

STATE OF ILLINOIS  
ILLINOIS COMMERCE COMMISSION

AMEREN ILLINOIS COMPANY  
dba AMEREN ILLINOIS : 11-0279 and 11-0282 (Consolidated)

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**DIRECT TESTIMONY OF JEFFREY D. ADKISSON  
ON BEHALF OF  
THE GRAIN AND FEED ASSOCIATION OF ILLINOIS**

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GFAI EXHIBIT 1.0E

**June 29, 2011**

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

2 **A.** My name is Jeffrey D. Adkisson and my business address is 3521 Hollis Drive, Springfield,  
3 Illinois 62711.

4 **Q. Are you the same Jeffrey D. Adkisson who previously testified in the Ameren Illinois**  
5 **Companies (“Ameren” or “AIC”) rate cases?**

6 **A.** Yes I am.

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

8 **A.** I am Executive Vice President and Treasurer of the Grain & Feed Association of Illinois  
9 (GFAI or GFA).

10 **Q. Please describe your educational background.**

11 **A.** My academic background includes a B.S. in Agricultural Education from Western Illinois  
12 University. I have also attended a variety of continuing education programs throughout  
13 my career. In 1999, I was accredited as a Certified Association Executive.

14 **Q. Please describe your professional experience.**

15 **A.** I have been employed by GFAI since July of 1987, starting in the position of Coordinator  
16 of Member Services and advancing to my current position of Executive Vice President and  
17 Treasurer. I have represented the grain and feed industry in various legislative hearings  
18 and in Ameren’s previous electric rate cases.

19 **Q. On whose behalf are you testifying?**

20 **A.** My testimony is prepared for and on behalf of the members of GFAI in the Ameren  
21 territories. GFAI members operate grain elevators, grain dryers, and feed dealerships

22 throughout the state of Illinois, representing over 90% of the commercial grain storage  
23 space in Illinois.

24 **Q. What is the purpose of your testimony?**

25 **A.** My testimony will: (a) support a limitation of bill impacts on DS-3 and DS-4 seasonal  
26 customers by continuance of the Rate Limiter at this time; and (b) point out that the AIC's  
27 circuit study is flawed, incomplete, supports a conclusion opposite of that taken by AIC,  
28 and does not provide a basis for denying seasonally differentiated DS-3 and DS-4 demand  
29 rates while offering seasonal DS-1 and DS-2 rates to customers served from the same  
30 feeders and substations.

31 **Q. Do the proposed DS-3 and DS-4 rates filed by AIC retain a Rate Limiter?**

32 **A.** Yes. AIC proposes to retain the Rate Limiters, but with another step toward eliminating  
33 the DS-3 and DS-4 Rate Limiters by setting higher limits and thus subjecting seasonal  
34 customers to higher than average increases in this case.

35 **Q. Is there a need to retain the DS-3 and DS-4 Rate Limiters at this time?**

36 **A.** Yes. With back-to-back-to-back rate increases, grain dryers and other seasonal-use  
37 customers like electric heat customers, have received disproportionately higher rates than  
38 the overall average rate increases and have not had sufficient time between rate increases  
39 to adjust to disproportionately higher rates.

40

41 **Q. Does the Circuit Study presented by AIC as Exhibit 13.6E support AIC’s conclusion**  
42 **in the final sentence (at p. 4) that the study shows the sampled customers did not**  
43 **provide a revenue contribution which corresponded to their cost responsibility?**

44 **A.** No. AIC’s circuit study never attempted to determine cost responsibility on a seasonal  
45 basis for DS-3 and DS-4 classes or subclasses. See GFA Exhibit 1.01E, which is AIC’s  
46 response to data request GFA 2.12. AIC’s circuit study only looked at a sample of  
47 circuits in a flawed manner and then assumed the current non-seasonal cost allocation for  
48 DS-3 and DS-4 rates in reaching its flawed conclusion that seasonal customers did not  
49 provide a revenue contribution which corresponded to their cost responsibility.

50 **Q. In the last rate case, did the Commission order AIC to allocate demand costs, such**  
51 **as distribution substations and primary voltage feeder lines, to each rate class on a**  
52 **class contribution to the annual system coincident peak?**

53 **A.** Yes. In the last rate case, 09-0306 et al.(Cons.), the Commission stated that its goal is to  
54 allocate costs to those customers who cause the costs and ordered AIC to allocate  
55 distribution line and substation costs to customers classes based on each class contribution  
56 to system annual coincident peak. In that last case, the Commission’s order went on to  
57 state:

58 “When constructing or expanding primary lines and substations, a utility considers  
59 what load those customers to be served by the facilities will impose on the facilities. In  
60 most situations, the facilities will serve customers from more than one customer class.  
61 The peak of each individual class to be served by the facilities is irrelevant. What is  
62 relevant is the combined or coincident peak of all of those served by the facilities,

63                   regardless of which class each customer is in. The utility therefore sizes and constructs  
64                   primary lines and substations to accommodate the anticipated coincident peak.”

65   **Q.   Does AIC’s circuit study, Exhibit 13.6E, use an approach that is consistent with the**  
66   **Commission ordered annual system peak allocation of distribution and substation**  
67   **costs to DS-3 and DS-4 rates?**

68   **A.**   No. The AIC study never looks at annual system peak for the distribution and substation  
69       system. Instead, AIC’s circuit study looks at monthly peaks on a selection of fifteen  
70       individual circuits.

71   **Q.   Does AIC’s Exhibit 13.6E contain data which will allow the Commission to make a**  
72   **decision with regard to seasonally differentiated DS-3 and DS-4 rates?**

73   **A.**   No. The AIC study from Exhibit 13.6 is flawed and incomplete with regard to allowing  
74       the Commission to make a decision regarding seasonally differentiated DS-3 and DS-4  
75       rates.

76   **Q.   In what way is AIC Exhibit 13.6E incomplete with regard to the Commission being**  
77   **able to make a decision with regard to seasonally differentiated DS-3 and DS-4**  
78   **demand rates that are designed to recover distribution line and substation costs?**

79   **A.**   AIC Exhibit 13.6E is incomplete in these ways:  
80       (1) AIC’s circuit study never attempted to determine cost responsibility on a seasonal  
81       basis for DS-3 and DS-4 classes or subclasses. See Exhibit 1.01E, which is AIC’s  
82       response to data request GFA 2.12. AIC’s circuit study only looked at a sample of  
83       circuits in a flawed manner and then assumed the current non-seasonal cost allocation for

84 DS-3 and DS-4 rate in reaching its flawed conclusion that seasonal customers did not  
85 provide a revenue contribution which corresponded to their cost responsibility.

86 (2) It is void of analysis of substation costs. See GFA Exhibit 1.02E, AIC's response to  
87 Data Request GFA 2.06.

88 (3) It only looks at monthly peaks on only fifteen distribution feeders and does not look at  
89 the total distribution and substation system costs that are allocated to each class on a  
90 system wide annual coincident peak basis. See AIC Exhibit 13.6 E.

91 (4) The sample of fifteen feeders does not have a selected seasonal customer on each of  
92 the fifteen feeders. See AIC Exhibit 13.6E.

93 (5) It does not calculate DS-3 and DS-4 demand rates to recover the revenue  
94 requirements associated with the respective class allocations of system distribution and  
95 substation costs. See AIC Exhibit 13.6E.

96 (6) Some circuits contained more than one seasonal customer, but the data only listed  
97 total feeder loads with and without a single selected seasonal customer and not with and  
98 without all seasonal customer loads on the circuit. See AIC Exhibit 13.6E, Page 2,  
99 Paragraph one, eighth sentence.

100 (7) The circuit study does not look at the substation coincident peak of all feeders served  
101 from the substation. It only looks at individual feeders. See GFA Exhibit 1.02E, AIC's  
102 response to Data Request GFA 2.06 and AIC Exhibit 13.6E.

103 (8) Only peak load data of the selected fifteen sampled feeders were analyzed when at  
104 least eleven of the substations also served additional feeders which contribute to the peak  
105 loads on the substation transformer(s) and for which costs are recovered in the DS-3 and

106 DS-4 demand rates. See GFA Exhibits 1.03E and 1.04E, AIC's responses to Data  
107 Requests GFA 2.07 and GFA 2.08, respectively.

108 (9) Some substation transformers serving sampled feeders contain more than one  
109 transformer with the ability to switch circuits between transformers, but no data was  
110 analyzed for any of the substation transformers and load data was not analyzed for the  
111 non-sampled circuits served from the same substation. See GFA Exhibit 1.04E, AIC's  
112 response to Data Request GFA 2.08.

113  
114 (10) No substation load data examined in the AIC circuit study, Ameren Exhibit 13.6E ,  
115 and when requested by GFA, the available substation load data was incomplete. Only  
116 substation transformer peaks serving nine of the fifteen sampled feeders was available and  
117 some feeders are not metered. See GFA Exhibit 1.04E, AIC's response to Data Request  
118 GFA 2.08 and AIC Exhibit 13.6E.

119 (11) The study did not adjust load data for changes in feeder loads due to circuit switching  
120 for service restoration or maintenance reasons. See GFA Exhibit 1.05E, AIC's response  
121 to Data Request GFA 2.11.

122 (12) The annual peak load data on selected single feeder lines had mixed results with only  
123 five of the fifteen circuits exhibiting a shift in peak load from fall to summer when the  
124 single selected seasonal customer load was removed. See Page 2 of AIC Exhibit 13.6E.

125 (13) Of those five circuits that exhibited a shift of annual peak to a summer period without  
126 the one selected seasonal customer load, the study did not address that a distribution  
127 substation and feeder system's thermal loading capacity is less during summer ambient

128 conditions. That is, a feeder has to be designed and built at a higher level of capacity to  
129 carry the same load during the summer months than it would to carry the same load during  
130 non-summer months. See AIC Exhibit 13.6E.

131 **Q. Does this conclude your direct testimony?**

132 **A.** Yes it does.