

Response to IIEC's
Second Set of Data Requests to Staff
IIEC-Staff 2.01 – 2.15
Docket Nos. 11-0279 and 11-0282
Response of Staff Witness Peter Lazare
Response Date: 9/6/2011

OFFICIAL FILE

ICC Person Responsible: Peter Lazare
Title: Senior Rate Analyst
Business Address: Illinois Commerce Commission
527 East Capitol Avenue
Springfield, IL 62701
Phone Number: 217-785-5414

ILL. C. C. DOCKET NO. 11-0279-11-0282
IIEC Cross Exhibit No. 4
Witness Lazare
Date 9-15-11 Reporter CB

IIEC-Staff 2.01. At page 23 of his rebuttal testimony, Staff witness Lazare states:

The reliability and safety concerns pertain to the electricity that flows through the system. The potential safety and reliability concerns posed by that commodity require those additional investments to be made. Thus, the argument could be made that these safety and reliability concerns support the allocation of a share of distribution plant on a per-kWh basis. (Lines 536-540)

- a. Do the "reliability and safety concerns" stated by Mr. Lazare refer to the requirements of the National Electrical Safety Code (NESC)? If not, please explain the reliability and safety concerns referenced.
- b. Please identify the specific characteristics of a single kWh of electricity that poses reliability concerns.
- c. Please identify the specific characteristics of a single kWh of electricity that cause investment to be made in the distribution system and please describe the specific investment that must be made based on those characteristics.
- d. Has Mr. Lazare taken the position in this case that distribution system costs that are incurred to comply with the safety and reliability requirements of the NESC should be allocated on a per-kWh basis?
 - i. If so, please provide copies of all studies, analyses and/or documents that Mr. Lazare relies upon to support this position.

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- ii. If so, is Mr. Lazare aware of any instance, in any rate case, in any jurisdiction, where the costs incurred to comply with the safety and reliability requirements of the NESC have been allocated to customer classes on the basis of energy? If the answer is yes, please provide a copy of the relevant commission order or orders in the cases considered.

Response:

- a. Yes.
- b. An individual receives a shock from direct exposure to electricity.
- c. The system needs to be erected in such a way as to prevent customers from being directly exposed to electricity.
- d. No.

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IIEC-Staff 2.02. At page 24 of his rebuttal testimony, Staff witness Lazare states:

If development were to take place on property adjacent to an existing line, there would be no need to extend the distribution system to serve the new customer or customers. That customer could be a new house on a vacant lot in a subdivision or a business built on farmland that abuts an existing distribution line. In either case the new customer can be served without having to extend the system as Mr. Stowe suggests. (Lines 550-554)

Please answer the following questions with regard to these statements by Mr. Lazare:

- a. Is it Mr. Lazare's position that the existing utility distribution systems were not built through a series of line extensions into new areas? If so, please explain the basis for this position, and identify all technical support for such a position known to Mr. Lazare.
- b. Did Mr. Lazare confer with any Engineer(s) for confirmation and support of this portion of his testimony?
 - i. If yes, please identify the Engineer(s) with whom Mr. Lazare conferred.
 - ii. If the Engineer(s) with whom Mr. Lazare conferred are professionally certified, please indicate the professional certification(s) of the Engineer(s). For example, P.E. Electrical, P.E. Civil, etc.

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- c. Please provide a copy of all supporting analyses, studies and/or documents that Mr. Lazare reviewed and/or relied upon in making the referenced statements.

Response:

- a. No.
- b. No.
- c. Mr. Lazare based his response on his experience in the regulatory field.

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IIEC-Staff 2.03. In the hypothetical situations described by Mr. Lazare at page 24, lines 550-554 of his rebuttal testimony, how would the electricity be delivered from the "existing distribution line" to the new house or business, without additional components such as transformers, transformer platforms, primary tap wires, ground wires, wire connectors and/or couplings, insulators, etc.?

- a. If the additional components such as those described above are necessary to extend service to these customers, would Mr. Lazare regard those components to be a part of some "system" other than the distribution system? If so, please explain.
- b. If distribution system components such as those described are not necessary to extend the distribution system to serve customers, does Mr. Lazare believe that costs related to such components would be prudently incurred by a utility?

Response:

Mr. Lazare agrees that there would be additional distribution costs to serve those customers.

- a. Mr. Lazare would regard those costs as part of the distribution system.
- b. Mr. Lazare believes that prudence is an issue for distribution investments if the expenditures are unnecessary.

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IIEC-Staff 2.04. In the hypothetical situation described by Mr. Lazare at page 24, lines 550-554 of his rebuttal testimony, what NESC standards would apply to the facilities (if any) that are installed to extend service to the house or business?

Response:

Mr. Lazare assumes that the same NESC standards that apply to the rest of the distribution system would apply to those facilities.

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IIEC-Staff 2.05. In the hypothetical situation described by Mr. Lazare at page 24, lines 550-554 of his rebuttal testimony, practically, how can a utility comply with these NESC strength and clearance requirements without incurring additional distribution system costs?

Response:

Mr. Lazare agrees that these NESC strength and clearance requirements could cause the utility to incur additional distribution system costs.

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IIEC-Staff 2.06. In the hypothetical situation described by Mr. Lazare at page 24, lines 550-554 of his rebuttal testimony, please explain how and why Mr. Lazare believes the "existing distribution line" came into existence.

Response:

Mr. Lazare understands that distribution lines are constructed to connect customers to the source or sources of electric power.

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IIEC-Staff 2.08. Does Mr. Lazare personally know whether any situations like those he describes at page 24, lines 550-554 of his rebuttal testimony actually exist on Ameren Illinois' system? If so, please provide examples of actual situations that exist on Ameren Illinois' system. Please include one example of each variation (i.e., one example of a house installed on a vacant lot, one example of a house installed in a subdivision, and one example of a business installed on farmland abutting an existing line.)

Response:

No.

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IIEC-Staff 2.012. At pages 29 and 30 of his rebuttal testimony, Staff witness Lazare states:

It is certainly true that the Company may not always have the flexibility to install single-phase service and as a result, installs three-phase service instead. However, these three-phase lines are not the issue in this case. The issue arises when the Company does have the flexibility to install single-phase lines. In that case . . . the characteristics of three phase customers limit that flexibility (Lines 688-693).

Please answer the following questions with regard to these statements by Mr. Lazare.

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- a. Is Mr. Lazare aware of actual situations in Ameren Illinois' service territory, where Ameren Illinois had the flexibility to install single-phase service, but installed three-phase service instead? If the answer is yes, please provide the number of such situations known to Mr. Lazare and the details of three actual situations involving the installation of separate three-phase circuits, where single-phase circuits would have sufficed. Please explain how and when Mr. Lazare became aware of these actual situations.
- b. Does Mr. Lazare agree that any additional costs that are incurred "when the Company does have the flexibility to install single-phase lines," but chooses instead to install a three-phase circuit would be identified in Ameren Illinois' ECOS study as costs associated with three-phase circuits? If not, why not?
- c. Does Mr. Lazare agree that the presence of three-phase secondary customers on the Ameren Illinois system may limit the Company's flexibility to install single-phase circuits? If not, why not?

Response:

- a. No.
- b. Yes.
- c. Yes.

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IIEC-Staff 2.013. Does Mr. Lazare agree that Ameren Illinois differentiates the costs of its distribution system by voltage level? If not, why not?

Response:

Yes.

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IIEC-Staff 2.015. Does Mr. Lazare believe it is proper to allocate costs related to the secondary voltage distribution system to only secondary voltage customers? If not, why not?

Response:

Yes.