

STATE OF ILLINOIS
ILLINOIS COMMERCE COMMISSION

TRI-COUNTY ELECTRIC)
COOPERATIVE, INC.)
)
Complainant,)
)
v.)
)
ILLINOIS POWER COMPANY,)
d/b/a/ AMERENIP,)
)
Respondent.)

Case No. 05-0767

ILLINOIS
COMMERCE COMMISSION
2009 NOV -6 P 3:23 AM
CHIEF CLERK'S OFFICE

**PREPARED DIRECT TESTIMONY OF MICHAEL W. TATLOCK, P.E., CPQ,
ILLINOIS POWER COMPANY d/b/a AMERENIP, IN SUPPORT OF ILLINOIS POWER
COMPANY d/b/a AMERENIP**

- 1 Q: Please state your name.
- 2 A: Michael W. Tatlock.
- 3 Q: Are you employed?
- 4 A: Yes.
- 5 Q: By whom?
- 6 A: AmerenIP.
- 7 Q: What position do you hold at AmerenIP?
- 8 A: I am a supervisor in the distribution design department.
- 9 Q: How long have you worked at AmerenIP?
- 10 A: At the beginning of my employment, in 1985, the company was simply Illinois
- 11 Power Company, or "IP." Since the Ameren Corporation acquisition, in 2004, I refer to
- 12 the company as AmerenIP.
- 13 Q: Please briefly describe your educational background.

1 A: I earned a bachelor of science degree in electrical engineering from Rose-
2 Hulman Institute of Technology in 1985.

3 Q: Do you hold any licenses or certifications?

4 A: Yes. In 2000, I became a licensed professional engineer in the State of Illinois,
5 and received my certified power quality certification.

6 Q: What are your job responsibilities at AmerenIP?

7 A: I oversee the work of the field engineering representatives who work with our
8 customers on a daily basis. I provide them with technical support when needed. I also
9 ensure that we adhere to internal and external design specifications and that our
10 designs comply with national electric safety code. I am charged as well with providing
11 technical support to the operations department regarding electrical and gas systems
12 issues, and with ensuring that the company complies with applicable tariffs. Lastly, I
13 address issues related to the expansion of AmerenIP's distribution system for new and
14 existing customers.

15 Q: Where is your office located?

16 A: Mt. Vernon, Illinois. The territory I service encompasses greater Mt. Vernon and
17 Centralia, Illinois.

18 Q: How long have you serviced that territory?

19 A: Fourteen years.

20 Q: Are you familiar with the Citation Oil & Gas Corp. oil field in Salem, Illinois?

21 A: Yes. It is within the territory I service.

22 Q: Have you heard that facility referred to as the Salem Unit?

23 A: Yes. That's what it's called.

1 Q: Does AmerenIP provide electrical power to the Salem Unit?

2 A: Yes. AmerenIP provides electrical power to the Salem Unit via what's known as
3 the Texas Substation, located in Salem Township, 2N – Range 1E, Section 32, NW ¼.

4 Q: Are you familiar with the history of IP's and AmerenIP's provision of electrical
5 power to the Salem Unit?

6 A: Yes.

7 Q: What is the basis of your knowledge?

8 A: I have reviewed historical documents regarding the Texas Substation that were
9 kept and maintained by AmerenIP in the normal course of business. Copies of these
10 documents are attached to my testimony as Exhibit 1.1. I have also traveled to and
11 inspected the Texas Substation on several occasions – both before and after this
12 dispute arose.

13 Q: Please describe the history of IP and AmerenIP's provision of electrical power to
14 the Salem Unit.

15 A: IP constructed the Texas Substation in 1952, providing electrical power to
16 Texaco Inc., which owned the Salem Unit before Citation purchased it, pursuant to a
17 contract dated April 6, 1955. IP connected the Texas Substation to its distribution
18 system by means of a 69kV transmission line known as #6641, which was placed in
19 service on October 30, 1952, and line #6640, which was placed in service on October 1,
20 1956. See the documents attached to my testimony as Exhibit 1.2.

21 Texaco and IP entered into another service contract, dated January 12, 1965, to
22 provide Texaco with a total capacity of 9370 kilowatts of three-phase electric energy at
23 69,000 volts. This power was for the operation of the electrical equipment in the field.

1 IP added a transformer in May 1965. See the documents attached my testimony as
2 Exhibit 1.3. Essentially, IP delivered electrical power to the Texas Substation, at which
3 point Texaco distributed that power over a distribution system that it built and
4 maintained.

5 Texaco and IP renewed the electrical service contract on October 2, 1991.

6 Around December 1998, Texaco sold the Salem Unit to Citation. The sale included the
7 electrical energy distribution system that Texaco built and maintained. Citation and IP
8 renewed the electrical service contract, on December 14, 1999 and again on December
9 14, 2004. See the documents attached my testimony as Exhibit 1.3.

10 Q: Please describe the Texas Substation.

11 A: The Texas Substation presently consists of two transformer banks. Bank
12 number one consists of three single-phase 4.167 MVA units, for a total of 12.5 MVA,
13 while bank number two consists of one three-phase 14 MVA unit. These transformers
14 step down the voltage from line #6640 to 12.47 kV.

15 Q: Since 1965, has IP or now AmerenIP added any phases to the Texas
16 Substation?

17 A: No. Based on my review of documents maintained in the ordinary course of
18 business, and on my own inspection of the Texas Substation, since 1965 neither IP nor
19 AmerenIP has added any phases of electrical energy to the three-phase electrical
20 energy that it supplied to Texaco and now supplies to Citation via the Texas Substation.

21 Q: During the time that Texaco owned the Salem Unit, did IP provide power to the
22 Salem Unit other than via the Texas Substation?

23 A: No.

1 Q: Since Citation has owned the Salem Unit, has IP or now AmerenIP provided
2 power to the Salem Unit other than via the Texas Substation?

3 A: No.

4 Q: How is the electrical energy that is supplied to Citation via the Texas Substation
5 distributed to Citation's field operations?

6 A: Texaco developed, constructed, and installed its own distribution system to serve
7 the Salem Unit. IP was not involved in developing, constructing, or installing that
8 distribution system. Citation is now responsible for maintaining that distribution system.

9 Q: Are you familiar with the dispute between Tri-County and AmerenIP concerning
10 the supply of electrical power to the gas processing plant that Citation constructed at the
11 Salem Unit?

12 A: Yes.

13 Q: What is your understanding of the nature of the dispute?

14 A: IP and Tri-County entered into a service area agreement, dated March 18, 1968,
15 which the Illinois Commerce Commission approved by an order entered July 3, 1968.
16 The service area agreement defines and delineates areas in Marion County, Illinois,
17 within which AmerenIP or Tri-County may supply electrical energy to customers. A
18 copy of the service area agreement is attached to my testimony as Exhibit 1.4.

19 Around March 2005, Citation notified both AmerenIP and Tri-County that it
20 intended to build a gas gathering and natural gas liquids processing plant at the Salem
21 Unit. The dispute relates to whether AmerenIP or Tri-County has the right under the
22 service area agreement to supply electrical power to the gas plant.

23 Q: What discussions, if any, did you have with Citation personnel about this issue?

1 A: Citation personnel consulted with me about whether AmerenIP could provide
2 power to the gas plant.

3 Q: What did you tell them?

4 A: I incorrectly stated that AmerenIP could not provide power to the gas plant and
5 that Tri-County could provide such power.

6 Q: Do you recall the specifics of any communications you had with Citation in which
7 you said that Tri-County, not AmerenIP, had the right to supply electrical energy to the
8 gas plant?

9 A: No, although I have reviewed various e-mails produced in this litigation that
10 suggest I spoke with Clyde Finch and Jeff Lewis, both of Citation.

11 Q: Do you recall the specifics of any communications you had with Tri-County in
12 which you said that Tri-County, not AmerenIP, had the right to supply electrical energy
13 to the gas plant?

14 A: No, although, again, I have reviewed various e-mails produced in this litigation
15 that suggest I spoke with Marcia Scott and others representing Tri-County.

16 Q: Why do you say your statement that AmerenIP could not supply electrical power
17 to the gas plant was incorrect?

18 A: Initially, based on what I understood from Citation, I believed the issue to be
19 straightforward. The gas plant was to be built within Tri-County's service area, as
20 defined in the service area agreement, and Citation was talking about applying for a
21 new point of delivery to service the gas plant, so, based on that, it appeared that it was
22 Tri-County's customer, not AmerenIP's. Gradually, however, it became clear to me that
23 the issue was not as straightforward as it had first seemed. Therefore, in April 2005 or

1 so, I referred the issue to Todd Masten, who's in our regulatory department. I have
2 initial responsibility for addressing issues related to service area agreements, but I refer
3 complex issues to Todd and his group. This was a complex issue.

4 Q: In this instance, who was ultimately responsible for making a final determination
5 based on the service area agreement and articulating that final determination to
6 everyone concerned?

7 A: Todd Masten.

8 Q: What was AmerenIP's final position regarding whether it or Tri-County had the
9 right to supply electrical energy to the gas plant?

10 A: AmerenIP's position was that because electrical service to the gas processing
11 plant is taken from an extension of Citation's own existing primary distribution system,
12 and because AmerenIP will have to take no action to supply this power, the provision of
13 electrical power to the gas processing plant represents a continuation of the service to
14 the Salem Unit that AmerenIP has always provided through a preexisting point of
15 delivery.

16 Q: Did AmerenIP construct any new lines or other infrastructure to provide electrical
17 energy to the gas plant?

18 A: No.

19 Q: Does AmerenIP send Citation a separate bill for the electrical energy it supplies
20 to the gas plant?

21 A: No. All of the electrical power that AmerenIP supplies to the gas plant is
22 reflected on one bill.

1 Q: Did Tri-County take any action, based on any communications you had with them
2 on this subject, to supply electrical power to the gas processing plant?

3 A: I am not aware of any.

Respectfully,

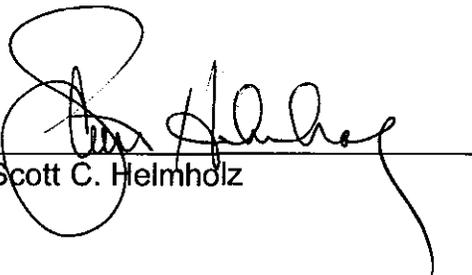
Michael W. Tatlock, P.E., CPQ

PROOF OF SERVICE

I, Scott C. Helmholz, hereby certify that today, November 6, 2009, I deposited in the United States mail at the post office in Springfield, Illinois, postage pre-paid, a copy of the PREPARED DIRECT TESTIMONY OF MICHAEL W. TATLOCK, P.E., CPQ, ILLINOIS POWER COMPANY d/b/a AMERENIP, IN SUPPORT OF ILLINOIS POWER COMPANY d/b/a AMERENIP addressed to the following:

Mr. Larry Jones
Administrative Law Judge
Illinois Commerce Commission
527 East Capitol Avenue
Springfield, IL 62701
ljones@icc.illinois.gov

Mr. Jerry Tice
Grossboll Becker Tice Tippey & Barr
101 East Douglas Street
Petersburg, IL 62675
ticej@ticetippeybarr.com


Scott C. Helmholz