessed based on the customer’s
73 billing demand, which is the greater of a customer’s maximum demand occurring
74 during the on-peak period or 50% of the highest demand occurring in the off-
75 peak in the billing period. Eliminating the word “billing” in this context may imply
76 to customers that the Distribution Delivery Charge will instead be assessed
77 based on their highest peak use in any fifteen minute interval during the time
78 between regular meter readings regardless of the time of day or day of the week
79 when the peak use occurs (i.e., Demand).”
80

81 **Q. Do you recommend approval of the proposed language changes to**
82 **Customer Terms and Conditions?**

83 A. Yes, I do. As stated in Ameren Exhibit 16.0E (Revised) at lines 1022-1023, and
84 explained in the Companies’ Response to Staff DR PR 1.03, the terms “Demand”
85 and “Billing Demand” refer to different concepts and are, accordingly, not
86 interchangeable. Therefore, the proposed language changes are necessary and
87 are essential for consistency.
88

89 **Standards and Qualifications**

90
91 **Q. Are there any changes that the Companies propose in the Standards and**
92 **Qualifications section for Electric Service?**

93 A. Yes. The Meter Reading section has been amended to include a provision to
94 require customers to provide a means for remote meter interrogation or to require
95 a \$170 meter reading fee when AIUs personnel do not have free access.

96

97 **Q. Please provide the Companies' rationale for the proposed change to**
98 **paragraph 4(B) of its Standards and Qualifications for Electric Service,**
99 **which imposes a \$170 fee per meter read.**

100 A. In response to Staff DR GER 2.19, Companies witness Stieghorst stated:

101 "Since 2001, some of the AIU's non-residential customers, particularly those
102 involved in manufacturing processes, either have imposed or have had imposed
103 by the federal government strict site access requirements. These new and
104 emerging requirements affect the ability and the timeliness with which AIU
105 employees can access utility equipment located on the customer's property.
106 Some of the affected AIU manufacturing customers include those in the
107 chemical, munitions and electric generation industries.

108

109 Previously, these customers may have allowed AIU personnel to access utility
110 equipment on their property with only a minimal site access procedure such as
111 signing in at a gate, or they waived AIU staff through their gates due to their
112 familiarity with the AIU metering staff who returned each month to read meters.
113 Some current requirements of AIU personnel include participation in annual all-
114 day training sessions at customer locations for site-specific issues, and escort
115 requirements dependent on the availability of qualified customer personnel to
116 serve as escorts.

117

118 The proposed charge would be levied only if a determination was made by the
119 Superintendent of Electric Metering that there is not ready accessibility to meters,
120 and if the customer either doesn't install a phone line or has an inoperable phone
121 line linking their meter to the AIU's billing system. In this respect the AIU see the
122 charges as also being a (sic) incentive for the customer to install the necessary
123 equipment. The employees that are most significantly affected by restricted
124 access issues operate within the Superintendent of Electric Metering's
125 organization."

126

127 **Q. Do you have a concern with the proposed change to the Standards and**
128 **Qualifications section for Electric Service?**

129 A. Yes. I am concerned that the Companies' proposed language change for
130 Standards and Qualifications for Electric Service does not limit their proposed fee
131 to non-residential customers. Mr. Jones' description of the Companies' proposed

132 \$170 charge per visit to read the meter should the customer-provided phone line
133 malfunction seemed to indicate that the charge would be imposed on customers
134 if a dedicated phone line is a requisite of the rate under which the Companies
135 provides service. (Ameren Ex. 16.0E (Revised), lines 1024- 1032) However, in
136 the Companies' response to Staff DR GER 1.16, they indicate that any non-
137 residential customers might be charged this fee. Moreover, the Companies'
138 proposed language for Standards and Qualifications for Electric Service does not
139 limit this proposed fee to non-residential customers. (See paragraph 4.B of
140 Companies' proposed Standards and Qualifications for Electric Service)

141

142 When asked to clarify the above inconsistency, Mr. Jones indicated in response
143 to Staff DR GER 2.20:

144 "The AIU would be willing to amend this language to restrict its application to
145 nonresidential customers. The AIU have already included an example of a
146 condition that would trigger this provision in its proposed Standards and
147 Qualifications, sheets 4.021 and 4.022: "Meter locations that may be applicable
148 to this requirement include, but are not limited to, meters located within Customer
149 substations or where additional training or an escort by Customer is required for
150 meter access." However, any additional definition of the specific conditions which
151 would trigger this provision would be incomplete given its basis in the new and
152 emerging security and liability mitigation needs of some of the AIU's non-
153 residential customers.

154

155 Also please see the response to GER 2.19."

156

157 **Q. What do you recommend?**

158 A. I recommend that the Companies amend their Standards and Qualifications for
159 Electric Service tariff section to explicitly restrict application of their proposed
160 \$170 charge per visit to read the meter should the customer-provided phone line

161 malfunction to non-residential customers only. The amended language should
162 be provided in the Companies' rebuttal testimony so that I will have the
163 opportunity to review and evaluate it.

164

165 **Q. Are there any charges that the Companies propose in the Standards and**
166 **Qualifications section?**

167 A. Yes. As noted above, referring to the STANDARDS AND QUALIFICATIONS
168 FOR ELECTRIC SERVICE section on 2nd Revised Sheet No. 4.021, Meter
169 Reading, the Companies propose a \$170 fee for meter reads.

170

171 **Q. Please explain how the \$170 fee for meter reads was calculated?**

172 A. In response to Staff DR GER 1.16R (e) which asked: "Please fully explain AIU's
173 derivation of the \$170 cost per visit to read the meter should the customer-
174 provided phone line malfunction," Mr. Jones stated:

175 "Please see the attachment GER 1.16R Attach. As shown, the productive hourly
176 wage rates for electric and gas metering employees range from approximately
177 \$195 to \$171 per hour, respectively. The AIUs have proposed a similar charge in
178 its gas tariffs. For ease of customer understanding, the AIUs proposed a uniform
179 charge of \$170 for both gas and electric service. The fee assumes that an
180 average of about one hour of an employee's time that would otherwise be used
181 for maintenance or new customer meter installation activities is instead
182 consumed by time spent at a customer's location."
183

184 **Q. Have you personally reviewed GER 1.16R Attach provided by Ameren?**

185 A. Yes, I have. In addition, I have included the Companies' response to DR RP
186 3.01 as Attachment A. Attachment A provides the same information illustrated in
187 GER 1.16R Attach in a qualitative and quantitative manner, which is more

188 complete. Attachment A indicates how the average rate per visit for an electric
189 meter technician to read the meter should the customer-provided phone line
190 malfunction was calculated.

191

192 **Q. Do you recommend approval of the \$170 fee?**

193 A. Yes, I do. The Companies offered sufficient reasoning that a \$170 incremental
194 fee per meter read would be appropriate, if a customer fails to provide access to
195 an operating phone line. This fee is in fact below the productive hourly wage
196 rates for electric and gas metering employees that range from approximately
197 \$195 to \$171 per hour, respectively. The flat fee of \$170 is reasonable and
198 would effectively provide an incentive for customers to ensure they have
199 operational phone lines for remote meter reading.

200

201 **Q. Do you have any other issues with respect to the Companies' proposed**
202 **language in the Standards and Qualifications section which you would like**
203 **to discuss?**

204 A. Although I have no other issues, per se, I would like to provide additional
205 information which I believe is useful in better understanding the Companies'
206 proposed language changes to this section.

207

208 **Q. Please explain what is meant by "free access" or provide the criteria by**
209 **which Ameren would decide what "free access" is, as referred to in Ameren**
210 **Exhibit 16.0E (Revised), lines 1026-1032.**

211 A. This question was posed in Staff DR PR 1.01. In response Mr. Jones stated:

212 “Within the context of meter reading, free access means that an AIU meter
213 employee is able to travel directly to the electric meters without being delayed
214 beyond a simple check-in or registration at a non-residential customer’s
215 entrance, and without being required to undergo extensive training by the
216 customer simply to be able to travel on the customer’s property to the AIU’s
217 meters. The decision of whether the AIU electric metering staff is provided free
218 access will be made by the Superintendent - Illinois Electric Metering.”
219

220 Mr. Jones further explained:

221 i) Superintendent of Electric Metering would determine
222 whether ready access exists. As noted in the proposed S&Q,
223 this charge would be triggered if access issues prevent
224 ready accessibility to meters, and if the customer either
225 doesn’t install a phone line or has an inoperable phone line
226 linking their meter to the AIU’s billing system. The
227 employees that are most significantly affected by restricted
228 access issues operate within the Superintendent of Electric
229 Metering’s organization.
230

231 ii) Restricting the authority to require a telecommunications link
232 to one position in the AIU will ensure consistency in
233 interpreting and applying the “ready access standards.” (Co.
234 Response to GER 1.16R(e)
235

236 **Q. Will the new metering access provision be applied to customers of all**
237 **rates, or limited to a particular group of customers?**

238 A. In response to Staff DR GER 1.16R (a), Mr. Jones stated:

239 “The meter access conditions would apply to all non-residential customers
240 regardless of delivery service class. Practically speaking, most of the customers
241 whose evolving security and property access policies triggered this proposal are
242 served under DS-3 and DS-4. However, it’s not uncommon for these large
243 customers to have a DS-2 account on their property for a remote facility such as
244 a storage shed located away from the main production or office facilities on their
245 property.”
246

247 **Q. Will the new Meter Reading provision be applied to both new and existing**
248 **customers?**

249 A. Yes. In response to Staff DR GER 1.16R (b), Mr. Jones indicated that the
250 proposed policy would apply to both new and existing customers.

251

252 **Q. Please indicate whether each of the Companies' electric utilities have to**
253 **approve metering locations prior to service initiation for new customers.**

254 A. In response to Staff DR GER 1.16 (c), Mr. Jones stated:

255 "The AIU designate the point of delivery at each customer's location, where the
256 company's facilities terminate and the customer's facilities begin. Typically, the
257 metering is installed at the point of delivery. For large customers, these points of
258 delivery are into customer switchgear which is typically not located at or near the
259 property line of the facility."

260

261 Furthermore, when asked to clarify why it is now necessary for customers to
262 provide the Companies with a telephone line for remote meter reading, given the
263 fact that the Companies have been deploying automated meter reading ("AMR")
264 during the previous four years, Mr. Jones stated:

265

266 "Customers in AMR areas whose electric meters are equipped with an
267 automated meter reading module would not be subject to this proposal." (Co.
268 Response to GER 1.16(d))

269

270 **Q. Please briefly describe what an automated meter reading module is.**

271 A. In response to Staff DR PR 4.01 (a), Mr. Jones described an automated meter
272 reading module as follows:

273 "An automated meter reading module is a device that is inserted in the electric
274 meter to collect and store usage data from the meter then transmit the data by
275 radio to a network of pole-top collectors. Modules are inserted in both

276 electromechanical and solid state electric meters. Electric meter modules are
277 installed at the meter manufacturer or in a meter shop, not in the field.”
278

279 **Q. Please briefly describe how the Companies select the customers to have**
280 **such modules installed at their facilities.**

281 A. In response to Staff DR PR 4.01 (b), Mr. Jones indicated:

282 “The AIU’s selected specific Operating Centers across their service territories to
283 install automated meter reading. These Operating Centers were chosen based
284 on the density of meters, the number of special off cycle reads, and other
285 considerations. When automated meter reading is installed in an Operating
286 Center every meter (rural and urban, residential, commercial, and industrial) is
287 expected to be automated. There is no eligibility condition.”
288

289 **Q. Would the installation of such modules be free of charge to the customer?**

290 A. Yes. In response to Staff DR PR 4.01 (c), Mr. Jones stated that customers with
291 AMR devices would not be assessed an extra fee.

292

293 **Q. Please explain the difference between a remote monitoring device as used**
294 **in the context of the proposed language change and an automated meter**
295 **reading module.**

296 A. In response to Staff DR PR 4.01 (d), Mr. Jones explained the difference as
297 follows:

298 “The automated meter reading (AMR) module does not require access to a
299 commercial telephone line, but instead uses radio frequency technology to
300 transmit meter data. The remote monitoring device, as used in this context, refers
301 to a device that requires use of a commercial telephone line to transmit meter
302 data.”
303

304 **Q. What are the criteria by which AMR modules will be installed at no cost to**
305 **the customer versus remote meter reading device for which there will be a**
306 **charge as used in the context of the proposed language change?**

307 A. In response to Staff DR GER 2.21 (d), Companies' witness Millburg explained:

308
309 "The locations where meters with AMR modules are installed were determined
310 based on a number of geographic and operational factors, and not on a
311 customer-specific basis. A copy of the deployment plan, which was previously
312 shared with ICC staff, is attached as GER 2.21 Attach. Listed below are the
313 primary considerations for the selection of the geographic areas selected for
314 AMR deployment:

- 315
- 316 • Density of both gas and electric meters per square mile;
 - 317 • Historical number of off-cycle meter reads requiring non-meter reader
318 resources;
 - 319 • Population of area served by respective AIU Operating Centers;
 - 320 • Highest projected growth areas; and
 - 321 • Where possible, contiguous Operating Centers and Operating Centers in
322 proximity to existing Ameren CIPS-ME AMR network were chosen to
323 maximize coverage from the fixed network."
- 324

325 I have included GER 2.21 Attach as Attachment B.

326

327 **Q. Please summarize your recommendations under the Standards and**
328 **Qualifications section:**

329

330 I) I recommend approval of the Companies' proposed \$170 incremental fee per
331 meter read.

332 II) I recommend that the Companies amend their Standards and Qualifications
333 for Electric Service tariff section to explicitly restrict application of their
334 proposed \$170 charge per visit to read the meter should the customer-

335 provided phone line malfunction to non-residential customers only. The
336 amended language should be provided in the Companies' rebuttal testimony
337 so that I will have the opportunity to review and evaluate it.
338

339 **Rate DS-2--Small General Delivery Service**

340

341 **Q. Are there any changes that the Companies propose to Rate DS-2?**

342 A. Yes. The Companies propose language changes in 4th Revised Sheet No.
343 12.002. Under subsection UNMETERED SERVICE, the following language
344 changes were made:

345 ~~Upon request,~~ The Company ~~shall~~ may, at its sole discretion, provide unmetered
346 service, based on good engineering practice, for connected loads not exceeding
347 five kW at any one point of delivery where operation of the Customer's equipment
348 is continuous or is regularly scheduled on an annual basis.
349

350 **Q. Will the customer be able to request unmetered service in spite of the**
351 **fact that the phrase "Upon Request" was deleted from the tariff sheet?**

352 A. Yes. In response to Staff DR GER 1.16 (a), Mr. Jones stated:

353 "Customers will still be able to request unmetered service. The wording was
354 changed to clarify that the AIUs' personnel could install unmetered services
355 without first receiving a request from customers to do so."
356

357 **Q. Do you recommend approval of the proposed language change in the Rate**
358 **DS-2 section?**

359 A. Yes. I recommend adopting the language change that the Companies propose
360 because it improves the clarity of the sentences in the respective paragraph
361 without changing the substance of the current tariff language.

362

363 **Rate DS-3 & Rate DS-4 – General Delivery Service and Large General Delivery**
364 **Service**
365

366 **Q. Are there any changes that the Companies propose to Rate DS-3 & Rate**
367 **DS-4?**

368 A. Yes. The Companies propose language changes and sentence restructuring in
369 order to clarify the difference between “Demand” and “Billing Demand” as
370 discussed earlier.

371

372 **Q. Are the proposed language changes in Rates DS-3 and DS-4 sections**
373 **similar?**

374 A. Yes. I am simultaneously addressing both sets of changes since the proposed
375 language changes to each rate are practically identical.

376

377 **Q. What is the rationale for the proposed changes?**

378 A. The changes were made to clarify that “Demand” and “billing demand” are not
379 interchangeable terms. According to Ameren Exhibit 16.0E (Revised), lines
380 1010-1014, Mr. Jones states that, “Billing Demand as used in DS-3 and DS-4 is
381 the higher of the maximum Demand occurring On-Peak in the Billing Period or
382 50% of the highest Demand occurring in the Off-Peak in the Billing Period. The
383 term Demand means the highest average load in kW during any fifteen minute
384 interval during the time between regular meter readings.”

385 Therefore, clarifying the differences in this case is necessary for consistency and
386 clarity across Companies' tariffs.

387

388 **Q. What are the proposed language changes for Rate DS-3 & Rate DS-4**
389 **sections?**

390 A. The proposed language change for Rate DS-3 is the following:

391 In 7th Revised Sheet No. 13 under subsection AVAILABILITY, the term "Billing
392 Demand" is removed from the paragraph. Under subsection DELIVERY
393 SERVICE RATE REASSIGNMENT, the term "Demand" is removed from the
394 paragraph. In 6th Revised Sheet No. 13.002, under subsection Transformation
395 Charge, the term "Demand" is removed from the paragraph.

396

397 Furthermore, in 6th Revised Sheet No. 13.001 under subsection MONTHLY
398 CHARGES, the Company proposes language and sentence changes to the last
399 two paragraphs.

400

401 The proposed language change for Rate DS-4 is the following:

402 In 7th Revised Sheet No. 14 under subsection AVAILABILITY, the term "Billing
403 Demand" is removed from the paragraph. Under subsection DELIVERY
404 SERVICE RATE REASSIGNMENT, the term "Demand" is removed from the
405 paragraph. In 6th Revised Sheet No. 13.002, under subsection Transformation
406 Charge, the term "Demand" is removed from the paragraph. Furthermore, in 6th
407 Revised Sheet No. 14.001 under subsection MONTHLY CHARGES, the
408 Company proposes language and sentence changes to the last two paragraphs.

409

410 **Q. Do you agree with the proposed language changes for Rate DS-3 & Rate**
411 **DS-4 sections?**

412 A. Yes, I do. The proposed language changes and sentence restructuring add
413 clarity and consistency without changing the substance of the current tariff
414 language.

415

416 **Q. Do you recommend approval of the Companies' language change**
417 **proposals?**

418 A. Yes, I do.

419

420 **Rate DS-5 – Lighting Service**

421

422 **Q. Are there any changes that the Companies propose in Rate DS-5?**

423 A. Yes. The Companies are proposing language changes to indicate that some of
424 their fixtures are no longer available, and although those fixtures will be allowed
425 to continue operation, they will be changed at the next scheduled maintenance.

426

427 **Q. What are the effects of the proposed changes to Rate DS-5?**

428 A. The following are the results of the proposed lighting pricing methodology on
429 Fixture Prices.

AmerenIP	should decrease by about 10%
AmerenCIPS	should increase by about 29.8%
AmerenCILCO	should decrease by about 5%

430

431 **Q. Do you recommend approval of the proposed language change for Rate**
432 **DS-5?**

433 A. Yes, I do. I believe that the Companies illustrated with adequate reasoning that
434 the proposed language changes are necessary in light of the circumstances.

435 The unavailability of certain fixtures necessitates the proposed changes.

436

437 **Rider BGS – Basic Generation Service**

438

439 **Q. Are there any changes that the Companies propose for Rider BGS?**

440 A. Yes. Under subsection AVAILABILITY, the Companies propose to delete the
441 word “Billing” from the phrase “Billing Demand” which appears twice in that
442 subsection.

443

444 **Q. What is the rationale for the proposed language change?**

445 A. As discussed earlier in my testimony, the proposed language change is
446 necessary to clarify that “Demand” and “Billing Demand” are not interchangeable
447 terms.

448

449 **Q. Do you recommend approval of the proposed language change for Rider**
450 **BGS?**

451 A. Yes, for the same reasons explained earlier in my testimony, I recommend
452 approval of the proposed language change.

453

454 **Rider PER – Purchased Electricity Recovery**

455

456 **Q. Do the Companies propose any language changes to Rider PER?**

457 A. Yes, they do. Under subsection Mitigation Adjustment contained on 1st Revised
458 Sheet No. 31.008, the Companies propose the following language change:

459 The base Retail Supply Charges resulting from ~~Docket 07-1065~~ the ICC Order
460 associated with the Docket initiated by the Delivery Service rate case filed in
461 June 2009 shall provide the initial baseline for changes in overall electric charges
462 for any price classification.

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The Companies provide the following explanation for the language change according to Ameren Exhibit 16.0E (Revised), lines 1045-1048:

“The change to Rider PER is necessary if the Commission accepts the AIUs proposal to adjust BGS-1 and BGS-2 prices in this proceeding. Rider PER would point to this docket as establishing BGS base prices, replacing a reference to the rate redesign case, Docket Nos. 07-0165 (cons.).”

Q. Do you agree with the proposed language change as it appears on 1st Revised Sheet No. 31.008?

A. I do not support the Companies’ proposed language change noted above because it is unnecessarily written broadly when specific information regarding the vaguely referenced docket is available. I believe that the tariff language should be as clear as possible to all interested parties. My proposed modification below would add clarity without changing the substance of the current tariff language.

Q. What do you propose?

A. Referring to Staff DR PR 1.05, I propose to revise the language as follows:
The base Retail Supply Charges resulting from ~~the ICC Order associated with the Docket initiated by the Delivery Service rate case filed in June 2009~~ the ICC Order associated with Dockets 09-0306 through 09-0311 shall provide the initial baseline for changes in overall electric charges for any price classification.

My proposed modification identifies the specific rate case dockets, thereby improving the clarity of the sentence’s intent.

490 **Q. Do the Companies agree with your recommended alternative language?**

491 A. In response to Staff DR PR 1.05, Mr. Jones replied:

492 Ameren agrees to the intent of the proposed change. However, since the
493 proposed modifications apply only to the Rider PER – Purchased Electricity
494 Recovery, Ameren proposes that the language be modified to restrict the
495 reference only to the pending electric docket specific to that Company, or, if the
496 dockets are consolidated, to the consolidated docket number.

497
498 For example, if the dockets are not consolidated, Ameren proposes using, “The
499 base Retail Supply Charges resulting from the ICC Order associated with Docket
500 No. 09-030? (sic) shall provide the initial baseline for changes in overall electric
501 charges for any price classification.” The CILCO Docket would be 09-0306, CIPS
502 09-0307 and for IP - 09-0308. In the event that the dockets are consolidated,
503 Ameren proposes using the consolidated docket number such as 09-0306
504 (Cons.) in the underlined section of the sentence.
505

506 **Q. Do you agree with Mr. Jones’s revised proposal as stated above?**

507 A. Yes, I do. On August 27, 2009, Docket Nos. 09-0306, 09-0307, 09-0308, 09-
508 0309, 09-0310, and 09-0311 were consolidated. Therefore, I recommend
509 approval of the Companies’ proposed revised language as indicated in their
510 response to Staff DR PR 1.05. The resulting language change would be as
511 follows:

512
513 The base Retail Supply Charges resulting from the ICC Order associated with
514 Docket Nos. 09-0306 – 09-0311(Cons.) shall provide the initial baseline for
515 changes in overall electric charges for any price classification.
516

517 The proposed revised language identifies the specific consolidated rate case
518 dockets, thereby improving the clarity of the sentence without changing the
519 substance of the current tariff language.

520

521 **Rider RDC – Reserve Distribution Capacity**

522

523 **Q. Do the Companies propose any language changes to Rider RDC?**

524 A. Yes, the Companies propose several minor language changes dealing with the
525 definition of “Demand” as discussed earlier in the testimony. Referring to 2nd
526 Revised Sheet No. 38.001, under subsection CONTRIBUTION AND RATES
527 FOR ELECTRIC DISTRIBUTION RESERVE SERVICE, the following language
528 changes are proposed:

529

530 • Transformation Charge (where applicable) multiplied by the Customer monthly
531 Billing Demand in kW.

532 • Demand or Billing Demand, as applicable, is the same as metered and
533 delivered via Customer’s designated standard connection.

534

535 **Q. Do you agree with the proposed language changes in Rider RDC?**

536 A. Yes, I do. As stated in Ameren Exhibit 16.0E (Revised) at lines 1022-1023, the
537 terms “Demand” and “Billing Demand” are not interchangeable. Therefore, as
538 the definition of “Demand” is used throughout the electric service schedules, the
539 proposed language changes are necessary and are required for consistency.

540

541 **Q. Are there any other proposed changes to Rider RDC?**

542 A. There are no other language changes proposed by the Companies. However,
543 there is one error in 2nd Revised Sheet No. 38.001 which needs to be addressed
544 and corrected.

545

546 **Q. Please explain.**

547 A. Referring to 2nd Revised Sheet No. 38.001, under subsection CONTRIBUTION
548 AND RATES FOR ELECTRIC DISTRIBUTION RESERVE SERVICE, the
549 following corrections should be made:

550

551 • Distribution Delivery Charge multiplied by the Customer's monthly bBilling
552 dDemand in kW.

553

554 **Q. Why is the proposed correction necessary?**

555 A. Referring to the Companies' response to Staff DR PR 1.03, Mr. Jones states the
556 following:

557

558 "The AIUs observe that the term "Billing Demand" as used in proposed Rider
559 RDC should not be capitalized since that term is not defined in proposed
560 Customer Terms and Conditions."
561

562 Therefore, it appears the Companies overlooked the capitalized portion to which I
563 am proposing a correction. Based upon Mr. Jones's response to Staff DR 1.03,
564 the proposed correction is appropriate.

565

566 **Q. Do you recommend approval of the proposed language changes for Rider
567 RDC?**

568 A. Yes, I recommend approval of the language changes as proposed by the
569 Companies along with my recommended corrections.

570

571 **Rider QF – Qualifying Facilities**

572

573 **Q. Please describe the purpose of Rider QF.**

574 A. Rider QF is divided into two parts - Qualifying Facility ("QF") and Qualifying Solid
575 Waste Energy Facility ("QSWEF"), respectively. In the context of my testimony, I
576 refer only to the first part, which applies to customers that have generating
577 facilities installed that are eligible as a Qualifying Facility ("QF"). Such customers
578 must receive service from the Companies under Rate DS-1, DS-2, DS-3 or DS-4.

579

580 **Q. What is a "Qualifying Facility"?**

581 A. According to 83 Ill. Admin. Code Section 430.30:

582

583 "Qualifying facility" means a cogeneration facility or a small power production
584 facility which meets the criteria for qualifications set forth in Subpart B of 18 CFR
585 292."

586

587 **Q. Do the Companies propose any language changes to Rider QF?**

588 A. In 3rd Revised Sheet No. 50.002, the Companies propose to delete the word
589 "that" in the first paragraph and the complete removal of the second paragraph.

590

591 **Q. Why is it appropriate to remove the second paragraph?**

592 A. Referring to 3nd Revised Sheet No. 50.002, RIDER QF – QUALIFYING
593 FACILITIES, the following paragraph is removed:

594

595 ~~“When a Customer’s sale of output from its QF does not permit the Company to~~
596 ~~avoid costs, the Company may refuse delivery of such output from an electric~~
597 ~~generating facility with generating capability of 1,000 kW or more. When this~~
598 ~~occurs, the Customer may be required to pay for costs incurred by the Company~~
599 ~~in notifying the Customer of such refusal or disconnecting such Customer’s~~
600 ~~electric generating facility from the Company’s system.”~~

601

602 The paragraph essentially states that when a customer’s sale of output from its
603 QF didn’t permit the Company to avoid costs associated with purchasing the
604 output, the Company may have refused delivery of such output.

605

606 The proposed modification to Rider QF eliminates the ability of the AIUs to refuse
607 to accept output from a qualifying facility when sale of output does not permit the
608 AIUS to avoid costs. (Ameren Exhibit 16.0E (Revised), lines 1033-1043)

609

610

611 **Q. Do you recommend approval of the proposed changes for Rider QF?**

612 A. Yes. I recommend adopting the proposed change as it removes outdated
613 language. In addition, I consider the removal of the paragraph as a positive
614 move, essentially removing a potential restriction on customers.

615

616 **Miscellaneous Fees and Charges**

617

618 **Q. Are there any changes that the Companies propose in the Miscellaneous**
619 **Fees and Charges section?**

620 A. Yes. In the 2nd Revised Sheet No. 35.001, under subsection SERVICE
621 RECONNECTION CHARGE, the Companies propose a minor sentence
622 modification as follows:

623 If the Customer's service is disconnected for a reason detailed in section 12.A.,
624 12.C. or 12.F. of the Customer Terms and Conditions tariff, the Customer shall
625 pay the applicable following charges indicated below for the reconnection of
626 electric service:
627

628 **Q. Do you recommend approval of the proposed changes?**

629 A. Yes, I do. The Company's proposed changes add clarity and helpful directional
630 information.

631

632 **Q. Does this conclude your prepared direct testimony?**

633 A. Yes, it does.

ENERGY DELIVERY - AIU OPERATIONS
ELECTRIC AND GAS
EFFECTIVE JULY 1, 2008

	AIU			AIU		
	<u>ELECTRIC</u>			<u>GAS</u>		
	<u>Overall Avg</u>	<u>Percent</u>	<u>Meter Tech</u>	<u>Overall Avg</u>	<u>Percent</u>	<u>Meter Tech</u>
Line Productive Time 1/	\$35.31		\$33.69	\$30.60		\$32.60
Line Non-Productive Time:						
Time Lost Due to Weather	\$0.40	1.1%	\$ 0.38	\$0.55	1.8%	\$ 0.59
Time Spent in Meetings	\$0.51	1.4%	\$ 0.48	\$0.43	1.4%	\$ 0.46
Sick Leave	\$2.57	7.3%	\$ 2.45	\$2.58	8.4%	\$ 2.75
Vacations	\$3.67	10.4%	\$ 3.51	\$3.46	11.3%	\$ 3.69
Holidays	\$2.46	7.0%	\$ 2.35	\$2.10	6.9%	\$ 2.24
Breaks	\$1.15	3.3%	\$ 1.10	\$0.72	2.4%	\$ 0.77
DOT/CDL Requirements	\$1.94	5.5%	\$ 1.85	\$1.50	4.9%	\$ 1.60
Other Paid Time Off	\$1.72	4.9%	\$ 1.64	\$0.72	2.3%	\$ 0.77
Driving Time	\$0.00	0.0%	\$ -	\$0.00	0.0%	\$ -
Delay - Load, Service	\$0.00	0.0%	\$ -	\$0.00	0.0%	\$ -
- DOT Inspection	\$0.00	0.0%	\$ -	\$0.00	0.0%	\$ -
- Refueling and Service	\$0.00	0.0%	\$ -	\$0.00	0.0%	\$ -
- Other	\$13.11	37.1%	\$ 12.51	\$7.37	24.1%	\$ 7.85
Apprentice Training	\$1.16	3.3%	\$ 1.10	\$1.58	5.1%	\$ 1.68
Total Non-Productive	\$28.69		\$ 27.37	\$21.01		\$ 22.39
Total Line Wages	\$64.00		\$ 61.06	\$51.60		\$ 54.99
ESS/CSA's	\$17.80	28%	\$ 16.98	\$16.26	32%	\$ 17.33
Supervision & Engineering	\$18.45	29%	\$ 17.60	\$13.21	26%	\$ 14.08
Total Wages	\$100.24		\$ 95.64	\$81.08		\$ 86.40
Pensions and SS, Emp Ben, Injuries/Damages - Line	\$43.52	43%	\$ 41.52	\$35.09	43%	\$ 37.39
Pensions and SS, Emp Ben, Injuries/Damages - ESS/CSA's	\$12.10	12%	\$ 11.55	\$11.06	14%	\$ 11.78
Pensions and SS, Emp Ben, Injuries/Damages - Supv & Eng.	\$12.54	13%	\$ 11.97	\$8.99	11%	\$ 9.57
Transportation and Power Tools	\$30.81	31%	\$ 29.40	\$20.05	25%	\$ 21.37
Hand Tools & Supplies	\$4.90	5%	\$ 4.68	\$5.10	6%	\$ 5.43
TOTAL RATE	\$204.12		\$ 194.76	\$161.36		\$ 171.94

1/ Overall average wage rate is for all electric or gas line workers, respectively. Meter tech wage rate is hourly rate for AmerenCIPS meter technician.

Response to ICC Staff Data Requests ICC Docket Numbers 2009 AIU Rate Cases

General increase of electric and gas delivery service rates

Date: 8/19/2009

PR 3.01

In response to Data Request GER 1.16 (e), Ameren included an Excel attachment - GER 1.16 attach. Referring to this attachment (GER 1.16 attach), please show how the percentages in column G and J were determined.

RESPONSE:

Prepared By: Leonard M. Jones (first paragraph)

Title: Manager – Rates & Analysis

Phone Number: (314) 206-1878

Prepared By: Michael J. Getz (remainder of response)

Title: Controller – Ameren Illinois Utilities

Phone Number: (309) 677-5111

The “productive wage rate” calculation for meter technicians was derived from a productive wage rate calculation that examined the total average cost of all electric and gas line employees, respectively. The percentage values were developed by examining the cost per hour values for each item divided by the wage rate per hour, total line wages, or total wages, as applicable. PR 3_01 Attach provides the detailed calculation showing how the percentages were derived.

Each component of the productive wage rate was developed by examining actual historical labor records, adjusted for applicable wage rate escalations that may have occurred or will occur subsequent to the effective date of the productive wage rate calculation (e.g., contract labor escalation).

The underlying average cost per hour for each component of the productive wage rate was calculated as follows:

For line wages, a report detailing previous year actual productive and non-productive time is reviewed. The cost per hour of non-productive time was developed by dividing the labor cost of the respective non-productive time item by the number of total productive hours.

The “ESS/CSA” and “Supervision and Engineering” components of the rate are calculated by reviewing the actual cost of the portion of the ESS/CSA and Supervision and Engineering departments that are dedicated to the support of the Line Personnel. The dollar amount of the ESS/CSA and Supervision/Engineering departments is divided by the total productive hours of Line personnel to determine an overall average cost/hour.

Total Line wages is then added to ESS/CSA and Supervision/Engineering wages to determine the Total wages.

The “Pension and SS, Injuries/Damages” components are calculated by using the actual current year loading percentage. The loading percentage is taken from the 2008, or current year 2nd quarter report.

The “Transportation and Power Tool” component of the rate is calculated by taking previous year actual expenditure associated with the related line personnel departments and dividing the actual cost by the number of productive hours.

The “Hand Tool and Supplies” component is calculated by reviewing the previous year’s actual expenditure associated with the related line personnel departments and escalated by 2%. The escalated amount is divided by the number of productive hours.

AMR Illinois Expansion Schedule (Proposed Sequence)

